

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 8

PENSION FUND RISK REGISTER

Reason for this Report

1. To review the current Risk Register for the Pension Fund.

Background

2. A Risk Register for the Pension Fund is maintained as part of the Corporate Risk Management process. The Register covers all aspects of management of the Fund including Investments, Funding, Governance and Administration.

Issues

3. The current Risk Register is attached as Appendix 1. The standard Risk Matrix used for the Corporate register is attached as Appendix 2.
4. The Register is regularly reviewed by Fund officers and is also presented to the Local Pension Board for their review.
5. The Risk Register was previously presented to the Pension Committee at its meeting on 4 November 2019 so the update presented to this meeting contains more changes to the register than would normally be the case. The most significant changes are outlined in the following paragraphs.
6. Risks P1, P2, P3 and P4 have been updated to reflect the commencement and on-going transfer of Fund investments into the WPP pool. Risk P6 which was specifically about pooling arrangements has now been closed as it is considered that these risks are now reflected elsewhere in the Risk Register as WPP activity increasingly becomes "business as usual".
7. Current Controls and Proposed Improvement Actions have been updated on a number of risks and where appropriate the Residual Risk rating has been amended accordingly.
8. Three new risks, P18 for Exit Payment Cap, P19 for McCloud and P20 for multiple resource pressures on the Pension section, have been added to the Risk Register.

Legal Implications

9. The recommendation does not appear to raise any specific legal implications however the general legal advice set out below should be considered.

General Legal Advice

Any decision must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council eg. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its tax payers; and (h) be reasonable and proper in all the circumstances and comply with any equalities legislation.

The Council also has to satisfy its public sector duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The Protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of belief.

The Well-Being of Future Generations (Wales) Act 2015 ("the Act") places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales – a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.

In discharging its duties under the Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national well-being goals. The well-being objectives are set out in Cardiff's Corporate Plan 2019-22: <https://www.cardiff.gov.uk/ENG/Your-Council/Strategies-plans-and-policies/Corporate-Plan/Pages/Corporate-Plan.aspx>

The well-being duty also requires the Council to act in accordance with 'sustainable development principle'. This principle requires the Council to act in a way, which seeks to ensure that the needs of the present are met without comprising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems
- Deliver an integrates approach to achieving the 7 national well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them

The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact upon the Welsh language, the report and Equality Impact Assessment deals with all these obligations. The Council has to consider the Well-being of Future Generations (Wales) Act 2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.

Financial Implications

10. There are no financial implications arising directly from this report.

Recommendations

11. That the Committee notes the contents of the Risk Register.

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Appendix 1 Pensions Risk Register February 2021
Appendix 2 Risk Matrix