

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Pensions Board
Date: 12 February 2025
Subject: Pension Fund Quarterly Update Q3 2024
Report author: Siân Cogley, Pension Fund Manager
Responsible Director: Phil Triggs, Director of Treasury and Pensions

SUMMARY

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

- overall performance for the quarter ended 30 September 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.

Our Values	Summary of how this report aligns to the H&F Values
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: Q2 2024/25

1. This report and attached appendices make up the pack for the quarter two (Q2) review ended 30 September 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 regarding 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 30 September 2024, the market value of the assets increased by £3m to £1,374m.
 - The Fund has underperformed its benchmark net of fees by 0.4%, delivering an absolute return of 1.23% over the quarter.
 - The total Fund delivered a positive return of 10.29% on a net of fees basis over the year to 30 September 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 30 June 2025. An analysis of the differences between the actuals and the forecast for the quarter is also included.
4. At the Committee meeting of the 23 July 2024, Cllr Chevoppe-Verdier requested that the Pension Fund risk register is more aligned with the format of the Audit Committee risk register. To this end, officers have broken out the impact and likelihood scoring, shown the score for the previous quarter against the current quarter and added a lead director column. Appendix 4 contains the Pension Fund's risk registers.
5. The breaches of the law log has not been included in this quarter as there have been no breaches to report.
6. At the Committee meeting of the 10 September 2024, adviser Marian George requested an update to the Responsible Investment Statement. This is currently being produced for the Committee meeting of the 5 March 2025.
7. On the 15th January 2025, officers submitted the Pension Fund's response to the Fit to the Future consultation. This is attached as Appendix 5.

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 removed from the register in quarter:

Risk 44 - The Pension Fund is recruiting for a brand-new retained HR and Pensions administration team, with finding candidates for all positions likely to be a challenge.

List of Appendices

- Appendix 1: Scorecard as at 30 September 2024
- Appendix 2a: Isio Quarterly Performance Report for Quarter Ended 30 September 2024 (public)
- Appendix 2b: Isio Fee Benchmarking Report 30 September 2024 (EXEMPT)
- Appendix 3: Cashflow Monitoring Report
- Appendix 4: Pension Fund Risk Register
- Appendix 5: Fit for the Future Consultation Response