report

Nottinghamshire
County Council

meeting	PENSIONS INVESTMENT SUB-COMMITTEE
date	18 MARCH 2010 agenda item number **6**

REPORT OF THE SERVICE DIRECTOR (FINANCE)

PENSION FUND CASH

1. Purpose

1.1 To update the Sub-Committee on the arrangements for investing pension fund cash.

2. Information and Advice

2.1 Members of the Sub-Committee will be aware of the issues regarding the County Council's use of pension fund cash raised during the audit of the 2008/09 accounts. The Audit Commission have now confirmed that the Council was operating in accordance with the prevailing regulations and proposes to take no further action as regards the 2008/09 accounts.

2.2 Members will also be aware that the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 remove the power of an administering authority to use pension fund cash and pay a specified interest rate to the fund. This is effective from 1 April 2010.

2.3 At its meeting on 14 January 2010, the Sub-Committee agreed that its preferred option for cash investment from 1 April 2010 was to allow the County Council to invest the cash on its behalf in accordance with the Council's approved treasury management policy. Where the Council pools this cash together with its own cash, the Fund would receive a fair share of the return based on the average interest rate achieved by the Council. The Fund would, however, bear its share of any losses that might occur.

2.4 For information, the approved treasury management policy is attached at Appendix A along with the associated lending list at Appendix B. These were approved at County Council on 25 February 2010.

3.   Statutory and Policy Implications

3.1   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.

4.   Recommendations

4.1   That the report be noted.

ALAN SUMBY
SERVICE DIRECTOR (FINANCE)

<u>Background Papers Available for Inspection</u>
None