

Pension Fund Committee

3 March 2016



Short Term Investments for the period ended 31 December 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 31 December 2015.

Short Term Investments

2. Durham County Council (DCC) invests the short term cash balances held 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 31 December 2015 was £41.576m which was held in the institutions listed in the table below alongside their credit rating at 31 December 2015.

Financial Institution	Short-term Rating	Amount Invested £m
Bank Deposit Accounts		
Handelsbanken	F1+	0.023
Santander UK Plc	F1	3.853
Barclays	F1	2.251
Fixed Term Deposits		
Barclays	F1	3.001
Bank of Scotland	F1	9.004
Nationwide Building Society	F1	5.252
Goldman Sachs	F1	5.252
Natwest	F2	3.001
Local Authorities	N/A	0.319
National Savings & Investments	N/A	0.150
Money Market Funds	N/A	9.470
Total		41.576

4. The following table provides information on the net interest earned during the three month period to 31 December 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	£57,612
Average Return Earned	0.45%
Average Bank of England base rate	0.50%
Average Daily Balance of Investments	£52.509m

Recommendation

5. Members are asked to note the position at 31 December 2015 regarding the Pension Fund's short term investments where £57,612 net interest was earned in the three month period.

Contact: Beverley White Tel: 03000 261900
