

Wiltshire Pension Fund
Annual Treasury Management Report 2021/22

1. This report reviews:
 - a) the actual cash position at the end of 2021/22
 - b) the investment position during, and at the end of 2021/22

Review of Cash Position

2. The cash position for the year was as follows,

	£000s
Payments	
General Creditors	45,216
Pensions	75,634
To Fund Managers	78,780
Payments Total	199,630
Receipts	
General Income	92,195
WC Transfer	44,357
From Fund Managers	85,650
Receipts Total	22,202
Cash Inflow	22,572

3. The outflow can be accounted for by the movement in funds as follows,

	£000s
Increase in Investments	22,514
Increase in Bank Balance	58
Total	22,572

4. The Pension Fund maintained an average balance of £10,462 million of funds available for investment during the year.

5. Monthly average cash balances, and highest and lowest cash balances, held for investment were as follows,

Month	Cash Balances		
	Average £000s	Highest £000s	Lowest £000s
April 2021	7,334	13,203	5,439
May 2021	8,885	12,973	6,752
June 2021	7,641	11,923	6,061
July 2021	7,187	14,892	4,307
August 2021	7,898	19,638	5,394
September 2021	14,568	20,847	7,972
October 2021	9,105	14,108	4,565
November 2021	8,985	13,959	6,998
December 2021	18,509	26,322	9,175
January 2022	14,894	20,706	5,402
February 2022	13,925	16,601	9,382
March 2022	24,745	36,478	9,545
Average 2021/22	11,983		

Investment Out Turn

6. Investment decisions involve a certain degree of risk. In order to minimise exposure to risk, the Treasury Management Strategy recognises the need for security and liquidity, so it has been agreed that funds would be placed with agreed counterparties only. These are as follows,

Counterparty	Account Type	Credit Rating **
HSBC	Overnight Deposit Account	AA-
Black Rock	Money Market Fund (LVNAV*)	AAA
Aberdeen Asset Management	Money Market Fund (LVNAV*)	AAA
Handelsbanken	Call Account	AA

* LVNAV = Low Volatility Net Asset Value

** Credit Rating = Fitch Long Term Credit Rating (AAA = highest rating) as at 31 March 2022

7. During the year there were opportunities to place surplus cash with all four counterparties above. Although HSBC was not used until March 2022, when the interest rate associated with this account improved from negative to positive. This resulted in interest income (receivable) of £13,555.31.
8. Deposits were placed to maintain liquidity, obtain the best interest available and to spread the risk within the authorised lending limits.
9. As summarised within Appendix A, 27 deposit transactions were made during the year, with a gross value of £113.309 million. Of the deposits made, 4 were placed on call with Handelsbanken, 14 were placed with the money market funds, and 9 were placed with HSBC.

10. The funds earned an average interest rate of 0.13%.

Breach of Counterparty Limit

11. There were no breaches of the counterparty limits for the pension fund during this financial year.

Review of Temporary Deposits 2021/22APPENDIX A

Counterparty	Balance at 1 April 2021 (£000s)	Placed		Repaid		Balance 31 March 2022 (£000s)	Interest Range* (%)	Interest Received (£000s)
		Value (£000s)	No	Value (£000s)	No			
HSBC – Overnight	0	9,470	9	8,140	7	1,330	-0.05 to 0.54	0
Black Rock MMF	4	38,480	7	31,334	16	7,150	0.01 to 0.35	5
Aberdeen MMF	0	45,354	7	35,400	19	9,954	0.01 to 0.36	4
Handelsbanken – Call	5,857	20,005	4	15,920	9	9,942	0.05 to 0.50	5
Totals	5,861	113,309	27	90,794	51	28,376		14

* Interest Range = Lowest/highest interest rate for the transactions during the period.