

Croydon Council

For General Release

REPORT TO:	PENSION COMMITTEE Date 8 December 2020
SUBJECT:	Review of Risk Register
LEAD OFFICER:	Nigel Cook Head of Pensions and Treasury
CABINET MEMBER:	Councillor Callton Young OBE Cabinet Member for Resources & Financial Governance
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON: Sound Financial Management: This report forms an important component of the governance arrangements for the stewardship of the Pension Fund.	
FINANCIAL IMPACT Financial risks relating to the Pension Fund are substantial and can impact on the General Fund of the Council.	

1. RECOMMENDATIONS

- 1.1 The Committee is asked to note the contents of the Pension Fund Risk Register and to comment as appropriate.

2. EXECUTIVE SUMMARY

- 2.1 It is recommended best practice for the Pension Committee to maintain a risk register covering the most significant risks faced by the Fund. This report presents the current register (Appendix A) for the Committee's consideration.

3. DETAIL

- 3.1 Best practice recommends that a risk register is maintained by the Pension Committee recording relevant risk scenarios, together with an assessment of their likelihood and impact and appropriate mitigations. This report discusses the most significant risks relating to governance, funding, assets and liabilities and

operational matters. Appendix A details these risks.

- 3.2 The Committee is invited to comment on whether it considers this list sufficiently exhaustive, whether the assessment of each risk matches its perception and on the adequacy of existing and future controls.
- 3.3 In accordance with the Risk Management Policy, the Risk Register is to be reviewed periodically and reported to the Committee on a quarterly basis. To fit with the “quarterly” requirements a report will be presented to most meetings of the Committee.
- 3.4 Risks are rated on a scale of 1 to 5 on the likelihood of the risk occurring and its impact if it does. This allows a range of potential scores of between 1 and 25. The register shows there are 14 significant risks for the Fund (ie scored 12 or higher) and one risk scored under 12. The document detailing these risks is attached as Appendix A to this report.
- 3.5 Since the Committee last reviewed the Register, one new risk has been added in relation to the 95K cap and Exit payment reforms.
- 3.6 The Committee is asked to note the contents of the Pension Fund Risk Register and to comment as appropriate.

3.1

4. CONSULTATION

- 4.1 No consultation is required.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 There are no financial considerations arising from this report.

Approved by: Lisa Taylor, Director of Finance, Investment and Risk, S. 151 Officer.

6. LEGAL CONSIDERATIONS

- 6.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that the Pension Committees role is to ensure the Fund is properly operated in accordance with the Local Government Pensions Scheme Regulations (“the Regulations”) all other relevant legislation and best practice as advised by the Pensions Regulator, including financial, governance and administrative matters. To adopt Fund specific policies concerning the administration of the Fund, investing of Fund monies and the management of the Fund’s solvency level. In addition, the Committee is responsible for compliance with all financial and regulatory requirements of the Fund. The Pension Committees Terms of Reference (London Borough of Croydon’s Constitution Part 4.N) includes at paragraph 2.3 that it shall: ***Discharge its fiduciary responsibility in the best interest of the Fund, in particular:***

d. To approve and monitor compliance of statutory statements and policies

required under the Regulations;

f. To ensure that the Council discharges its obligation, as administering authority for the local government pension scheme, to other scheme employers;

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance and Deputy Monitoring Officer.

7. HUMAN RESOURCES IMPACT

- 7.1 There are no direct workforce implications arising from the recommendations within this report but the improvement to practice is welcomed as the pension scheme is a key employee benefit to employees.

Approved by: Sue Moorman, Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 There are no equalities impacts arising from this report.

9. ENVIRONMENTAL IMPACT

- 9.1 There are no environmental impacts arising from this report.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder impacts arising from this report.

11. DATA PROTECTION IMPLICATIONS

- 11.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

The Director of Human Resources comments that this report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

Approved by: Sue Moorman, Director of Human Resources

CONTACT OFFICER: Nigel Cook – Head of Pensions and Treasury ext. 62552

BACKGROUND DOCUMENTS: None

APPENDICES: Appendix A: Risk Register