

## **Havering Pension Fund – Risk Register – Summary of Further Actions for discussion**

### **Summary of Amendments to the Risk Register since October 2019 - for Discussion**

<b>Risk No</b>	<b>Risk Title (Objective)</b>	<b>Consequence of not achieving the objective</b>	<b>Controls/Mitigations</b>	<b>Amendment</b>
3 Risk of Failure to perform in line with growth expectations	Climate Risk Considerations	<p>There is a growing regularity for long-term investors to consider the extent to which climate change could impact on financial outcomes.</p> <p>The Pensions Regulator has set up a working party to consider guidance for pension schemes which will be published in early 2020. The Scheme Advisory Board is also expected to incorporate climate change considerations into its guidance for LGPS funds during 2020.</p>	<p>In its investment beliefs the Committee recorded a belief that climate change and the expected transition to a low carbon economy represents a long –term financial risk to Fund outcomes. We expect that the guidance will broadly follow the framework proposed by the Taskforce for Climate-related Financial Disclosures (TCFD)</p> <p>Following this framework, the Committee could consider actions including:</p> <ul style="list-style-type: none"> <li>• Further training</li> <li>• Measuring exposure to and reporting.</li> <li>• Escalating engagement with investee companies on climate-related topics.</li> </ul>	To monitor on – going discussions between the TPR and Government regarding regarding Climate Change and the strategies

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	Risk of a Financial downturn & service delivery due to the effects of the global virus - Covid-19.	<p>There are a whole range of issues that pension trustees, employers and their advisers are facing as a result of COVID-19.</p> <ul style="list-style-type: none"> <li>▪ Economy impact could result in fall in investment values and impact Funding Levels</li> <li>▪ Employers not able to pay contributions – requests for suspension or reduction of contributions</li> <li>▪ Cash flow impacts</li> <li>▪ Service delivery impacts</li> <li>▪ Administrative breaches</li> </ul>	<p>Next steps would be taking the Committees investment beliefs and building on developing market practice.</p> <p>The Pensions Regulator (tPR) has provided guidance.</p> <p>COVID-19 news page on LGPS site. FAQ for scheme Administrators and employer updates issued as new information becomes available.</p> <p>The Fund continues to monitor the funding level and outlook and returns on the Funds asset as this is covered within the quarterly monitoring reports and advice from the Funds investment advisors.</p> <p>Cash Flow and employer contributions continue to be monitored monthly</p>	<p>To monitor impact on pensions and investments and to keep abreast of on – going discussions and guidance as issued by tPR and Government regarding COVID -19. In line with tPR guidance priority is given to ensure that:</p> <ul style="list-style-type: none"> <li>• Existing pension benefits are made</li> <li>• New pension benefit cases processed</li> <li>• Bereavement cases processed</li> <li>• Employer contributions</li> <li>• employers need to continue</li> </ul>

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			<p>Havering pension fund staff are working from home to ensure safe working and service continuity.</p> <p>Custodian working from home to ensure service continuity.</p> <p>Investment Managers working from home to provide service continuity</p> <p>Pension Administrators working from home to provide service continuity</p>	

**If the board agrees to add the above risks to the register they will be added to the register which will be presented at the next Local Pension Board meeting.**