

Pension Committee: 12 December 2018

Pensions Board: 16 January 2019

Report title: Lambeth Pension Fund – Risk Register

Wards: All

Portfolio: Councillor Andrew Wilson: Cabinet Member for Finance

Report Authorised by: Jackie Belton: Strategic Director, Corporate Resources

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Report summary

This report provides the committee and board with details of the arrangements in place to manage risk within the Lambeth Pension Fund as shown in the Risk Register (Appendix one).

Finance summary

There are no direct financial implications in agreeing this report outside of the on-going administration and governance of the pension fund.

Recommendations

Pensions Committee

1. To note and review the Lambeth Pension Fund Risk Register and the additional actions proposed to mitigate risk.

Pensions Board

1. To note and review the Lambeth Pension Fund Risk Register and the additional actions proposed to mitigate risk.
2. To recommend any possible amendments to the Pensions Committee.

1 CONTEXT

1.1 Effective risk management is an essential part of any governance framework as it identifies risks and the actions required to mitigate their potential impact. For a pension fund, those risks will come from a range of sources including;

- the funding position, investment performance,
- membership changes,
- benefits administration,
- costs,
- communications and
- financial systems.

1.2 The risks that have been identified are incorporated into the Fund’s Risk Register.

1.3 The Pension Board will monitor the Risk Register as part of its scrutiny role in relation to risk and compliance, and forward any specific recommendations or concerns to the Pension Committee. However, the Pension Committee is the ultimate risk owner for the Lambeth Pension Fund and therefore an updated Risk Register is brought to the Committee on an annual basis.

2 PROPOSALS AND REASONS

2.1 The updated Risk Register is attached at Appendix one to this report.

2.2 Risks are assessed in terms of the potential impact of the risk event should it occur, and in terms of the likelihood of it occurring. These are then multiplied to produce an overall risk score which are then used to prioritise the risk rating at high, medium or low.

LIKELIHOOD	THREAT	I M P A C T			
		Minor (1)	Significant (2)	Serious (4)	Major (8)
Very Likely (4)		4	8	16	32
Likely (3)		3	6	12	24
Unlikely (2)		2	4	8	16
Very Unlikely (1)		1	2	4	8

2.3 Further risks are likely to arise from changes in legislation and regulations or from future decisions taken by the Pension Committee. Where such new risks arise they will be added to the risk register, assessed, and mitigation actions identified.

2.4 The risk register is therefore reviewed and updated on an ongoing basis.

2.5 The detailed risk register which includes the target total risk scores will be presented at the next Pension Board meeting.

3 FINANCE

3.1 There are no additional financial implications in relation to the items mentioned in this report.

4 LEGAL AND DEMOCRACY

4.1 The Lambeth Pension Fund is run in accordance with the Local Government Pension Scheme Regulations 2013 enacted along with other Regulations under the Superannuation Act 1972 and the Public Service Pension Act 2013 and is for the benefit of Council employees and outside organisations, which have entered into an agreement with Lambeth to provide pensions for their staff.

4.2 The Pension Committee must be mindful of their fiduciary duty to obtain the best possible financial return on the investments it administers within the investment strategy framework.

4.3 There were no additional comments from Democratic Services.

5 CONSULTATION AND CO-PRODUCTION

5.1 Consultation with appropriate officers of the Council to establish the current risks has been undertaken.

6 RISK MANAGEMENT

6.1 The recommendations contained within the risk register are intended to mitigate financial and reputational risk where possible.

7 EQUALITIES IMPACT ASSESSMENT

7.1 None.

8 COMMUNITY SAFETY

8.1 None.

9 ORGANISATIONAL IMPLICATIONS

9.1 Environmental

None for the purpose of this report.

9.2 Staffing and accommodation

None for the purpose of this report.

9.3 Procurement

None for the purpose of this report.

9.4 Health

None for the purpose of this report.

10 TIMETABLE FOR IMPLEMENTATION

10.1 NA.

Audit trail				
Consultation				
Name/Position	Lambeth directorate/ division or partner	Date Sent	Date Received	Comments in para:
Councillor Andrew Wilson, Cabinet Member for Finance	Corporate Resources	21.12.18	03.01.19	
Jackie Belton, Strategic Director for Corporate Resources	Corporate Resources	21.12.18		
Christina Thompson, Director of Finance and Property	Corporate Resources	21.12.18	21.12.18	
Andrew Pavlou, Legal Services	Corporate Resources	21.12.18	24.12.18	
Hamant Bharadia, Assistant Director of Finance	Corporate Resources	20.12.18	03.01.19	
David Rose, Democratic Services	Corporate Resources	21.12.18	03.01.19	4.3

Report history	
Original discussion with Cabinet Member	N/A
Report deadline	03.01.19
Date final report sent	03.01.19
Part II Exempt from Disclosure/confidential accompanying report?	N/A
Key decision report	No
Date first appeared on forward plan	N/A
Key decision reasons	N/A
Background information	N/A
Appendices	Appendix One – Risk Register