

Wiltshire Pension Fund
Annual Treasury Management Report 2022/23

1. This report reviews:
 - a) the actual cash position at the end of 2022/23
 - b) the investment position during, and at the end of 2022/23

Review of Cash Position

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

	£000s
Payments	
General Creditors	43,974
Pensions	79,616
To Fund Managers	86,656
Payments Total	210,246
Receipts	
General Income	94,460
WC Transfer	50,164
From Fund Managers	53,250
Receipts Total	197,874
Cash Outflow	12,372

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

	£000s
Decrease in Investments	12,269
Decrease in Bank Balance	103
Total	12,372

4. The Pension Fund maintained an average balance of £17.984 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 2022	27,898	35,053	18,491
May 2022	19,305	26,503	12,571
June 2022	26,457	31,731	22,326
July 2022	17,880	24,720	9,631
August 2022	12,784	19,421	9,492
September 2022	16,028	24,513	8,019
October 2022	16,042	22,471	10,982
November 2022	13,154	23,832	8,347
December 2022	17,584	24,768	14,181
January 2023	16,751	23,485	14,526
February 2023	17,218	21,854	14,370
March 2023	16,843	22,400	14,894
Average 2022/23	18,162		

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 2023

7. During the year there were opportunities to place surplus cash with all four counterparties above. This resulted in interest income (receivable) of £367,240.04.
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, 123 deposit transactions were made during the year, with a gross value of £165.746 million. Of the deposits made, 3 were placed on call with Handelsbanken, 15 were placed with the money market funds, and 105 were placed with HSBC overnight.
10. The funds earned an average interest rate of 2.02%.

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 2022/23**APPENDIX A**

Counterparty	Balance at 1 April 2022 (£000s)	Placed		Repaid		Balance 31 March 2023 (£000s)	Interest Range* (%)	Interest Received (£000s)
		Value (£000s)	No	Value (£000s)	No			
HSBC – Overnight	1,330	85,930	105	86,560	87	700	0.54 – 4.03	21
Black Rock MMF	7,150	30,362	7	27,535	22	9,977	0.54 – 4.10	162
Aberdeen MMF	9,954	39,507	8	44,040	24	5,421	0.54 – 4.06	177
Handelsbanken – Call	9,942	9,947	3	19,880	3	9	0.50 – 3.60	7
Totals	28,376	165,746	123	178,015	136	16,107		367

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