



West Northamptonshire Council

Local Pension Board

4/11/2021

Mark Whitby – Head of Pensions

Report Title	Northamptonshire Pension Fund Risk Register
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Contributors/Checkers/Approvers

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List of Appendices

Appendix A – Northamptonshire Pension Fund Risk Register

1. Purpose of Report

1.1. To present to the Pension Board the Northamptonshire Pension Fund Risk Register.

2. Executive Summary

- 2.1 The Northamptonshire Pension Fund Risk Register is reviewed biannually by the Pension Committee and at every meeting of the Local Pension Board.
- 2.2 The Risk Register was last reviewed by the Pension Committee on 15 June 2021 and by the Local Pension Board on 1 July 2021.
- 2.3 Appendix A of this report contains the current Risk Register with proposed changes included.
- 2.4 Section 5.3 of this report details the short to medium term risks that the Fund is actively managing at this time.

3. Recommendations

- 3.1 The Pension Board is asked to:
 - a) Review the Northamptonshire Pension Fund Risk Register
- 3.2 Reason for Recommendations:
 - To achieve the Pension Fund objective that is to “continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate”.
 - To accord with the Pension Regulator’s expectations on managing risk.

4. Report Background

- 4.1 The Northamptonshire Pension Fund Risk Strategy was reviewed and approved by the Pension Committee on 22 March 2019. Following this approval, the Local Pension Board have reviewed the risks facing the Fund as recorded on the Risk Register at each meeting and the Pension Committee, biannually.
- 4.2 This approach to monitoring risk supports the Pension Regulator's code of practice (governance and administration of public service pension schemes).

5. Issues and Choices

- 5.1 The risk register has been reviewed by officers for this period and the following updates are being recommended to reflect the current position of the Fund:

Risk No	Risk	Proposed change(s)
24	Unable to deliver pension services due to inadequate recruitment and retention processes.	Gross score to increase to 9 and residual risk increase to 6 due to current labour market shortages. Recent experience has highlighted that less applications are being received for advertised vacancies and in some instances recruitment exercises are needing to be undertaken more than once. In response the Fund is now utilising additional recruitment avenues, allowing for a wider target audience.

- 5.2 The risk position has increased from 24 to 15, the risk register has an additional column added to show the movements of risks facing the Fund.
- 5.3 Officers have identified a number of short term risks that should be noted by the Pension Board as follows:

- 5.3.1 The impact of the pandemic – The Service is still predominantly working remotely with allocated working areas increasing in capacity to allow for increased administrative functions, this has particularly impacted the ability to make and receive calls. During August and September, the Service has seen an increase in staff illnesses such as Covid 19 and Flu following previous lockdowns, this has impacted the Service's ability to maintain high standards of productivity in some areas and this will continue to be monitored.
- 5.3.2 Knowledge for new members of the Pension Committee and Pension Board – Committee and Board Members have continued to undertake the core competency training delivered virtually by the Fund's governance advisors Aon. The final live training session concluded in September and all members are expected to undertake any missed training by the end of December 2021 in order to meet the training requirements of the Fund.

6. Implications (including financial implications)

6.1 Resources and Financial

- 6.1.1 There are no resources or financial implications arising from the proposals.

6.2 Legal

- 6.2.1 There are no legal implications arising from the proposals.

6.3 Risk

6.3.1 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

Risk	Residual risk rating
Failure to understand and monitor risk and compliance	Green
Failure to provide relevant information to the Pension Committee/Local Pension Board to enable informed decision making.	Green

6.3 Relevant Pension Fund Objectives

6.4.1 The following objectives have been considered in this report -

- To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
- To ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
- To continually monitor and measure clearly articulated objectives through business planning.
- To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

6.4 Consultation

6.5.1 Not applicable.

7. Background Papers

7.1 Not applicable