



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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Item 11

18th March 2026

Risk Register Update

Purpose of Report:

To present a summary of the current Strathclyde Pension Fund Risk Register.

Recommendations:

The Committee is asked to **NOTE** the contents of this report.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

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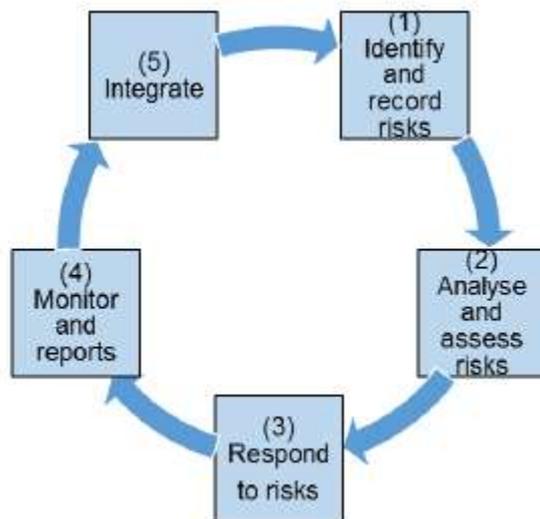
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1 Background

In March 2025, the Committee approved a revised [Risk Policy and Strategy Statement](#). Unlike the Fund's other policy documents, this is not a requirement of the regulations but is considered a matter of best practice. The Statement sets out a common basis for risk management across the Fund's other policies and strategies.

2 Risk Management Process

The risk management process is illustrated as follows.



3 Risk Register

As a key part of the risk strategy, a detailed risk register has been established and is maintained for the Strathclyde Pension Fund (SPF) and the Strathclyde Pension Fund Office (SPFO). The format is consistent with the corporate and departmental registers. The register provides a simple, systematic and consistent basis for recording, analysis, understanding, communication, management, monitoring and reporting of risks.

4 Current Register

4.1 Summary

The risk register as at 31st January 2026 is summarised as follows.

Total Risks 37	Very High Risks 1	High Risks 1
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4.2 Changes

There have been 3 changes since the last review:

Changes since last review (31 October 2025)

New 1	Closed 0	Increased 1	Decreased 1	Static 34
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Risk 2738 – Material breach of LGPS regulations has been added as a separate, new risk. Some of the factors which may contribute to this are already listed separately on the register, but for consistency with other regulatory risks, and to reflect the requirements of the Pensions Regulator, this is now listed as an individual risk with a residual score of 9 (impact 3 x probability 3).

Risk 1583 – Climate-related financial loss has been increased from a residual score of 8 (impact 4 x probability 2) to a 9 (3x3). This reflects the outcomes of the recent review of the SPF Climate Action Plan. SPF has made excellent progress in implementing the plan, but it is clear that further progress will become increasingly difficult in light of a lack of policy response, loss of momentum, and increasing headwinds.

Risk 0418 – MiFiD non-compliance has been reduced from a residual score of 4 (impact 2 x probability 2) to a 3 (3x1). This reflects reduced concern about the potential for any issues to arise given that SPF has, without exception, been treated as a professional investor by all counterparties since the directive first applied in 2018. LGPS funds all now appear to be routinely accepted as professional clients for MiFiD purposes.

