

By: Chairman Superannuation Fund Committee  
Acting Corporate Director of Finance and Procurement

To: Superannuation Fund Committee – 1 July 2011

Subject: **CASH MANAGEMENT**

Classification: Unrestricted

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Summary: Update on the Pension Fund's cashflow and internally managed cash

**FOR INFORMATION**

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### **INTRODUCTION**

1. The Pension Fund's cash is managed in accordance with the Treasury Management Strategy agreed by the Superannuation Committee on 18 June 2010. The aim is to maintain a minimum balance of £15m to cover the payment of pensions and other ongoing expenses. Any surplus may be transferred to existing fund managers or used to fund new investments.

### **CASH MANAGEMENT**

2. At 1 April 2011 the available cash balance was £12.77m. This was lower than forecast following the transfer of £5.8m to the Partners Group infrastructure fund.
3. The overall return on the cash in 2010 -11 was 1.0364% pa against the 7 day LIBID rate of 0.4362%.
4. As at 31 May 2011 the internally managed cash balance was £29.27m. £24.35m was in a NatWest Special interest Bearing Account (SIBA), £4.92m invested in the JP Morgan Sterling Liquidity Fund and £0.65m in the RBS call account.
5. Since April cash has been withdrawn from the RBS account and new deposits made instead to a NatWest SIBA. The interest rate on the SIBA is the same as that paid on the RBS account at 1.15%. This change was made ahead of the sale of the RBS retail business to Santander UK due later this year.
6. The overall return on the cash to date in 2011-12 is 1.0342% pa against the 7 day LIBID rate of 0.4605%.

## **RECOMMENDATION**

7. Members are asked to note the Pension Fund's cash balance and cashflow.

**Alison Mings**  
**Treasury and Investments Manager**