



# **Vision, Mission, Strategic Aims & Values**

## Summary of Consultation Responses

September 2021



NORTHERN IRELAND LOCAL GOVERNMENT OFFICERS'  
SUPERANNUATION COMMITTEE

# **Northern Ireland Local Government Officers' Superannuation Committee**

## **Summary of Consultation Responses**

### **1 Background**

- 1.1 NILGOSC is the administering body for the Local Government Pension Scheme (LGPS) in Northern Ireland. NILGOSC was set up by the Government in April 1950 to operate a pension scheme for local councils and other similar bodies in Northern Ireland. The pension scheme is known as the Local Government Pension Scheme (Northern Ireland) and is a defined benefit scheme. The pension scheme is funded by contributions paid by both employees and the scheme employers.
- 1.2 NILGOSC's role is 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 any consultation process, it does not have any power to change the regulations or determine their content. In this respect, NILGOSC's remit is relatively limited with its function being to deliver a pension service to scheme members and employing authorities. 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.
- 1.3 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.
- 1.4 NILGOSC undertook its latest strategic review in May 2021, starting with an assessment of the current operating environment. A Stakeholder Analysis was undertaken to identify current stakeholders and their needs and expectations, both at present and in the future. A SWOT analysis was also undertaken to identify and examine NILGOSC's strengths and weaknesses, opportunities and threats.
- 1.5 The outcome of this review was a revised statement of NLGOSC's Vision, Mission, Strategic Aims and Values, which is designed to drive service delivery over the next three year strategic planning period.

### **2 Consultation Process**

- 2.1 NILGOSC recognises the important role of consultation in its strategic planning process and is keen to ensure that interested parties are given the opportunity to comment and shape the service that it provides.
- 2.2 A 10 week consultation process was launched on 29 June 2021 seeking views from stakeholders in the NILGOSC pension scheme. Scheme employers, staff and other representative groups and organisations were directly invited to take part in the consultation. A list of the consultees is attached at Appendix C.

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2.3 The closing date for the consultation was 10 September 2021.

### **3 Summary of consultation responses**

3.1 Two responses were received: one from Mourne Heritage Trust and the other from Ulster University.

3.2 A summary of the comments received and NILGOSC's response is attached at Appendix A.

3.3 NILGOSC's Vision, Mission, Strategic Aims and Values is attached at Appendix B.

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### Appendix A

Summary of comments	NILGOSC response
<p><b>Ulster University</b></p> <p>The response agreed with the four components of the strategic framework as drafted.</p> <p>In response to the question 'Is there anything else you would expect to see included in our strategic aims and objectives?'</p> <p><i>You have identified that Scheme affordability remains a top priority and that one of the key challenges in managing this risk is Scheme funding. In this regard, we would like to suggest one additional objective under Strategic Aim 2 and would suggest that immediately after the objective "To review investment performance regularly" the following objective is added: To take remedial action if there is investment under-performance relative to benchmark over a rolling period (with such period to be defined).</i></p>	<p>This response proposes an additional strategic objective to take remedial action in the event of underperforming investments relative to a benchmark. NILGOSC considers this to better sit at the Operational Action level in its corporate plan. The current corporate plan includes the operational action 'To undertake a balanced scorecard review of investment managers on a quarterly basis.'</p> <p>The balanced scorecard approach is considered to be a more effective monitoring process as it incorporates a range of qualitative factors in addition to quantitative benchmarks. Qualitative factors not only provide early warning of the causes of future financial underperformance but this approach also reflects the complimentary nature of NILGOSC's investment portfolio whereby investments may be 'expected' to underperform benchmarks in certain markets or where assets are held for risk management reasons.</p>

