

Pension Fund Committee

15 December 2015



Short Term Investments for the period ended 30 September 2015

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 as at 30 September 2015.

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 September 2015 was £69.584m which was held in the institutions listed in the table below alongside their credit rating at 30 September 2015.

Financial Institution	Short-term Rating	Amount Invested £m
Bank Deposit Accounts		
Handelsbanken	F1+	5.000
Santander UK Plc	F1	7.944
Barclays	F1	3.405
Fixed Term Deposits		
Barclays	F1	4.540
Bank of Scotland	F1	13.619
Nationwide Building Society	F1	7.944
Goldman Sachs	F1	7.944
Natwest	F2	4.540
National Savings & Investments	N/A	0.227
Money Market Funds	N/A	19.417
Total		69.584

4. The following table provides information on the net interest earned during the three month period to 30 September 2015, 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 on the London Interbank Bid (LIBID) three month rate and is net of the fees of £2,500 paid for the Council undertaking the Treasury Management function for the Pension Fund.

	Total
Net Interest Earned	£70,908
Average Return Earned	0.46%
Average Bank of England base rate	0.50%
Average Daily Balance of Investments	£63.378m

Recommendation

5. Members are asked to note the position at 30 September 2015 regarding the Pension Fund's short term investments where £70,908 net interest was earned in the three month period.

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