4.3 Emerging Risks

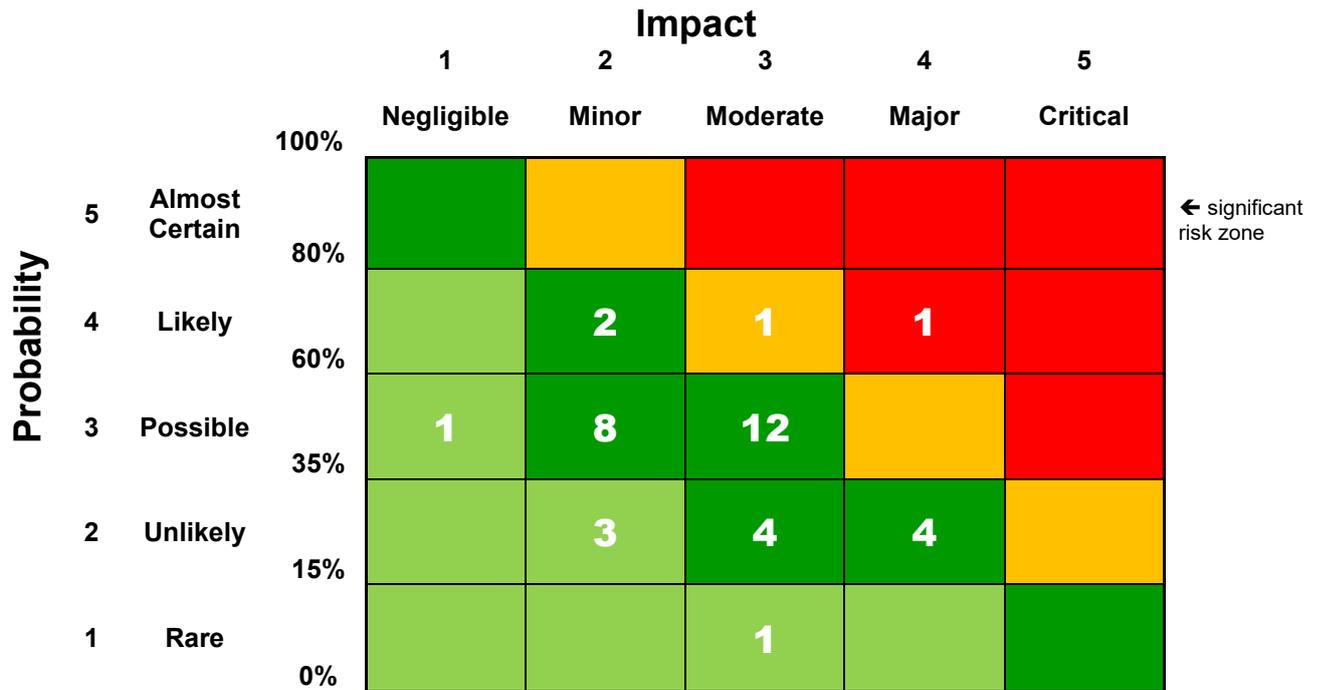
The risk environment changes constantly, though this does not always lead to immediate changes in individual risk assessments. At present there are two main areas of concern that seem to have most potential to prompt a change in risk assessment:

Geopolitical risk - there continue to be heightened international tensions around: existing conflicts (Russia/Ukraine, Israel/Palestine), potential conflicts (Iran), tariffs and other changes in trading patterns, energy security, AI dominance, and a shifting balance of global power. This has already led to market volatility and investor nervousness, and seems likely to continue to do so. But this is already largely captured in existing investment risk mitigations: diversification, modelling of multiple scenarios, current strong funding level, etc.

People risk – the next year or so will see some personnel changes as a result of current recruitment, planned recruitment, management departures and the council elections in 2027. Implementation of a revised pay and grading structure may also cause some distraction.

4.4 Distribution

Current distribution of risks is summarised as follows.



4.5 Risks and Mitigations

The current Risk Register is set out in full at **Attachment A**.

5 Assurance Mapping

The current SPF Risk Policy and Strategy, which was agreed in 2025 includes an undertaking to develop Assurance Mapping.

Assurance Mapping provides some assurance as to risk management and control, by applying the three lines of defence concept to identify sources of assurance:

- **First Line** – comes from within the organisation and includes policies, procedures and performance data and statistics. First line assurance is not independent or objective.
- **Second Line** – relates to the oversight of management activity. It is separate to those responsible for delivery and provides a more objective insight but is not independent. Examples include compliance assessments and reviews.
- **Third Line** – independent assurance that provides an opinion on the governance, risk management and control. Includes internal audit.

A detailed assurance map has now been developed and this together with a summary version, is set out at **Attachment B**

6 Policy and Resource Implications

Resource Implications:

Financial: None

Legal: None

Personnel: None

Procurement: None

Council Strategic Plan: SPF supports all Missions within the Grand Challenge of: ***Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.*** The LGPS is one of the key benefits which enables the Council to recruit and retain staff.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2025-29? Please specify. N/a.
Monitoring report.

What are the potential equality impacts as a result of this report? No significant impact.

Please highlight if the policy/proposal will help address socio-economic disadvantage. N/a.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify: N/a.
Monitoring report.

What are the potential climate impacts as a result of this proposal? N/a.

Will the proposal contribute to Glasgow's net zero carbon target? N/a.

Privacy and Data Protection Impacts:

Are there any potential No.

data protection impacts
as a result of this report
Y/N

If Yes, please confirm that N/a.
a Data Protection Impact
Assessment (DPIA) has
been carried out

7 Recommendations

The Committee is asked **to NOTE** the contents of this report.

Attachments

- A Risk Register as at 31 January 2026**
- B Assurance Map as at 31 January 2026**