

**Report to:** Pension Committee

**Date of meeting:** 26 February 2026

**By:** Chief Finance Officer

**Title:** Pension Fund Risk Register

**Purpose:** To consider the Pension Fund Risk Register

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## **RECOMMENDATION:**

**The Pension Committee 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 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 and the full detail of the risk register is included in Appendix 2.

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

3.1 There have been several changes to the scores detailed on the Risk Register since the last meeting of the Pension Committee and the creation of a new risk, G7, Governance Compliance with the Requirements of the Fit for the Future Consultation.

3.2 Risk E2, Employer Data – The post-mitigation score has been decreased from 9 to 6. This reflects the work the Fund has put into i-Connect onboarding, with only 5 existing

employers yet to be onboarded. The Fund has also received all of the McCloud data from employers.

3.3 Risk A2, Regulatory Change – the post-mitigation score has been increased from 6 to 9. The deadline for the McCloud recalculations is 31 August 2026 and whilst the data has been collected there is still work to be done to run and check these recalculations. In addition, Phase 1 of Access and Fairness is expected to be implemented on 1 April 2026 and will bring changes, including: modifying regulations around survivor benefits and death grants, introducing measures to reduce the gender pensions gap, and collecting data on opt outs, among a range of other developments. These changes will require the Fund to review its processes in these areas once put into law by the Government.

3.4 Risk I3, Regulatory Risk – the post-mitigation score has been increased from 4 to 6. This is in recognition of the large amount of work that needs to be completed to ensure compliance with the requirements of the 'Fit for the Future' consultation and the need to join the new pool.

3.5 Risk G3, Cyber Risk – The pre and post mitigation scores have remained the same. By way of update from the last Pension Committee meeting, the Fund has provided its advisor, Mercer, with a copy of the Fund's Business Continuity Plan. Mercer are reviewing this document and will provide advice on any potential improvements, including cyber-risk specific comments.

3.6 Risk G7, Governance Compliance with the Requirements of the Fit for the Future Consultation – a new risk has been created focusing on the governance requirements of the consultation. The main risks under this category revolve around failure to have the key required staff in place, lack of knowledge and insufficient frameworks and strategies that do not meet the requirements of the consultation (such as the Governance and Training Strategy, Investment Strategies etc). The Fund already has in place mitigations that lower the risk, such as regular training opportunities, published strategy documents and interactions with members via various communications and training sessions.

## **4 Conclusion**

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

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