

WILTSHIRE PENSION FUND COMMITTEE
24 May 2004

WILTSHIRE PENSION FUND FORWARD PLAN 2004-06

Purpose of the Report

1. This report provides Members with a draft Wiltshire Pension Fund Forward Plan 2004-06 for consideration and approval.

Background

2. There is no legal requirement for Local Government Pension Schemes (LGPS) to produce Business Plans, but it is certainly good practice and may become compulsory in the future. The Government (Myners) Investment Principle on "Effective Decision-Making" (No. 1) calls upon trustees to "draw-up a forward looking business plan". The Office of the Deputy Prime Minister is also looking at publicity and communication as part of a potential Phase 3 of the Local Government Pension Scheme Stock-take exercise.
3. We currently produce an Annual Report for employer bodies and scheme members, but do not publish anything that is forward looking. A Forward Plan would be a start and the Funding Strategy Statement (FSS), which must be prepared by 31 March 2005 under the latest LGPS regulations, will discuss future funding strategy for the Wiltshire Pension Fund. The FSS will be the subject of a report to Members, probably in early 2005.

Reasons for Proposals

4. It is prudent for the Wiltshire Pension Fund to prepare a Forward Plan for the next two years, with scope for future development into a more thorough Business Plan.
5. The proposed Forward Plan 2004-06 is attached as the Appendix. It comprises a list of the strategic activities that the Fund needs to tackle over the next 2 years, with a timescale and short commentary given for each item. I will, of course, be more than happy to discuss individual items with Members at the meeting.

Environmental Impact of the Proposals / Risk Assessment

6. There are no known environmental impacts or risks associated with this proposal.

Proposal

7. The Committee is asked to approve the Wiltshire Pension Fund Forward Plan 2004-06.

MIKE PRINCE
County Treasurer

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Unpublished documents relied upon in the production of this report: None

3/2005/PEN/DB

WILTSHIRE PENSION FUND
FORWARD PLAN 2004-06

	ACTIVITY	TIMESCALE	COMMENTS
GOVERNANCE MATTERS			
1	Members' training plan	Autumn 2005	After May 2005 election
INVESTMENT & ACTUARIAL MATTERS			
2	Review of investment risk measures	May - July 2004	To determine appropriate measures for reporting the amount of active risk (compared to benchmark) that the Fund's investment managers are taking
3	Review of investment transaction costs	May - September 2004	A high level review to ensure reasonableness of costs
4a	Full Actuarial Valuation (Hymans Robertson)	May - October 2004	Statutory triennial Actuarial Valuation
4b	Discuss & agree Actuarial Valuation results with committee & employers	October - December 2004	Aim to have the Actuarial Valuation formally signed off by 31 December 2004 (three months ahead of statutory deadline)
5	Prepare "Funding Strategy Statement" for publication by 31 March 2005	May 2004 – December 2004	Statutory document required to set-out longer-term view of how liabilities will be funded and the agreed level of compromise between stability and affordability of employer contributions – will be worked up with work carried out on the Actuarial Valuation (see 4a & b above)
6	Asset-liability study & investment strategy review	November 2004 – April 2005	To ensure that investment strategy is still appropriate following the Valuation and market developments
7	Implement any investment management changes as a result of the investment strategy review	April 2005 – Autumn 2005	Adapt existing mandates and appoint managers to implement the agreed investment strategy (if necessary)
8	Review/Re-tender Actuarial and Investment Consultancy services	Sept 2005 – Dec 2005	Contracts are due for review
ADMINISTRATION & PUBLICITY MATTERS			
10	Employer Body Training	Autumn/Winter 2004/05	To ensure that employer bodies have access to training on the LGPS regulations
11	Upgrade Wiltshire Pension Fund website	By March 2005	To ensure that the website is as informative, user-friendly and up-to-date as possible
12	Implement a new hardware platform for the Pensions Administration System	By March 2005	The system is reaching capacity and is due for replacement
13	Update the Pensions Administration System software/processes	Sept 2004 – Sept 2006	To update to the latest software and ensure that processes are as efficient and effective as possible

