

LOCAL PENSIONS BOARD – 15 DECEMBER 2023

Report of the Director of Finance

STAFFORDSHIRE PENSION FUND RISK REGISTER

Recommendations of the Chairman

1. That the Local Pensions Board ('Board') notes the risks, relating to Funding from the current Staffordshire Pension Fund Risk Register, as presented in Appendix 1.

Background

2. At their meeting in June 2023, the Pensions Committee noted the high-level risks identified within the Staffordshire Pension Fund Risk Register. The Committee also asked the Board to continue to undertake a regular detailed review of the risks identified and the process for maintaining the Risk Register, and report back to the Committee on any areas of concern.
3. To assist with their review, the Board requested that one of the four main risk areas (Governance, Funding, Administration, and Investment), be presented to them at each meeting, for their consideration. This was to align with the risk area considered by the Officer working group that quarter.
4. Board members have joined the Assistant Director for Treasury & Pensions and Senior Pensions and Investment Officers, forming the Officer working group, on a quarterly basis. Working through the detail of the individual risks, they collectively determine individual risk scores by considering the potential impact any one risk might have, together with the likelihood of that risk occurring. Members of the Board are invited to continue to attend these working groups if they so wish.
5. At a meeting on 7 November 2023, the Officer working group, together with a member of the Local Pensions Board, reviewed the risk area of Funding. Pre and post control ratings were re-assessed, considering any new controls or sources of assurance. New areas of potential risk were also considered. Post control, Fund Officers believe there are no areas of high risk and eight areas of medium risk.
6. The eight areas of medium risk relate to several things including:
 - i) The procurement of an Actuary - the current contract is due to expire on 30 April 2024, and a tender exercise will be undertaken in 2023/24.
 - ii) Ensuring contribution rates are appropriate and affordable for each employer – the current economic environment will lead to competing demands on employers' budgets.
 - iii) Employer funding monitoring – the volatility within the current economic environment can have a major impact on an employer's funding level in relatively short spaces of time.

7. The full list of the current Funding risks is presented in Appendix 1 for the Board to discuss and / or note at today's meeting.

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Equalities implications: There are no direct implications arising from this report.

Legal implications: There are no direct legal implications arising from this report.

Resource and Value for money implications: The main resource implications have not been explicitly assessed but arise directly from either any mitigating actions or from the impact of the risk identified.

Risk implications: The main topic of this report is risk assessment and management.

Climate Change implications: There are no direct implications arising from this report.

Health impact assessment screening: There are no direct implications arising from this report.