Haringey Pension Fund

Risk Management Policy

September 2025

Introduction

This is the Risk Management Policy of the Haringey Pension Fund whose Administering Authority is the London Borough of Haringey. This has been prepared with the support of the independent advisor to the fund (John Raisin Financial Services Limited) to help facilitate the effective management of risk by the Haringey Pension Fund. This policy has been prepared with particular reference to the CIPFA Guidance ***"Managing Risk in the Local Government Pension Scheme"*** (December 2018). As the Foreword to this CIPFA Guidance states *"Effective risk management stands at the heart of sound corporate governance across all organisations and functions and the Local Government Pension Scheme (LGPS) is no exception."*

In accordance with this CIPFA Guidance (2018) this policy articulates the Fund's

- Risk philosophy, attitudes to, and appetite for risk.
- How Risk Management is to be implemented
- Risk Management Responsibilities
- The procedures in the Risk Management process

The Risk Management Policy seeks to integrate risk management into the culture and operations of the Fund to establish a robust approach to the identification, analysis, control and monitoring of risk including anticipating and responding positively to change; improving decision making, performance and delivery of services; to minimise negative outcomes for the Fund and its stakeholders; and to protect the reputation of the Fund.

This Policy also specifically seeks to facilitate the achievement of the primary objective of the Fund as set out in the **Fund Objectives** section of the Investment Strategy Statement (ISS). This is as follows"

"The primary objective of the Fund is to provide pension and lump sum benefits to scheme members on a defined benefits basis. These benefits can be received upon retirement or in the event of a member's death, both before or after retirement. Additionally, the dependants of scheme members are also entitled to some benefits.

In order to meet this primary objective, the Fund aims to:

- *Maximise the returns from investments while keeping risk within acceptable levels.*
- Maintain a future funding level above 100%.
- *Ensure employer contribution rates remain as stable as possible."*

The above extract from the ISS summarises the overall objectives of the Haringey Pension Fund including the funding objectives.

Risk philosophy, attitudes to and appetite for risk

Risk Management, both in general and in the context of the LGPS, may be defined as:

- The process of identifying, analysing, controlling, and monitoring, in the most effective manner, the threats to the achievement of the strategic objectives and operational activities of the organisation.

The above definition is congruent with Risk Management as detailed in ***"Managing Risk in the Local Government Pension Scheme"*** issued by CIPFA in 2018.

The Risk philosophy of the Haringey Pension Fund is based on the above definition of Risk Management. The analysing of risk includes evaluating their potential impact in terms of both severity and likelihood. The controlling of risk particularly includes mitigating them.

A LGPS Pension Fund cannot operate without risk. The Haringey Pension Fund recognises that the elimination of all risk is neither possible nor desirable. For example, as the Investment Strategy Statement indicates, some degree of Investment Risk is necessary to achieve the funding objectives.

Therefore, the active and effective management of risk must be the primary consideration of the Haringey Pension Fund's philosophy and attitude to risk. Consequent to this a major factor in determining the nature and extent of mitigating actions in relation to any risk must be the potential impact on the Fund's objectives.

In managing risk, the Fund will also:

- Seek to maintain an appropriate balance between opportunity and risk taking.
- Clearly incorporate the effective anticipation of, and positive response to change, within its ongoing implementation of Risk Management
- Seek to minimise loss, damage, and poor service to the stakeholders of the Fund particularly the Employers and individual Fund Members
- Seek to ensure that in undertaking any major project or new area of activity risk is duly considered and appropriate additions and/or amendments are made to the Risk Register

How Risk Management is to be implemented

In implementing its approach to Risk Management, the Pension Fund will give due regard to relevant Legislation, Regulations, Statutory Guidance, other Guidance or Codes issued by the Government, Scheme Advisory Board, CIPFA and the Pensions Regulator. These include for example The Pensions Act 2004 (as amended), The Public Service Pensions Act 2013, the LGPS Regulations 2013, the LGPS (Management and Investment of Funds) Regulations 2016, the CIPFA Guidance *"Managing Risk in the Local Government Pension Scheme"* (2018), The Pensions Regulator *"General code of practice"* (2024).

Risks management will be implemented in accordance with the Risk management cycle as set out in the CIPFA Guidance (2018). This consists of an ongoing cycle, or continuous loop, which consists of Risk Identification, Risk Analysis, Risk Control, and Monitoring.

This **Risk Management Policy** is supported by an operational document the **Pension Fund Risk Management Strategy and Process.** This sets out in detail how the Fund manages and treats risk.

The consideration of Risk is to be undertaken using the seven major *"types"* or areas, or categories of risk identified in the CIPFA Guidance (2018). These are: Asset and Investment Risk, Liability Risk, Employer Risk, Resource and Skill Risk, Administrative and Communicative Risk, Reputational Risk, Regulatory and Compliance Risk. The Risk Register itself will be configured with risks listed under each of the seven headings in the CIPFA Guidance.

Risk Management Responsibilities

The Head of Pensions is the responsible Officer for the application of the **Risk Management Policy**, the **Pension Fund Risk Management Strategy and Process**, and the day-to-day application of Risk Management within the Haringey Pension Fund.

To seek to avoid the mechanistic and to facilitate the positive, effective, and genuinely useful application of Risk Management an Officer Risk Management Group led by the Head of Pensions will meet monthly to monitor, identify, analyse, and control Pension Fund risk.

The management of risk is however ultimately the responsibility of the Pensions Committee and Board (PCB) which in the case of the Haringey Fund exercises, on behalf of the Council, the role of the "Scheme Manager" or "Administering Authority" under the LGPS Regulations 2013.

Therefore, the full Risk Register will be reviewed by the Officer Risk Management Group and then presented to the PCB on at least four occasions a year. In addition, each year there will be at least one meeting of the Investment and Governance Working Group which is devoted primarily to consideration of risk management in conjunction with the Pension Fund Business Plan and Budget.

All advisors to the Fund – and in particular, the Fund Actuary, London CIV, the provider of Investment Consultancy Services, the Independent Advisor – are expected to be aware of this policy. They are also expected to assist, as appropriate, the Fund Officers and in particular the Pensions Committee and Board in achieving the effective implementation of Risk Management across the Haringey Pension Fund.

The procedures in the Risk Management process

The Risk Management process is in accordance with the Risk management cycle as set out in the CIPFA Guidance (2018). This is an ongoing cycle, or continuous loop, which considers risk from both a proactive and reactive perspective taking account also of past experience. This is described in detail in the **Pension Fund Risk Management Strategy and Process**. The Risk Management cycle consists of:

- Risk Identification
- Risk Analysis
- Risk Control
- Risk Monitoring

Monitoring and Review of this Policy

This policy was approved by the Pensions Committee and Board on 11 September 2025. It will be formally reviewed at least every three years or sooner, as appropriate.