

Resources Department
222 Upper Street
London, N1 1XR

Report of: Corporate Director of Resources

Meeting of: Pensions Board

Date: 10 December 2024

Subject: LGPS – Pensions Risk Register

1. **Synopsis**

- 1.1. This report provides the Board with information on the potential risks identified in the administration of Islington Pension Fund. The Pensions Risk Register (PRR) also provides tangible mitigation measures to de-escalate risks preventing them from becoming critical problems.
- 1.2. This report summarises the further development and assessment of those risks that were initially identified on the PRR with the highest risk rating score before mitigation measures.
- 1.3. All risks have been reviewed during the period from July 2024 to October 2024 and if no additional concerns or external actions impact on the designated risk, the trend arrow will be positioned horizontally.
- 1.4. The PRR (Appendix 1) is prefaced by an explanatory table (risk matrix) that sets out how the impact and likelihood ratings of 'low', 'medium' and 'high' rating can be interpreted.

2. **Recommendation**

- 2.1. To note the contents of the report and revisions made to the PRR, specifically the addition of two new risks, 'Delayed implementation of new pension systems' and 'Failure to connect to the Pensions dashboard'.

3. Background

- 3.1. The Pensions Risk Register (PRR) outlines the key objectives of Islington Pension Fund and its administration. It establishes the methodology for implementing proactive risk management to ensure that Islington Pension Fund has sufficient assets to meet its pension liabilities in accordance with the Pensions Regulator code of practice. Appendix 1 sets out the current risks identified by the Pension Fund in collaboration with the Council's Pensions Board.
- 3.2. The PRR is reviewed and movement in risks levels of activities and mitigation factors applied are reported to the Pension Board quarterly and annually to the Pensions committee. There are two new activities that have been assessed as high and are reviewed below together with the mitigated actions.
- 3.3. In reviewing and making revisions to the PRR in accordance with the Pensions Regulator code of practice issued under section 90(2)(k) of the Pensions Act 2004, the Pension Fund must have regard to the extent to which the exercise of identifying and evaluating risks and the mitigation satisfy the legal requirements to have appropriate internal controls.

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Risk 12 - Delayed Implementation of new pension systems

- 3.4. Pro-active engagement with all relevant stakeholders. Revise timetable for sign off due to the number of issues identified. Formulate contingency measures to ameliorate instabilities in system performance. Issues/faults raised reported to vendor for a resolution and monitored under contract management. The risk rating on this area following review and further actions to mitigate risk has been reduced from 12 to 9.

Risk 13 - Failure to connect to the Pensions dashboard

- 3.5. The Council will procure an ISP provider for the Pensions dashboard via the LGPS National Framework and work with the new supplier, Digital Services and Information Governance to establish the infrastructure to facilitate connecting to the government Pensions dashboard by 31 October 2025. The Pensions Office will carry out data analysis checks across common and scheme specific member data. Report on variances and formulate an action plan to resolve all data issues prior to the connection date. The risk rating on this area following review has reduced this risk from 10 to 5.

4. Implications

4.1. Financial Implications

- 4.1.1. The cost of administering the LGPS is chargeable to the Pension Fund. There are no financial implications arising directly from the report.

4.2. Legal Implications

- 4.2.1. There are no specific legal implications in this report. The Pensions Regulator code of practice requires the Pension Fund to prepare, review and publish a Pensions Risk Register. This Register must thereafter be kept under review.

4.3. Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

- 4.3.1 Not applicable to this report. Environmental implications will be included in each report to the Pension Board/Committee as necessary. The current agreed investment strategy statement for pensions outlines the policies and targets set to April 2026 and 2030 to reduce the current and future absolute emissions by 49% and 60% respectively compared to when it was measured in 2016 and also invest 20% of the fund in green opportunities. The link to the full document is [Islington Pension Fund Investment Strategy Statement](#)

4.4. Equalities Impact Assessment

- 4.4.1. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 4.4.2. An Equalities Impact Assessment is not required in relation to this report, because there are no adverse impacts in terms of equalities arising from the contents of this report. The LGPS is a statutory public service pension scheme open to all Council employees.

5. Conclusion and reasons for recommendations

- 5.1. There is a legal requirement for the Pension Fund to regularly review its Risk Register. In identifying and reviewing the Register the Pension Fund must have regard to ensuring effective internal controls that will not lead to a serious loss of confidence in the public service. Members are asked to note the updates to the PRR attached as Appendix 1.

Appendices: Appendix 1

Background papers: None

Final report clearance:

Signed by:

Corporate Director of Resources

Date: 2 December 2024

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