

Northern Ireland Local Government Officers' Superannuation Committee

Revised Vision, Mission, Values, Strategic Aims and Objectives

Background

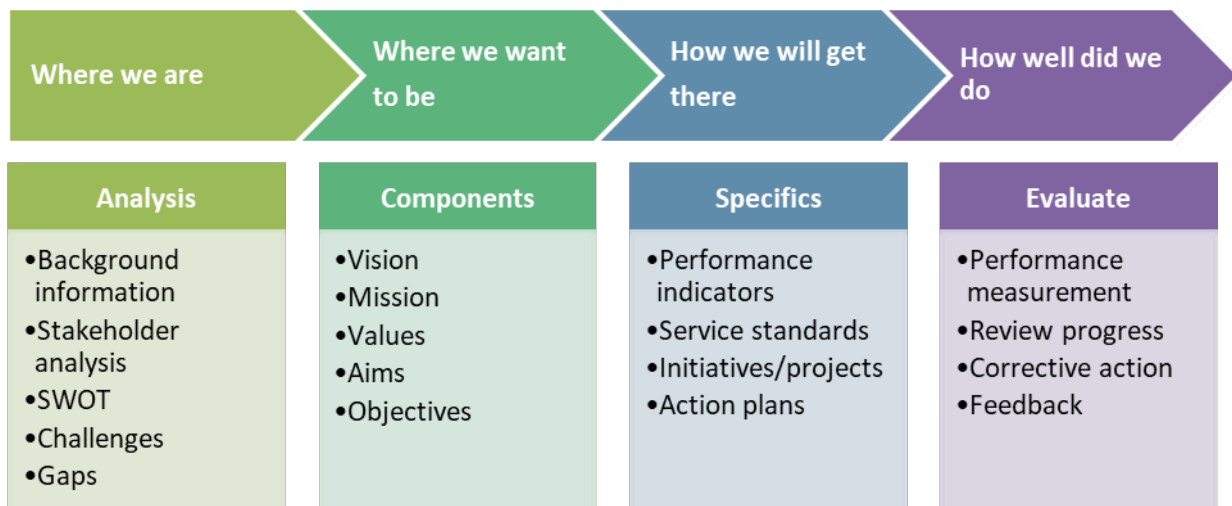
NILGOSC is the administering body for the Local Government Pension Scheme (LGPS) in Northern Ireland. Its role is primarily to administer the LGPS Regulations, both in terms of pension scheme administration, including the calculation and payment of benefits, and the management of the investment fund. The Regulations are made by the Department for Communities and, while NILGOSC will respond actively to the consultation process, it does not have any power to change the regulations or determine their content. In this respect, NILGOSC's role is relatively constrained with its function being to deliver a pension service to scheme members and employing authorities in accordance with the regulations. Within this narrowly defined function, the focus continues to be on providing a high quality service to all stakeholders, in line with their continually evolving expectations.

Like most organisations, NILGOSC has established a strategic planning process which allows it to identify and achieve its long term strategic objectives. A key part of this process is the triennial strategic review, during which the organisation's vision, mission, values and strategic aims are subjected to a thorough review and stakeholder consultation to ensure that they remain relevant and reflective of the current operating environment. In the intervening period between strategic reviews, NILGOSC reviews and updates its operational business plans annually to help plan resources and measure performance.

Strategic Review 2018

NILGOSC commenced its latest strategic review with a strategic planning workshop held on 18 April 2018. This workshop provided the Management Committee with an opportunity to assess the current operating environment and to inform the strategic direction of the organisation for the next three years. A Stakeholder Analysis was undertaken to identify current stakeholders and their needs and expectations while a SWOT analysis was also undertaken to identify and examine NILGOSC's strengths and weaknesses, opportunities and threats. This analysis also provided the opportunity to assess any current or anticipated changes to the operating environment in order that NILGOSC can proactively take advantage of opportunities and seek to eliminate any threats.

Visual Representation of NILGOSC's Strategic Planning Process



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The output from this analysis formed the basis for the second stage in the process, namely the definition of where NILGOSC, from a strategic delivery perspective, would like to be. A comprehensive review was undertaken of NILGOSC's Vision, Mission, Values and Strategic Aims and Objectives, the results of which are attached at Appendix 1. Each of these components is set at a strategic level, with specific operational challenges and objectives instead identified at the detailed business plan level. This is intentional to ensure a strategic focus during the triennial review and also to ensure that our vision, mission and high level aims and objectives are future-proofed and therefore do not require revision for every new initiative or operational change. This, together with NILGOSC's relatively narrow role and remit, is reflected in the minor nature of the changes proposed.

The 2018 strategic review was undertaken within the context of NILGOSC's six overarching themes and drivers. The diagram below shows these themes, with NILGOSC's stakeholders firmly at the centre of any strategic direction and decision making.



The six themes shown above form the framework for the revised Vision, Mission, Values and Strategic Aims and Objectives set out in Appendix 1.

