

ITEM 9

PENSION FUND COMMITTEE – 5 SEPTEMBER 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 4 July 2025, however there were no comments for consideration.

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 19 – ‘Failure of Pooled Vehicle to meet local objectives’ – has increased from a green rating to a red rating. Changes requested for strategic asset allocations are implemented gradually. As such, the asset allocation amendment agreed by the committee for ‘UK Equity’ have not been implemented yet. With pooling reform currently on-going, the change to the required asset allocation will need to be implemented by the fund’s new pool.

Reducing Risk

6. Risk 12 – ‘Insufficient resources from Committee to deliver responsibilities’ – has been reduced from an amber rating to a green rating. The committee has supported the fund with additional resources as and when necessary, particularly with projects such as McCloud. Hence, it has been decided to reduce the risk rating for this particular risk.

Risks removed from the Risk Register

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

Same Risk Rating

8. 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 necessary training requirements for the Board.
9. 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 score of 6.
10. Risk 18 – ‘Failure to Meet Government Requirements on Pooling’ – further to the outcome of the ‘Fit for the Future’ Consultation, central government have mandated pooling reforms. The fund is working towards meeting the requirements with regards to pooling, however the risk still requires oversight to ensure that the government requirements are met. The risk was assessed as remaining at an amber score of 10.

11. Risk 21 – ‘Insufficient Resource and/or Data to comply with consequences of McCloud Judgement & Sergeant’ – most of the cases have been updated to meet the statutory requirements. Regulatory discretions have been applied for the remaining cases. An extension till August 2026 would apply to these cases. 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 still 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.

Lorna Baxter
Executive Director of Resources & Section 151 Officer

Contact Officer: Mukhtar Master, Governance and Communications Manager
Tel: 07732 826419

September 2025