

Pension Fund Committee

12 September 2019



Short Term Investments for the period ended 30 June 2019

Ordinary Decision

Report of John Hewitt, Corporate Director of Resources

Purpose of the Report

1. To provide the Committee with information on the performance of the Pension Fund's short-term investments as at 30 June 2019.

Recommendation

2. Members are asked to note the position at 30 June 2019 regarding the Pension Fund's short-term investments where the Pension Fund's surplus cash holding was £42.646 million and £78,697 net interest was earned in the three month period.

Short Term Investments

3. Durham County Council (the Council) invests the short-term cash balances on behalf of the Pension Fund; this is done in line with the Council's Treasury Management Policy and Annual Investment Strategy. This investment strategy sets out the maximum amounts and time limits in respect of deposits that can be placed with each financial institution.
4. The Pension Fund's surplus cash holding as at 30 June 2019 was £42.646 million, which was held in the institutions listed in the following table, alongside their credit rating at 30 June 2019.

Financial Institution	Short-term Rating	Amount Invested £m
Bank Deposit Accounts Handelsbanken	F1+	0.435
Fixed Term Deposits		
Bank of Scotland	F1	6.223
Close Brothers	F1	1.383
Goldman Sachs	F1	2.766
Santander UK Plc	F1	6.915
UK Local Authorities	N/A	15.144
Building Societies	N/A	6.223
National Savings & Investments	N/A	0.138
Money Market Funds	N/A	3.419
Total		42.646

5. The following table provides information on the net interest earned during the three month period to 30 June 2019, the average daily investment balance and the average return earned in comparison to the average bank base rate. The interest paid to the Pension Fund is based upon the average three month rate of return earned by the Council and is net of the fees of £2,650 paid for the Council undertaking the Treasury Management function for the Pension Fund.

	Total
Net Interest Earned	£78,697
Average Return Earned	0.845%
Average Bank of England base rate	0.75%
Average Daily Balance of Investments	£38.567m

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