

CYNGOR SIR POWYS COUNTY COUNCIL.

**Pensions and Investment Committee
25th February 2010**

REPORT BY: Head of Finance & Corporate Performance

SUBJECT: LGPS etc Amendments (Investments) & Strategy for Cash

REPORT FOR: Information/Decision

1 Introduction

1.1 On 1st January 2010 the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 [SI. 2009 No. 3093] came into force. The SI revokes the previous Management and Investment of Funds Regulations i.e. SI 1998/1831 and subsequent amendments.

2. Banking Arrangements

2.1 The 2009 investment regulations introduce the requirement that from 1st April 2011, administering authorities must hold all monies for the purpose of the pension fund in a separate account with a deposit-taker. A deposit taker is defined as the Bank of England, the central bank of any other EEA state, the National Savings Bank, a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits or an EEA firm which can accept deposits by virtue of paragraphs 5(b), 12 and 15 of Schedule 3 to the Financial Services and Markets Act 2000.

2.2 Arrangements have been made with the Council's bankers, HSBC and a new account for the Pension Fund will be going live on 1st April 2010.

3. Strategy for Cash

3.1 The Powys Pension Fund will often hold cash amounts for cashflow purposes in particular in respect of funding calls from the private equity funds. In the past this would have been pooled with the Authority's cash balances and invested in accordance with the Authority's Treasury Management Strategy.

3.2 With effect from 1st April 2010 the proposed strategy for Pension Fund cash is that a maximum of £2M will be held for cashflow purposes and this will be deposited in the name of the Pension fund in an interest bearing account with HSBC.

4. Recommendations:

4.1 That members note the contents of the report.

4.2 That members approve the proposal to hold a maximum of £2M for cashflow purposes.

Recommendation:	Reason for Recommendation:
To note the contents of the report. Members approve the proposal to hold a maximum of £2M for cashflow purposes.	

Person(s) To Action Decision:	Carl Leah
Date By When Decision To Be Actioned:	

Relevant Policy (ies):	N/A		
Within Policy:	N/A	Within Budget:	N/A

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Relevant Portfolio Member(s):	Councillor Gwilym Vaughan
Relevant Local Member(s):	