London Borough of Hammersmith & Fulham **PENSIONS BOARD** **7 February 2018**	

PENSION FUND QUARTERLY UPDATE PACK	
Report of the Strategic Finance Director	
Open Report	
Classification - For Information **Key Decision: No**	
Wards Affected: None	
Accountable Director: Phil Triggs, Interim Director of Pensions and Treasury	
Report Author: Sue Hands, Interim Finance Manager - Pensions	**Contact Details:** Tel: 0207 641 4331 E-mail: shands@westminster.gov.uk

1. EXECUTIVE SUMMARY

1.1. This report is the Pension Fund quarterly update pack for the quarter ended 30th September 2017. 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 30th September 2017. It is designed to provide Board 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. Kevin Humpherson 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 July to September 2017 and the forecast up to June 2018 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 format of the risk register has been reviewed in line with the standardised approach set out in the current Business Plan. As part of this process all risks have been reviewed to include a new risk factor, namely, the possible impact on membership. Appendix 4 shows the new Tri-Borough Risk Management Matrix and Risk Register with revised ratings.

4.7. A summary of the voting undertaken by the investment managers running segregated equity portfolios forms Appendix 5, this now incorporates the LGIM Global data, hence the significant increase in resolutions.

4.8. Appendix 6 gives an update on the Forward Plan as at 30th September 2017.

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 30th September 2017
Appendix 2: Deloitte quarterly report for quarter ended 30th September 2017
Appendix 3: Cashflow monitoring
Appendix 4: Pension Fund Risk Register
Appendix 5: Pension Fund Voting Summary
Appendix 6: Pensions Board Forward Plan

Appendix 1: Scorecard at 30th SEPTEMBER 2017

HAMMERSMITH AND FULHAM PENSION FUND QUARTERLY MONITORING

	Dec 16	Mar 17	Jun 17	Sep 17	Comment/ Report Ref if applicable
Value (£m)	982.1	1,002.6	1,001.3	1,011.9	Deloitte report Appendix 2
% return quarter	4.2%	2.6%	0.1%	0.1%	
% return 1 year	17.4%	18.2%	13.4%	8.4%	
LIABILITIES					
Value (£m)	-	851.2	-	-	Not available this quarter
Deficit (£m)	-	114.4	-	-	
Funding Level	-	88%	-	-	
MEMBERSHIP					
Active members	4,082	4,136	4,356	4,356	Not available this quarter
Deferred beneficiaries	5,825	5,785	5,753	5,753	
Pensioners	4,713	4,758	4,842	4,842	
Employers	38	41	41	41	
ADMINISTRATION					
None available	-	-	-	-	N/A
	-	-	-	-	
CASHFLOW					
Cash balance	(£0.1m)	£2.8m	£2.5	£5.0m	Appendix 3
Variance from forecast	(£3.5m)	£1.2m	(£4.5m)	(£0.8m)	
RISK					
No. of new risks	0	n/a	0	0	Appendix 4 – New Risk Register
No. of ratings changed	0	n/a	1	0	
VOTING					
No. of resolutions voted on by fund managers	3,449	5,716	32,183	5,282	Appendix 5 – LGIM only this quarter
LGPS REGULATIONS					
New consultations	One	None	None	None	N/A
New sets of regulations	None	None	None	None	