

Report to: Pension Board

Date of meeting: 4 November 2025

By: Chief Finance Officer

Title: Pension Fund Risk Register

Purpose: To consider the Pension Fund Risk Register

RECOMMENDATIONS:

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

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 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 in this meeting pack but is available to Board members upon request.

3 Changes to the Risk Register

3.1 There has been a single amendment to the scores detailed on the Risk Register since the last meeting of the Board.

3.2 Risk G1, Key Person Risk: The post-mitigation score has been decreased following the abolition of Deputy Head of Pensions and Governance and Compliance Manager roles. A new role of Head of Governance and Compliance has been created and an appointment made. It is envisaged that this new role, together with the Head of Pensions Administration and the Head of Investments and Accounts will deputise for the Head of Pensions where appropriate dependent on the subject matter and business need. An appointment has been made for a Pensions Support Officer on a fixed term contract for 12 months to assist with additional work created from pension reforms and the wider governance area.

3.3 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. A contractor has now been selected to work with the Fund on cyber risk matters and further updates will be provided to the Board as that work progresses.

3.4 Risk I4, Investment Pooling: whilst the risk and the attached scores remain unchanged since the last meeting of the Board, this remains a prominent issue for officers, given the extensive work being undertaken to facilitate movement to a new investment pool.

4 Conclusion

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

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