TEESSIDE PENSION FUND

Administered by Middlesbrough Council

PENSION FUND COMMITTEE REPORT

17 JUNE 2026

CORPORATE DIRECTOR OF FINANCE – ANDREW HUMBLE

RISK REGISTER REVIEW

Proposed Decision(s)
That Members note the report and pass any comments.

Executive summary
This report presents the Pension Fund Risk Register. There are four modified risks detailed in section 5: TPF004 – Political Risk (Investments), TPF019 – Governance Skills Shortage, TPF020 – Inadequate Border to Coast Oversight, and TPF037 – Compliance Failures. Members have the opportunity to suggest further amendments to the risks in the register or suggest new risks.

1. Purpose of the Report

1.1 To advise Members of changes to the Pension Fund Risk Register and to provide Members with an opportunity to review the Risk Register.

2. Recommendation

2.1 That Members note the report and pass any comments.

3. Financial Implications

3.1 There are no financial implications arising from this report.

4. Background

4.1 Internal Audit have recommended that the Risk Register is presented at each quarterly Pension Fund Committee meeting, with any emerging risk or high risks highlighted for discussion.

5. Modified Risks

5.1 The Appendix identifies the original score when the risk was placed on the register and the current score. Since the March Pensions Committee meeting there have been four amendments to the risk register.

5.2 TPF004 – Political Risk (Investments). Likelihood increased from possible to likely to reflect the increased possibility of a leadership challenge to the Prime Minister. There are concerns that markets will price in weaker control of Government debt from potential candidates. The Funds Investment Strategy to hold a diverse range of assets mitigates some of the potential impact.

5.3 TPF019 – Governance Skills Shortage. Likelihood increased from possible to likely to reflect the increased expectation of knowledge and skills for Pension Committee members and Officers following the Pension Act 2026.

5.4 TPF020 – Inadequate Border to Coast Oversight. Likelihood increased from unlikely to possible to reflect the increased complexity of the relationship as the nature and extent of services provided by Border to Coast to the Fund increases following the Pensions Act 2026. The potential for gaps in oversight coverage are increased, particularly whilst the changes are in the build phase. The relationship between the shareholder and client role of the Fund are also subject to change following the Pensions Act 2026.

5.5 TPF037 – Compliance Failures. Likelihood increased from unlikely to possible due to increased governance requirements for Funds following the Pensions Act 2026. These include increased knowledge and skills requirements for Members and Officers, appointment of Senior LGPS Officer, appointment of Independent Person, review of Investment Strategy Statement, working with TVCA on local investments and going through an Independent Governance Review every three years.

5.6 The other major risks and their current assessments are listed below with the full Risk Register included as an Appendix.

Risk	**Impact**	**Likelihood**
TPF001 Inflation	Major	Possible
TPF003 Global Financial Instability	Major	Likely
TPF004 Political Risk (Investment)	Moderate	Likely
TPF005 Investment Class Failure	Major	Possible
TPF010 Inadequate Pooling Transparency	Catastrophic	Unlikely
TPF012 Pooling Investment Underperformance	Major	Possible
TPF019 TPF Governance Skills Shortage	Major	Possible
TPF020 Inadequate Border to Coast Oversight	Major	Possible
TPF021 Inappropriate Investment Strategy	Catastrophic	Unlikely
TPF053 Climate Change – potential impact on the value of both assets and liabilities	Major	Possible
TPF054 Political Risk to the Scheme	Catastrophic	Possible

6. Next Steps

6.1 The Risk Register will continue to be presented to the Committee at least on an annual basis.

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