

PENSION FUND COMMITTEE
6 MARCH 2026

RISK REGISTER

Report by the Deputy Chief Executive (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 23 January 2026, however there were no comments for consideration.

Latest Position on Existing Risks/New Risks

New Emerging Risks

4. Further to the last review of the risk register, one new emerging risk has been identified and added to the risk register.
5. Risk 25 – ‘Unable to implement the Access and Fairness regulations by the 1 April 2026.’ Central government have produced draft guidance regarding Access and Fairness, however the final guidance will be published in March 2026. Due to the tight timescales, the fund does run the risk of not meeting the deadline. The risk has been identified, assessed and rated as a score of nine, which equates to an amber rating.

6. Further to the one new identified risk, Risk 25, the fund are still mindful that a number of central government projects could still potentially materialise as a new emerging risk. 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

7. Risk 13 – 'Insufficient Skills and Knowledge on Committee'. Unfortunately, despite numerous reminders and now escalation, a number of pension fund committee members have yet to complete their mandatory training for the first year. The training was due for completion by the 31st December 2025. For this reason, this risk has now been assessed as red rating, score 12, as opposed to its previous amber rating.

Reducing Risk

8. None of the current risks on the risk register were assessed as reducing in their risk rating this quarter.

Risks removed from the Risk Register

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

Same Risk Rating

10. Risk 4 - 'Under performance of asset managers or asset classes'. The Brunel pool continues to face difficulties with regards to staff recruitment and retention. The Fund is working closely with its current pool and new pool to ensure effective arrangements are in place for fund manager oversight until the transition has been completed and is fully operational. It was deemed prudent to maintain the risk assessment rating for Risk 4 as an amber rating.
11. 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 has aimed to address the necessary training requirements for the Board.
12. 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.

13. 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.
14. Risk 20 – ‘Significant change in liability profile or cash flow as a consequence of structural changes.’ Further to the Local Pension Board in October 2025, they suggested that the local government reorganisation could detrimentally affect the funds liability profile. This risk remains at an amber rating this quarter.
15. 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.
16. 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. This risk will be removed in the next quarter.
17. All other risks have been assessed as remaining the same as last quarter and are at the target risk rating.
18. The Pension Fund Committee are asked to note the Risk Register.

Financial Implications

19. There are no direct financial implications arising from this report.

Legal Implications

20. There are no direct legal implications arising from this report.

Staff Implications

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

Equality & Inclusion Implications

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

Sustainability Implications

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

Risk Management

24. 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

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

Lorna Baxter
Deputy Chief Executive (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

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