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Summary of comments	NILGOSC response
<p><b>Mourne Heritage Trust</b></p> <p><i>As a small employer we do not have the human resource to consider and reply comprehensively on the material. I would like just to take the opportunity of the consultation though to raise and focus on one point as our consultation response. In doing so I note in particular the reference in the Strategic Backdrop section of the consultation document to scheme affordability remaining a top priority and Strategic Aim 4 – To influence and inform the debate on the future of the LGPS. That point is to suggest that NILGOSC looks at imaginative ways to address the punitive employer contribution rates applying to the scheme members – mostly the smaller ones – outside the main employer group. These costs are not what one could describe as affordable, to the point in some cases of undermining the viability of the organisations. Their effect is to have these member organisations being part of the scheme on very different terms to those on which they entered. The latter is of course true of the main group employers as well in respect of contribution rates but to nothing like the degree of difference experienced by those with least resources to be able to afford. And yet these bodies often have no option but to remain members of the scheme because the exit charges that would be levied would put them out of business.</i></p> <p><i>My understanding is that, across the extent and value of the wider scheme, the 'paper liabilities' calculated by the scheme actuary that drives the very high contribution rates for non-main group employers, are relatively insignificant in extent and effect. Has it ever been considered, for example, to put to the 'main group' members what the impact would be of them collectively absorbing the additional liabilities/costs if the employer contribution rates of the 'non-main group' members were matched to that of the main group i.e. set at the same rate? Again, my understanding is that the material difference would be minimal and since the non-main group employers are 'of' local government (i.e. operating to deliver similar and valuable public goods and/or historically in some other way connected to local govt - which is why they were allowed joined the scheme) they might perhaps live with it. Of course I do not know if there are legal or other impediments to this but I would have thought the question should at least be asked.</i></p> <p style="text-align: right;"><b>(Continued overleaf)</b></p>	<p>This response relates to the current funding strategy adopted by NILGOSC whereby a pooled or grouped approach is adopted for employers with similar risk characteristics. It proposes an alternative funding approach for non-grouped employers and, as such, goes beyond the scope of the higher-level strategic framework which is currently under review.</p> <p>The Funding Strategy Statement which sets out NILGOSC's approach to funding and contribution setting is due for review and stakeholder consultation towards the end of the current calendar year, in advance of the 2022 Scheme Valuation. This is considered to be a more appropriate forum for consideration of alternative funding mechanisms and this response will automatically be included as part of the process.</p>

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Summary of comments	NILGOSC response
<p><i>This is perhaps particularly the case in a post-pandemic context when the importance of collective good, of keeping organisations afloat and of appropriateness of public money being put to this end have been appreciated more than ever before.</i></p> <p><i>So that is just one example of what we mean by thinking imaginatively about the issue of unaffordable contributions. Solving it could be a very significant good news story for NILGOSC and the NI Public Sector I would have thought.</i></p> <p><i>I will not say that I hope this suggestion and request is helpful because acting on it in any way does, I would think, imply a not insignificant change to the status quo position. But I cannot let the opportunity of commenting on the wider strategic direction of the fund pass without making that appeal for the issue to be looked at afresh.</i></p>	

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### Appendix B

#### Vision

*"To provide an excellent and sustainable pension scheme".*

#### Mission Statement

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

#### Values

NILGOSC is committed to providing a professional service to all its stakeholders. In carrying out its aims and objectives NILGOSC is committed to the following nine values:

- *member focused service delivery*
- *responsiveness, taking action in a timely manner*
- *operational excellence through innovation*
- *collaboration to achieve shared goals*
- *fairness, embracing equality and diversity 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 and Objectives

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.

#### **Strategic Aim 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 maintain accurate and complete member data

#### **Strategic Aim 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
- To deliver investment performance within appropriate risk return parameters
- To review investment performance regularly
- To ensure effective stewardship in line with responsible investment policy
- To manage the investment risks posed by climate change
- To understand and adopt good practice in Public Sector pension fund management
- To work collaboratively on investment matters when suitable opportunities arise

#### **Strategic Aim 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

#### **Strategic Aim 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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***Strategic Aim 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*
- *To ensure NILGOSC attracts and retains well trained personnel*
- *To ensure that the office environment meets the growing needs of stakeholders and staff*
- *To ensure an effective and cohesive Committee*

