

28 January 2013**Agenda Item:8****REPORT OF SERVICE DIRECTOR – FINANCE & PROCUREMENT****PENSION FUND TREASURY MANAGEMENT POLICY****Purpose of the Report**

1. To seek approval for the Pension Fund's treasury management policy for 2013/14.

Information and Advice

2. Under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 the Council has been required to operate a separate bank account for its pension fund money from 1 April 2011. Associated with this is the requirement to formulate an investment policy for the investment of fund monies with a view:

 - (a) to the advisability of investing fund money in a wide variety of investments;
and
 - (b) to the suitability of particular investments and types of investments.
3. The Pension Fund's current Statement of Investment Principles includes general provisions for the investment of Fund cash and states that the 'policy is to invest surplus funds prudently, giving priority to security and liquidity rather than yield'. In order to increase the transparency of the treatment of pension fund cash and to give future flexibility in terms of investment policy it is proposed that a separate treasury management policy is approved for the Fund. This can be found at Appendix A.
4. The treasury management function for the Pension fund would continue to operate through the County Council and be overseen by the Treasury Management Group comprising of the Service Director (Finance & Procurement), the Group Manager (Financial Strategy & Compliance), the Senior Accountant (Pensions & Treasury Management) and the Senior Finance Business Partner (Capital & External Funding).

Statutory and Policy Implications

5. This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder and those using the service and where such implications are material they have been described in the text of the report.

RECOMMENDATION/S

- 1) That the Pension Fund treasury management policy for 2013/14 be approved.

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Constitutional Comments (KK 18/01/13)

The proposals in this report are within the remit of the Nottinghamshire Pension Fund Committee.

Financial Comments (SRC 17/01/13)

There are no direct financial implications arising from the report.

Background Papers

None