Division(s): n/a

ITEM 9

PENSION FUND COMMITTEE – 6 JUNE 2025

RISK REGISTER

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the latest risk register and accept that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, are appropriate**.

Introduction

2. The risk register sets out the current risk scores in terms of impact and likelihood, and a target level of risk and a mitigation action plan to address those risks that are currently not at their target score. The risk register can be found at **APPENDIX 1**. This report sets out any progress on the mitigation actions agreed for those risks not yet at target and identifies any changes to the risks which have arisen since the register was last reviewed.

Comments from the Pension Board

3. The Local Pension Board did review and consider the risk register at its last meeting on the 25 April 2025. The Board requested that 'Risk 18: Failure to Meet Government Requirements on Pooling' be raised to a red rating. The risk has been assessed through consultation with fund officers and the Independent Investment Adviser, and it has been increased to an amber rating. The full details and explanation regarding this risk assessment can be found at section 5 of this report.

Latest Position on Existing Risks/New Risks

New Emerging Risks

4. Having carried out a holistic review of all the current risks – it was determined that there are no new known emerging risks to assess and mitigate. However, similar to last quarter, fund officers recognise that there are still various central government initiatives which have been launched or are currently on-going.

These may potentially result in emerging risks that the fund has to consider. These initiatives include:

i) The 'LGPS: Fit for the Future' consultation
ii) Local Government devolution and reorganisation
iii) New Fair Deal

The fund is closely monitoring each of these initiatives to ensure that any potential risks to the fund are quickly identified, such that mitigating actions can be agreed and actioned swiftly. Any such risks would be presented to Committee/Board on the risk register.

Increasing Risk

5. 'Risk 18: Failure to Meet Government Requirements on Pooling' – has increased from a green rating to an amber rating. Further to the recent 'Fit for the Future' Consultation, central government have now advised funds that are part of the Brunel pool to find another pool to move to. A letter to Administering Authorities dated the 9th April 2025, concluded that Brunel's proposal does not meet the Government's vision for the future of the LGPS. As such, this would naturally increase the risk rating. The risk was assessed based on potential impact and likelihood and it was assessed as being an amber score 10.

Reducing Risk

6. None of the risks on the risk register were deemed as decreasing in their respective risk rating.

Risks removed from the Risk Register

7. None of the risks were removed from the Risk Register.

Same Risk Rating

8. Risk 12 – 'Insufficient resources from Committee to deliver responsibilities' – has remained at an amber rating. Increasing workload is more than likely as a result of the OCC Transformation project which is underway. This is likely to increase the numbers of pension estimates that are requested. Additionally, the requirements for the national Pensions Dashboard and McCloud are likely to increase workloads for fund officers.

9. Risk 14 – 'Insufficient Skills and Knowledge amongst Board Members' – this has remained at an amber rating. The Board results from the National Knowledge Assessment 2024, warrants the risk remaining at an amber rating. The training plan for 2025/26 will seek to address the training requirements for the Board.

10. Risk 15 – 'Insufficient Skills and Knowledge amongst officers' – the team continues to experience challenges in recruiting to lower-level management posts. As such, this risk has been assessed as remaining at an amber rating.

11. Risk 21 – 'Insufficient Resource and/or Data to comply with consequences of McCloud Judgement & Sergeant' – work on the project continues in earnest, and there has been some good progress. There is a plan in place to ensure that all aspects of this project are completed effectively and in a timely manner. As such, this risk has been assessed as remaining at an amber rating at present.

12. Risk 24 – 'Impact of a potential turnover of Pension Fund Committee members as a result of the election' – the elections took place in May 2025 and there are a significant number of new members on the committee. A training plan is in place to mitigate any potential risks, however it remains at an amber rating.

13. All other risks have been assessed as remaining the same as last quarter and are at the target risk rating.

14. Finally, it is worth pointing out that 'Risk 4 – Under performance of asset managers or asset classes', is currently assessed as green and on target. However, with the new central government position with regards to Brunel, it is becoming clear that recruitment and retention of staff is becoming difficult for Brunel. This has not immediately resulted in any direct impact on this specific risk and hence it is still a green and on target. However, this is a recognition that this risk is being closely monitored.

15. The Pension Fund Committee are asked to note the Risk Register.

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