


<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>PENSIONS SUB-COMMITTEE</b></p> <p style="text-align: center;"><b>15<sup>th</sup> MARCH 2017</b></p>	
<p><b>PENSION FUND QUARTERLY UPDATE PACK</b></p>	
<p><b>Report of the Strategic Finance Director</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Information</b></p> <p><b>Key Decision: No</b></p>	
<p><b>Wards Affected: None</b></p>	
<p><b>Accountable Director:</b> Pete Carpenter, Interim Director of Treasury and Pensions</p>	
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## **1. EXECUTIVE SUMMARY**

- 1.1. This report is the Pension Fund quarterly update pack for the quarter ended 31<sup>st</sup> December 2016. The scorecard in Appendix 1 provides a high level view of key pensions issues with more detail provided in the remaining appendices.

## **2. RECOMMENDATIONS**

- 2.1. That the report is noted.

## **3. REASONS FOR DECISION**

- 3.1. Not applicable.

## **4. PROPOSAL AND ISSUES**

- 4.1. This report and associated appendices make up the pack for the quarter ended 31<sup>st</sup> December 2016. It is designed to provide sub-committee members with a high level view of key pensions issues in the scorecard (see Appendix 1) with more detailed information in the remaining appendices.

- 4.2. There are no administration indicators in the scorecard, as they are not yet available.
- 4.3. Appendix 2 provides information about the Fund's investments and performance. Alistair Sutherland from Deloitte will be attending the meeting to present this report.
- 4.4. There is no funding level update this quarter as the actuarial valuation results are elsewhere on this agenda and the information would not be meaningful until the funding basis is agreed.
- 4.5. The actual cashflow for the period October to December 2016 and the forecast up to September 2017 is shown in Appendix 3. An analysis of the differences between the actuals and the forecast for the quarter is also shown, as well as an additional analysis of the invested cash in the LGIM Sterling Liquidity fund.
- 4.6. The risk register has been reviewed by officers and is attached as Appendix 4. No changes are proposed at this time.
- 4.7. A summary of the voting undertaken by the investment managers running segregated equity portfolios forms Appendix 5.
- 4.8. Following the introduction of a Forward Plan for future Pensions sub-committee meetings at the June 2016 meeting, it has been included as Appendix 6 and will be included every quarter going forward.

## **5. OPTIONS AND ANALYSIS OF OPTIONS**

- 5.1. Not applicable.

## **6. CONSULTATION**

- 6.1. Not applicable.

## **7. EQUALITY IMPLICATIONS**

- 7.1. Not applicable.

## **8. LEGAL IMPLICATIONS**

- 8.1. None.

## **9. FINANCIAL IMPLICATIONS**

- 9.1. None.

## **10. IMPLICATIONS FOR BUSINESS**

10.1. None.

## **11. BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

11.1. None

### **LIST OF APPENDICES:**

Appendix 1: Scorecard at 31<sup>st</sup> December 2016

Appendix 2: Deloitte quarterly report for quarter ended 31<sup>st</sup> December 2016

Appendix 3: Cashflow monitoring

Appendix 4: Pension Fund Risk Register

Appendix 5: Pension Fund Voting Summary

Appendix 6: Pensions Sub-committee Forward Plan

## Appendix 1: Scorecard at 31<sup>st</sup> December 2016

### HAMMERSMITH AND FULHAM PENSION FUND QUARTERLY MONITORING

	Mar 16	Jun 16	Sep 16	Dec 16	Comment/ Report Ref if applicable
<b>INVESTMENTS</b>					
Value (£m)	855.4	892.6	942.7	982.1	Deloitte report Appendix 2
% return quarter	1.5%	4.4%	6.2%	4.2%	
% return 1 year	-0.4%	5.5%	15.4%	17.4%	
<b>LIABILITIES</b>					
Value (£m)	966.0	-	-	-	Not available this quarter
Deficit (£m)	115.0	-	-	-	
Funding Level	88%	-	-	-	
<b>MEMBERSHIP</b>					
Active members	4,071	3,994	4,040	4,082	N/A
Deferred beneficiaries	5,915	6,180	5,853	5,825	
Pensioners	4,518	4,666	4,693	4,713	
Employers	38	38	38	38	
<b>ADMINISTRATION</b>					
None available					N/A
<b>CASHFLOW</b>					
Cash balance	£1.7m	£3.7m	£4.8m	-£0.1m	Appendix 3
Variance from forecast	-£0.5m	-£0.1m	£0.4m	£-3.5m	
<b>RISK</b>					
No. of new risks	0	1	0	0	Appendix 4
No. of ratings changed	3	0	0	0	
<b>VOTING</b>					
No. of resolutions voted on by fund managers	274	2,097	6,015	3,449	Appendix 5
<b>LGPS REGULATIONS</b>					
New consultations	None	One	None	One	N/A
New sets of regulations	None	None	One	None	