***Strategic Aim 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*

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## Appendix C

### List of Consultees

- Age NI
- Department for Communities
- Disability Action
- Equality Coalition
- Equality Commission
- Focus: The Identity Trust
- GMB North West & Irish Region
- Irish Congress of Trade Unions NI Committee
- NIGOSC Staff
- NIPSA
- Northern Ireland Association for the Care and Resettlement of Offenders
- Northern Ireland Commissioner for Children and Young People
- Northern Ireland Human Rights Commission
- Royal National Institute of Blind People in Northern Ireland
- The Royal National Institute for Deaf People Northern Ireland
- UNISON NI
- Unite the Union
- Abbey Christian Brothers Grammar School
- Acorn Integrated PS
- Amey Community Ltd
- Antrim and Newtownabbey BC
- Apex Housing Association
- Apleona HSG Limited
- Aquinas Diocesan Grammar School
- Arc21
- Ards & North Down BC
- Ark Housing Association
- Armagh Banbridge Craigavon DC
- Armagh Observatory and Planetarium
- Arts Council Of Northern Ireland
- Assumption Grammar School
- Ballymena Academy
- Bangor Grammar School
- Belfast Charitable Society
- Belfast City Council
- Belfast High School
- Belfast Metropolitan College
- Belfast Royal Academy
- Belfast Waterfront and Ulster Hall
- Blackwater Integrated College
- Braidside Integrated Primary & Nursery School
- Bridge Integrated PS
- Campbell College
- Capita Managed IT Solutions Limited
- Causeway Coast & Glens Borough Council
- CCEA
- Cedar Integrated PS
- Choice Housing Ireland Limited
- Christian Brothers Grammar School
- City of Derry Airport
- Citybus Limited
- Coleraine Grammar School
- Coleraine Harbour Commissioner
- Comhairle na Gaelscolaíochta
- Community Relations Council
- Connswater Homes Limited
- Construction Industry Training Board
- Controlled School's Support Council
- Corran Integrated PS
- Council For Catholic Maintained Schools
- Cranmore Integrated PS
- Dalriada School
- Derry City & Strabane District Council
- Dominican College, Belfast
- Dominican College, Portstewart
- Drumlins Integrated PS
- Drumragh Integrated College
- Education Authority
- Enniskillen Integrated PS
- Enniskillen Royal Grammar School
- Erne Integrated College
- Fermanagh & Omagh DC
- Foyle & Londonderry College
- Friends School
- General Teaching Council NI
- Graham Asset Management Ltd

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- Greenwich Leisure Limited
- Grove Housing Association
- Habinteg Housing Association
- Hazelwood College
- Hazelwood Integrated PS
- Hunterhouse College
- Integrated College Dungannon
- Jordanstown Schools
- Lagan College
- Larne Grammar School
- Libraries NI
- Linen Hall Library
- Lisburn & Castlereagh CC
- Livestock & Meat Commission
- Local Government Staff Commission
- Loreto College
- Loreto Grammar School
- Loughview Integrated PS
- Lumen Christi College
- Maine Integrated PS
- Malone College
- Methodist College
- Mid & East Antrim BC
- Mid Ulster DC
- Middletown Centre For Autism
- Mill Strand Integrated PS
- Millennium Forum
- Millennium Integrated PS
- Mount Lourdes Grammar School
- Mourne Heritage Trust
- New-Bridge Integrated College
- Newington Housing Association
- Newry, Mourne & Down DC
- NILGA
- NILGOSC
- North Belfast Housing Association
- North Coast Integrated College
- North West Regional College
- Northern Community Leisure Trust
- Northern Community Leisure Trust 2
- Northern Ireland Co-Ownership Housing Association
- Northern Ireland Council for Integrated Education
- Northern Ireland Federation of Housing Associations
- Northern Ireland Fire & Rescue Service
- Northern Ireland Fishery Harbour Authority
- Northern Ireland Hospice
- Northern Ireland Housing Executive
- Northern Ireland Railway Company Limited
- Northern Ireland Screen
- Northern Ireland Transport Holding Company
- Northern Regional College
- Oakgrove Integrated College
- Oakgrove Integrated PS
- Oakwood Integrated PS
- OCS Group UK Ltd
- Omagh Integrated PS
- Our Lady & St Patrick's College
- Our Lady's Grammar School
- Outdoor Recreation NI
- Phoenix Integrated PS
- Portadown Integrated PS
- Probation Board For NI
- Radius Housing Association
- Rainey Endowed School
- Rathmore Grammar School
- Roe Valley Integrated PS
- Rowandale Integrated Primary
- Royal Belfast Academical Institute
- Royal School, Armagh
- Royal School, Dungannon
- Rural Housing Association
- Sacred Heart Grammar School
- Saints & Scholars Integrated PS
- Shimna Integrated College
- Slemish Integrated College
- South Eastern Regional College
- South Ulster Housing Association
- South West College
- Southern Regional College
- Sperrin Integrated College
- Spires Integrated PS
- Sport Northern Ireland

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- St Colman's College
- St Columb's College
- St Dominic's High School
- St Joseph's Grammar School
- St Louis Grammar School, Ballymena
- St Louis Grammar School, Kilkeel
- St Malachy's College
- St Mary's Christian Brothers
- St Mary's Grammar School
- St Mary's University College
- St Matthew's Housing Association
- St Michael's College
- St Patrick's Academy
- St Patrick's Grammar School,  
Downpatrick
- St Patrick's Grammar, Armagh
- St Ronan's College
- Strangford College
- Stranmillis University College
- Strathearn School
- Sullivan Upper School
- Thornhill College
- Tourism Northern Ireland
- Ulidia Integrated College
- Ulsterbus Limited
- University Of Ulster
- Victoria College
- Visit Belfast
- Visit Derry
- Wallace High School
- Windmill Integrated PS
- Woodvale and Shankhill Housing  
Association