

PENSION FUND RISK REGISTER REPORT

ITEM 8

Committee

Pension Committee

Officer Reporting

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Papers with this report

Pension Fund Risk Register

HEADLINES

The purpose of this report is to identify to the Pension Committee the main risks to the Pension Fund and to enable them to monitor and review going forward (see Appendix). There are two risks which are red.

RECOMMENDATIONS

It is recommended that Pensions Committee Consider the Risk Register in terms of the approach, the specific risks identified, and the measures being taken to mitigate those current risks.

SUPPORTING INFORMATION

The specific risk matrix for the Pension Fund allows better classification of the risks than would be possible through the Council's standard risk matrix. The significance of risks is measured by interaction of the likelihood of occurrence (likelihood) and by the potential damage that might be caused by an occurrence (impact). The risks are also RAG rated to identify level.

There are currently 12 risks being reported upon. Whilst there are many more risks which could be identified for the Fund, those identified are the most significant and those which are actively managed.

Each risk has been explained, along with details of the actions in place to mitigate that risk. The progress comment column provides the latest update in respect of the impact of those mitigating actions. The Direction of Travel (DOT) has also been included.

Pen04-Inflation – High levels of inflation were highlighted in the June 2021 and September 2021 meetings and continue to focus attention with the risk to the Fund being driven by the nature of the liabilities, which are predominately linked to inflation.

A Pension Sub-Group meeting was held to discuss the risk, scenario implications and potential actions. Details of the meeting and subsequent recommendation are included within the part 2 Investment report.

Pen06 – Poor performance of outsourced administrator. The outsourced administrator has now fully transitioned from Surrey County Council (SCC) to Hampshire County Council (HCC). Early indications are positive; however, the risk has remained static to allow further time for the partnership to embed and to demonstrate evidence of improvement.

Classification: Public

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Pen07 - Risk of disruption to the delivery of pensions administration services and systems and data integrity during the transfer of administration services. Following the successful transition to HCC this risk has been removed.

Pen11 (formally Pen12) Threat of COVID 19 to Business Continuity – The likelihood rating regarding this risk has been reduced as remote working systems have now been in place for a considerable period of time and have proven to be adequate. The overall rating has reduced from D2 to E2.

FINANCIAL IMPLICATIONS

The financial implications are contained in the risk register attached.

LEGAL IMPLICATIONS

The legal implications are contained in the risk register attached.