

Bath & North East Somerset Council	
MEETING:	LOCAL PENSION BOARD OF AVON PENSION FUND
MEETING DATE:	11th March 2026
TITLE:	Risk Management Review
WARD:	ALL
AN OPEN PUBLIC ITEM	
<p>List of attachments to this report:</p> <p>Appendix 1 – Risk Register</p> <p>Appendix 2 – Risk framework</p>	

1 THE ISSUE

1.1 The purpose of this report is to update the Pension Board with the quarterly review of the risk register.

2 RECOMMENDATION

The Pension Board is asked to;

2.1 Note the report

3 THE REPORT

3.1 The Fund has in place a documented risk management policy setting out the Fund's approach to risk, process for review and update of the risk register. It also sets out the roles and responsibilities of all those involved in the management of risk within the Fund including the role of the Pension Board and Pension Committee.

3.2 The risk framework introduced to assist risk owners to assess the risk and score is attached as appendix 2.

3.3 The complete risk register is attached as appendix 1.

- The risk register identifies risks which could have material impact on the APF in terms of service, value, reputation, or compliance. It also sets out mitigating actions.
- The risk register is reviewed quarterly by APF management and reported to the Pension Committee and Pension Board every quarter.
- All risks are also reviewed quarterly or when there has been a material change to the risk.

3.4 Risks fall into the following categories, owned by the relevant member of the APF management team:

Category of Risk	Risk Owner
Administration	Pensions Manager
Regulatory	Technical & Compliance Advisor
Governance	Governance & Risk Advisor
Employers (Funding)	Funding & Valuation Manager
Employers (Data)	Employer Services Manager
Investments	Investments Manager
Finance	Finance & Systems Manager

4 QUARTERLY REVIEW OF RISK REGISTER

4.1 The quarterly review of the risk register has taken place with quite a few changes made to risks and scores for this quarter:

4.2 NR01 – Poor service levels below agreed standards – the likelihood of this risk has been reduced from likely to possible to reflect the fact that the administration is in a much better position, with backlogs reduced, KPIs consistently met and recruitment and retention stable.

4.3 NR02 – Regulatory changes – the pre mitigant score has been reviewed and the likelihood amended from likely to almost certain. The post mitigant likelihood is also almost certain as although the mitigants are managing the impacts the amount of change still make it likely that member outcomes could be impacted.

4.4 NR19 – Move to new asset pool – the latest position reflects more certainty now that the move to LPPI has been confirmed, with legal agreements nearly finalised. The likelihood has been reduced from almost certain to likely as the consequences of the impacts identified are now less likely.

4.5 NR12 – Failure to achieve decarbonisation targets – this risk has been reworded so the emphasis is on interim targets. The pre mitigant score has been updated to high and likely moving to medium and possible post mitigant actions.

4.6 NR11 – Brunel fails to deliver client objectives – this risk has been reworded to reflect the move to LPPI, although the actual risks remain the same.

4.7 NR04 – Governance of Fund – the SAB Good Governance Review has been updated to Fit for Future. Following advice from Internal Audit the risk associated with fraud has been added to this risk and a counter fraud risk assessment will take place during the year.

4.8 NR16 – Cashflow profile is maturing - the cash buffer has been further increased from £25m to £30m to meet increasing monthly outflows

4.9 The changes mean that 'red' risks have reduced from 4 to 2. Our current top 2 risks are:

4.10 NR06 – the loss of IT including cyber attack and loss of power.

4.11NR02 – Regulatory Changes

5 STATUTORY CONSIDERATIONS

5.1 Bath and North East Somerset Council, in its role as administering authority, has executive responsibility for the Avon Pension Fund. The Council delegates its responsibility for administering the Fund to the Avon Pension Fund Committee which is the formal decision-making body for the Fund.

5.2 The Pension Board has an advisory role in assisting the administering authority by making recommendations about compliance, process and governance. The Board does not have a decision-making role

6 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

6.1 There are no direct implications related to the pension board in connection with this report.

7 RISK MANAGEMENT

7.1 An effective governance structure, defining clear responsibilities, and ensuring that the decision making body has an adequate level of knowledge and access to expert advice, is a key aspect of the risk management process.

8 EQUALITIES STATEMENT

8.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

9 CLIMATE CHANGE

9.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and addresses this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

10 OTHER OPTIONS CONSIDERED

10.1 None.

11 CONSULTATION

11.1 The Report and its contents have been discussed with the Head of Pensions representing the Avon Pension Fund and the Director of Financial Services, Assurance & Pensions representing the administering authority.

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Background papers	None
Please contact the report author if you need to access this report in an alternative format.	