

Pension Fund Committee

8 December 2016



Short Term Investments for the period ended 30 September 2016

John Hewitt, 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 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 surplus cash holding as at 30 September 2016 was £18.648 million which was held in the institutions listed in the table below alongside their credit rating at 30 September 2016.

Financial Institution	Short-term Rating	Amount Invested £m
Bank Deposit Accounts		
Handelsbanken	F1+	0.000
Santander UK Plc	F1	4.449
Barclays	F1	0.000
Fixed Term Deposits		
Barclays	F1	0.000
Bank of Scotland	F1	5.392
Nationwide Building Society	F1	2.247
Goldman Sachs	F1	3.146
Royal Bank of Scotland	F2	1.798
Local Authorities	N/A	0.000
National Savings & Investments	N/A	0.090
Money Market Funds	N/A	1.526
Total		18.648

4. The following table provides information on the net interest earned during the three month period to 30 September 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	£24,827
Average Return Earned	0.31%
Average Bank of England base rate	0.34%
Average Daily Balance of Investments	£34.731m

Recommendation

5. Members are asked to note the position at 30 September 2016 regarding the Pension Fund's short term investments where £24,827 net interest was earned in the three month period.

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