

Pension Fund Committee

6 June 2016



Short Term Investments for the period ended 31 March 2016

Paul Darby, Interim 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 March 2016.

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 short term cash holding as at 31 March 2016 was £17.905 million which was held in the institutions listed in the table below alongside their credit rating at 31 March 2016.

Financial Institution	Short-term Rating	Amount Invested £ million
Bank Deposit Accounts		
Handelsbanken	F1+	0.065
Santander UK Plc	F1	0.098
Barclays	F1	1.257
Fixed Term Deposits		
Barclays	F1	1.676
Bank of Scotland	F1	5.029
Nationwide Building Society	F1	2.095
Goldman Sachs	F1	2.933
Natwest	F2	1.676
Local Authorities	N/A	0.934
National Savings & Investments	N/A	0.084
Money Market Funds	N/A	2.058
Total		17.905

4. The following table provides information on the net interest earned during the three month period to 31 March 2016, 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	£34,466
Average Return Earned	0.46%
Average Bank of England base rate	0.50%
Average Daily Balance of Investments	£32.479 million

Recommendation

5. Members are asked to note the position at 31 March 2016 regarding the Pension Fund's short term investments where £34,466 net interest was earned in the three month period.

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