

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Pensions Board

**Date:** 05 June 2024

**Subject:** Pension Fund Quarterly Update Q1 2024

**Report author:** Siân Cogley, Pension Fund Manager

**Responsible Director:** Phil Triggs, Director of Treasury and Pensions

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## SUMMARY

This paper provides the Pensions Board with a summary of the Pension Fund's:

- overall performance for the quarter ended 31 March 2024;
  - cashflow update and forecast;
  - assessment of risks and actions taken to mitigate these.
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## RECOMMENDATIONS

1. The Pensions Board is recommended to note the update.
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**Wards Affected:** None.

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Being ruthlessly financially efficient	Ensuring good governance for the Pension Fund should ultimately lead to better financial performance in the long run for the Council and the council taxpayer.

## Financial Impact

None

## Legal Implications

None

## DETAILED ANALYSIS

## **LBHF Pension Fund Quarterly Update: Q4 2023/24**

1. This report and attached appendices make up the pack for the quarter four (Q4) review ended 31 March 2024. An overview of the Pension Fund's performance is provided in Appendix 1. This includes administrative, investment, and cash management performance for the quarter.
2. Appendix 2 provides information about the Pension Fund's investments and performance. The highlights from the quarter are shown below:
  - Overall, the investment performance report shows that, over the quarter to 31 March 2024, the market value of the assets increased by £53 m to £1,360m.
  - The Fund has outperformed its benchmark net of fees by 0.56%, delivering an absolute return of 4.56% over the quarter.
  - The Total Fund delivered a positive return of 7.88% on a net of fees basis over the year to 31 March 2024.
3. The Pension Fund's cashflow monitor is provided in Appendix 3. This shows both the current account and invested cash movements for the last quarter, as well as cashflow forecasts to 31 December 2024. An analysis of the differences between the actuals and the forecast for the quarter is also included.
4. Appendix 4 contains the Pension Fund's risk registers.
5. The breaches of the law log has not been included this quarter as there have been no breaches to report.
6. Regarding the redemption of all units in the Aviva Infrastructure Income Fund, these monies were due back to the fund by 31 December 2023. Unfortunately, the first tranche of redemption payments (£5m) was not paid until January 2024 and, in the latest update from Aviva, they confirmed that the remainder of the redeemed monies will not be available to be paid back to the Fund until Q2 2024.
  - 1.6.1. Aviva will be presenting an update to the Committee in the exempt section of the meeting of the Pension Fund Committee on the 11 June 2024.

### **Risk Management Implications**

1. These are included in the risk registers.
2. There have been no new risks identified on the risk register.
3. There have been no changes in the risk scores on the risk register.
4. One risk has been reviewed and will be removed from the register in the next quarter:

- i. Risk 45 – COVID-19 affecting the day-to-day functions of the Pensions Administration services including customer telephony service, payment of pensions, retirements, death benefits, transfers and refunds.

### **List of Appendices**

Appendix 1:	Scorecard as at 31 March 2024
Appendix 2:	Isio LB Hammersmith & Fulham PF Investment Performance Report 31 March 2024 (Summary)
Appendix 3:	Cashflow Monitoring Report
Appendix 4:	Pension Fund Risk Register