

	Pension Board 3 November 2020
	Report from the Director of Finance
Brent Risk Register	

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Two 1. Risk Register 2. Risk Strategy
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Minesh Patel, Director of Finance Ravinder Jassar, Head of Finance Sawan Shah, Senior Finance Analyst Saagar Raithatha, Finance Analyst Chidanand Bahadoor, Graduate Finance Trainee

1.0 Purpose of the Report

- 1.1 This report presents the updated Risk Register for the Brent Pension Fund Pensions Administration Service.

2.0 Recommendation(s)

- 2.1 The board is asked to note the report.

3.0 Background

- 3.1 Effective risk management is the foundation of sound corporate governance and for the LGPS the focus should be on all aspects of the scheme's operation, not just investment matters. Having a strategy and register in place is a way for the scheme manager to identify and manage scheme risks and it is considered good practice to have a strategy and register in place alongside established reporting mechanisms.
- 3.2 Using guidance from The Pensions Regulator and CIPFA, together with Brent's internal risk management resources, a process was undertaken in 2018 to produce

a risk management strategy that was unique to Brent's circumstances. This involved a workshop that identified all of the relevant risks, assessed those risks in terms of likelihood, understanding risk management and contingency planning, monitoring risks and documentation in a register.

3.3 It is recognised that risk management works well when the administering authority, the Pension Board and employers work together. All parties then understand each other's capacity and appetite for risk. Key elements of this strategy were discussed at a recent working party set up with the scheme manager, administrator and select employers for feedback and comment. The Risk Strategy is attached to this report in Appendix 2.

3.4 It has been agreed in previous Board meetings that the Risk Register would become a standing agenda item at these meetings, with new risks and any changes to classifications of risks being reported to the board.

3.5 Key changes to the Risk Register:

- Exit Pay Reform - New legislation which will alter the redundancy benefit entitlements to LGPS members aged 55 and above.
- Following the close of the McCloud consultation, Brent Officers have now provided a response to MHCLG following discussions with the Fund's actuary, Officers are now in discussions with LPP and Hymans to prepare for the impact as we await the government's formal response to the consultation and the subsequent change in regulations enacted in law.
- Brent Pension Fund Accounts 2020/21 have been signed off by the Auditors. The Brent Pension Annual Report is currently going through the audit sign-off process.

The board is asked to notify the scheme manager if it disagrees with these classifications and present any new risks that they would like to be considered.

3.6 The revised Risk Register is attached at Appendix 1 and it is proposed to present any changes or updates to this document to the Pension Board at every meeting.

4.0 Financial Implications

4.1 There are no specific financial implications associated with noting this report.

5.0 Legal Implications

5.1 None arising directly from this report

6.0 Equality Implications

6.1 None arising directly from this report

7.0 Consultation with Ward Members and Stakeholders

7.1 Not applicable for this report.

8.0 Human Resources/Property Implications (if appropriate)

8.1 None arising directly from this report

Report sign off:

Minesh Patel
Director of Finance