

**Report to:** Pension Board  
**Date of meeting:** 11 September 2025  
**By:** Chief Finance Officer  
**Title:** Pension Fund Risk Register  
**Purpose:** To consider the Pension Fund Risk Register

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## **RECOMMENDATION:**

**The Pension Board is recommended to review and note the Pension Fund Risk Register.**

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## **1 Background**

1.1 Risk management is the practice of identifying, analysing and controlling in the most effective manner all threats to the achievement of the strategic objectives and operational activities of the Pension Fund. It is not a process for avoiding or eliminating risks. A certain level of risk is inevitable in achieving the Fund's objectives, but it must be controlled.

1.2 Effective risk management is an essential part of any governance framework as it identifies risks and actions required to mitigate their potential impact. For a pension fund, those risks will come from a range of sources, including the funding position, Local Government Pension Scheme (LGPS) Pooling, General Data Protection Regulation (GDPR), investment performance, membership changes, benefits administration, costs, communications and financial systems. Good information is important to help ensure the complete and effective identification of significant risks and the ability to monitor those risks.

1.3 Since the last meeting of the Pension Board and Pension Committee, officers have continued to review the Risk Register to ensure all appropriate risks and mitigations have been identified.

1.4 It is accepted that whilst mitigations are put in place for identified risks, it will not always be possible for all risk to be eliminated. In these cases, a level of risk is tolerated and kept under review.

## **2 Supporting Information**

2.1 A summary of the risk register of the Fund is included as Appendix 1. The full Risk Register is not published with this report but is available to Pension Board members upon request.

## **3 Changes to the Risk Register**

3.1 There have been three amendments to the Risk Register since the last meeting of the Pension Board.

3.2 Risk A3, 'Production of Statutory Member Returns' - The post-mitigation score has been increased on account of the added complication of displaying the McCloud remedy in annual benefit statements as at 31 March 2025 and other statutory documents such as pension savings statements.

3.3 Risk G1, 'Key Person Risk' – The post-mitigation score has been increased on account of the Interim Deputy Head of Pensions having completed the fixed term contract and left in July 2025. The Head of Pensions is currently evaluating the available options for the most effective way to proceed to manage the Fund, which includes recruitment and/or reorganisation and will conclude this process in September 2025.

3.4 Risk G3, 'Cyber Security' – Whilst the pre and post mitigation scores have remained constant, the Risk Control/Response details have been expanded to reflect the work carried out and planned to improve the resilience of the Fund to cyber risks.

3.5 Risk I5, 'Funding risk – higher inflation' has been updated to reflect the preference expressed for the Fund to join Border to Coast Pension Partnership investment pool from 1 April 2026, to ensure compliance with prevailing pooling legislation from that date and the work and risks around completing this.

## **4 Conclusion**

4.1 The Pension Board is recommended to review and note the Pension Fund Risk Register.

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