As a pension scheme, a key part of NILGOSC's strategic decision making relates to the Investment Strategy, which sets out how the Fund is invested. The overriding objective is to invest prudently so as to ensure that the benefits promised to members are provided and to provide reasonable stability in contribution rates for the employers. The Investment Strategy is long term in nature and takes account of the nature and timing of the Fund's liabilities identified through the triennial actuarial valuation and its funding

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objective. Given its significance, NILGOSC undertakes a separate formal review of its Investment Strategy every three years taking into account the professional advice of its Investment Advisor and Scheme Actuary. The latest review took place in Autumn 2017 and culminated in the determination of a revised investment strategy and performance objective to take effect from 1 April 2018.

NILGOSC's current funding and cashflow position allows it to continue to pursue investment opportunities that generate an attractive rate of return within lower risk parameters. Scheme affordability remains a priority and the continuing backdrop of public sector reform and constraint continues to provide a number of challenges in respect of service delivery, scheme membership and employer strength. Collaboration offers NILGOSC the opportunity to share resources and exploit the benefits of scale on a range of activities including investment and procurement and it will continue to pursue relevant opportunities in the planning period ahead.

NILGOSC's stakeholder base remains broadly unchanged from the previous review in 2015, with the exception of changes at a central government level in respect of NILGOSC's sponsoring department. While NILGOSC's key stakeholders, its scheme members and employers, remain the primary focus from a service delivery perspective, the technological operating environment has moved on since the last review. The use of innovative technologies as a delivery and communication method for members and employers has an integral role in NILGOSC's future service delivery strategy. This has the potential to enhance communication and engagement with scheme members who wish to use an online self-service facility, while further automation of data exchange with employers will facilitate increased straight through processing. Both initiatives are designed to improve data accuracy and ultimately the timeliness of service delivery to members.

Notwithstanding evolving technologies, communication with stakeholders forms a fundamental part of NILGOSC's business plan as it seeks to ensure that its members understand the benefits of their pension scheme. This in itself is not without challenge as scheme complexity increases with each passing set of regulations and the wider taxation and legislative backdrop. Despite this, NILGOSC continues to seek to be 'best in class' from both a pension service perspective and from a governance perspective as a public body.

It is within this context that NILGOSC has formulated its Vision, Mission, Values and Strategic Aims and Objectives shown below.

Vision

NILGOSC's vision is

To provide an excellent and sustainable Pension Scheme."

Mission Statement

NILGOSC's mission statement is

To operate the pension scheme efficiently and effectively while enhancing the quality of service provided to stakeholders.

Values

In carrying out its aims and objectives NILGOSC is committed to the following eight values:

Values:

- *responsiveness, taking action in a timely manner*
- *operational excellence through innovation*
- *collaboration to achieve shared goals*
- *fairness, embracing equality in its widest sense*
- *honesty, integrity and openness in our engagement with stakeholders*
- *sustainability, both as an investor and as a pension scheme*
- *maximising returns within acceptable risk parameters*
- *being understandable, providing simple, clear and complete information*

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Strategic Aims

NILGOSC has six strategic aims which set out what it wants to achieve. Beneath each aim sits a number of objectives, which set out what NILGOSC plans to do to achieve them.

1. To provide an effective service complying with the pension scheme regulations, good practice, other legislation and stakeholder expectations.

Objectives

- *To pay members' pension benefits, refunds and transfers promptly and accurately*
- *To credit pension contributions, transfers and other employer liabilities received promptly and accurately*
- *To provide members with information needed to make pension decisions promptly*
- *To pay death benefits promptly and accurately*
- *To ensure that all necessary action is taken on any change to scheme rules*
- *To ensure that systems and procedures comply with relevant legislation*
- *To ensure NILGOSC attracts and retains well trained personnel*
- *To ensure that the office environment meets the growing needs of stakeholders and staff*
- *To trace members who have not informed NILGOSC of address changes*

2. To deliver an effective investment strategy in line with the actuarial profile of the fund.

Objectives

- *To value the scheme assets and liabilities and set contribution rates accordingly*
- *To invest scheme funds in accordance with the Statement of Investment Principles and the Statement of Responsible Investment.*
- *To review investment performance regularly.*
- *To understand and adopt good practice in Public Sector pension fund management*

3. To promote the scheme and inform members and employers of their pension options.

Objectives

- *To actively encourage retention in, and new membership of, the Scheme*
- *To provide general scheme information to scheme employers, their employees, members, Trade Unions and pensioners through active engagement*
- *To provide members and employers with specific details of Regulation changes and relevant tax legislation changes.*
- *To provide advice on the pensions implications of other changes such as public sector reorganisation*

4. To influence and inform the debate on the future of the Local Government Pension Scheme

Objectives

- *To influence changes to the LGPS and actively contribute to relevant consultations*
- *To engage with, and inform, interested parties and relevant decision makers*
- *To improve the Scheme Regulations for the benefit of employers and members*

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5. **To undertake business in an efficient, effective and accountable manner as required of a public body.**

Objectives

- *To enhance corporate governance arrangements appropriate for a public body*
- *To maximise efficiency through the use of technology*
- *To manage change in an effective and timely manner*

6. **To promote equality of opportunity, good relations and to fulfil Section 75 obligations.**

Objectives

- *To assess the likely impact of policies on the promotion of equality of opportunity and good relations*
- *To ensure NILGOSC personnel policies promote equality of opportunity*
- *To ensure that NILGOSC meets or exceeds best practice as set out by the Equality Commission*