

Pension Fund Committee

11 September 2014

Short Term Investments for the period ended 30 June 2014



Don McLure, Corporate Director Resources

Purpose of Report

1. To provide the Committee with information on the performance of the Pension Fund's short term investments for the 3 month period ended 30 June 2014.

Short Term Investments

2. Durham County Council (DCC) invests the short term cash balances on behalf of the Pension Fund; this is done in line with DCC's Treasury Management Policy and Annual Investment Strategy. This investment strategy sets out the maximum amounts and time limits in respect of deposits which can be placed with each financial institution.
3. The Pension Fund's surplus cash holding as at 30 June 2014 was £20.698m which was held in the institutions listed in the table below alongside their credit rating at 30 June 2014.

Financial Institution	Short-term Rating	Amount Invested £m
Bank Deposit Accounts		
Handelsbanken	F1+	4.902
Natwest Bank	F1	0.035
Santander UK Plc	F1	2.888
Barclays	F1	3.500
Fixed Term Deposits		
Bank of Scotland	F1	6.001
Nationwide Building Society	F1	2.501
UK Local Authorities	N/A	0.770
National Savings & Investments	N/A	0.100
Total		20.698

4. The following table provides information on the interest earned during the 3 month period, the average daily investment balance and the average return earned in comparison to the average bank base rate:

	Total
Net Interest Earned	£23,653
Average Return Earned	0.408%
Average Bank of England base rate	0.500%
Average Daily Balance of Investments	£25.723m

Recommendation

5. Members are asked to note the position at 30 June 2014 regarding the Pension Fund's short term investments.

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