

Pension Fund Risk Register

Item 9

Committee	Pension Committee
Officer Reporting	Pete Carpenter - Finance Tunde Adekoya, Finance
Papers with this report	Pension Fund Risk Register Open & Closed Risk Matrix

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 risks going forward (see appendices).

RECOMMENDATIONS

It is recommended that Pensions Committee:

- Consider and agree the Risk Register in terms of the approach, the specific risks identified, and the measures being taken to mitigate those current risks.
- Note the format agreeing the retired risks and those which remain open

SUPPORTING INFORMATION

Risk Register

The Council's risk management software, JCAD, permits all 14 risks to be classified into two categories, open and closed risks.

The software allows risks that are being managed as, day-to-day, business as usual items, to be retired but maintained in the background as a record. In the event the risk requires active management it can then easily be re-introduced. Whilst open risks are constantly monitored and reviewed every three months, to ensure the status are still aligned with the risk measurement.

Attached are two reports covering open and retired/closed risks:

Closed risks being managed as business as usual or tolerated include:

- PEN 1 - Fund assets fail to deliver returns in line with the anticipated returns underpinning the valuation
- PEN 2 - Inappropriate long-term investment strategy

Classification: Public

Pensions Committee 09 December 2025

- PEN 3 - Active investment manager under-performance relative to benchmark
- PEN 4 - Inflation - Pay and price inflation significantly more than anticipated
- PEN 5 - Pensioners living longer
- PEN 6 - Poor Performance of Outsourced Administrator
- PEN 8 - ESG - Risk of financial loss through the negative impact of ESG matters

Risks which remain open, and which are actively being managed Include:

- PEN 7 - Cyber Security
- PEN 9 - Liquidity on asset management - risk of failure to liquidate assets or meet drawdown calls
- Pen 10 - Liquidity on members dealings - risk that the fund is unable to settle member payments
- PEN 11 - Failure of the pool in management of funds / access to funds
- PEN 12 - Failure of the Fund's governance to comply with statutory requirements
- PEN 13 - Key officer risk
- PEN 14 - Failure of employers to deliver accurate and timely employee administration information

All seven open risks remain static from the previous quarter.

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 (Red, Amber, Green) rated to identify level. Scoring is included in the attached Risk Matrix.

FINANCIAL IMPLICATIONS

The financial implications are contained in the risk register attached.

LEGAL IMPLICATIONS

The legal implications are contained in the risk register attached.