

PENSION FUND COMMITTEE

12 DECEMBER 2025

RISK REGISTER

Report by the Executive Director of Resources and Section 151 Officer

RECOMMENDATION

1. The Pension Fund 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.

Executive Summary

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 17 October 2025. The Board requested a 'review of Risk 20 in the risk register report to reflect the potential impact of local government reorganisation on the Fund's liability profile, including possible employer exits.'

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:

- (a) The 'LGPS: Fit for the Future' consultation
- (b) Local Government devolution and reorganisation
- (c) 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 4 – 'Under performance of asset managers or asset classes'. The Brunel pool continues to face difficulties with regards to staff recruitment and retention. Additionally, work is on-going for the smooth transition to the new pool. Based on these transitional factors it was deemed to be prudent to increase the risk assessment rating for Risk 4 from a green to an amber.
- 6. Risk 20 – 'Significant change in liability profile or cash flow as a consequence of structural changes.' The Local Pension Board at its last meeting in October had indicated that the local government reorganisation could detrimentally affect the funds liability profile. With this in mind this risk has been re-assessed as a higher risk rating from a green to an amber.

Reducing Risk

- 7. 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. Oxfordshire Pension Fund is transitioning from the Brunel Pool to the Central Pool. A memorandum understanding agreement has been signed by the 14 Administering Authorities which are now part of the LGPS Central pool. Central government is supportive of the direction of travel as indicated by the Ministry of Housing, Communities & Local Government (MHCLG). As such this risk has now been assessed as green rating as opposed to its previous amber rating.

Risks removed from the Risk Register

- 8. None of the risks were removed from the Risk Register.

Same Risk Rating

- 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 necessary 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. It is worth pointing out that the recruitment and retention of staff within the fund remains extremely challenging. The loss of experienced staff members,

together with the difficulties of recruitment, indirectly exacerbates the inherent risks. As such, this risk has been assessed as remaining at an amber score of 6.

11. Risk 19 – ‘Failure of Pooled Vehicle to meet local objectives’ - 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. There is not an existing portfolio at the new pool that meets the requirements the Committee set for an amended UK Equity portfolio. As such, there will need to be a process to create such a portfolio and select fund managers, which is likely to take at least 12 months. As such, this risk remains a red rating.
12. 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.
13. 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.
14. All other risks have been assessed as remaining the same as last quarter and are at the target risk rating.
15. The Pension Fund Committee are asked to note the Risk Register.

Staff Implications

16. There are no direct staff implications arising from this report.

Equality & Inclusion Implications

17. There are no direct equality and inclusion implications arising from this report.

Sustainability Implications

18. There are no direct sustainability implications arising from this report.

Risk Management

19. The Local Pension Board provides scrutiny and support to the Pension Fund Committee, in relation to their responsibility to ensure there is effective risk management over the Pension Fund operations.

Consultations

20. Officers of the fund and the independent investment officer were consulted in relation to this report.

Lorna Baxter
Executive Director of Resources and Section 151 Officer

Annex: Appendix 1: The Risk Register

Background papers: Nil

[Other Documents:] Nil

Contact Officer: Mukhtar Master
Governance and Communications Team Leader
07732 826419
mukhtar.master@oxfordshire.gov.uk

December 2025