

Pension Fund Committee

5 June 2017



Short Term Investments for the period ended 31 March 2017

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 31 March 2017.

Short Term Investments

2. Durham County Council (the Council) invests the short term cash balances on behalf of the Pension Fund; this is done in line with the Council'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 March 2017 was £8.638 million which was held in the institutions listed in the table below alongside their credit rating at 31 March 2017.

Financial Institution	Short-term Rating	Amount Invested £m
Bank Deposit Accounts		
Handelsbanken	F1+	0.266
Santander UK Plc	F1	0.469
Fixed Term Deposits		
Leeds Building Society	F1	0.704
Bank of Scotland	F1	1.642
Nationwide Building Society	F1	0.469
Goldman Sachs	F1	1.173
UK Local Authorities	N/A	2.931
National Savings & Investments	N/A	0.047
Money Market Funds	N/A	0.937
Total		8.638

4. The following table provides information on the net interest earned during the three month period to 31 March 2017, 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	£5,255
Average Return Earned	0.23%
Average Bank of England base rate	0.25%
Average Daily Balance of Investments	£13.811m

Recommendation

5. Members are asked to note the position at 31 March 2017 regarding the Pension Fund's short term investments where £5,255 net interest was earned in the three month period.

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