

Northern Ireland Local Government Officer's Superannuation Committee

Minutes of the meeting of the Management Committee held at the Stormont Hotel on 20 June 2022 at 10am.

Members Present

Lindsay Todd (Chairperson), Ken Clayton, Alan Law (Via MS Teams), Mark McBride, Joan McCaffrey, Derek McCallan, Shane McCurdy, Heather McKinstry (Via MS Teams), Antoinette McMillen (Via MS Teams), Peter Moore, Michael Rafferty, and J J Tohill.

In Attendance

David Murphy (Secretary)
Nicola Todd (Deputy Secretary)
Ciara Keenan (Head of Governance and Support Services)
Louise Hickland (Head of Investment Services)
Helen McEvoy (Investment Service Manager)
Jennifer Campbell (HR Manager)
Caoimhe Fitzpatrick (Governance Manager)
Catherine Whyte (Corporate Support Officer)
Jeff Glass (Department for Communities)
Julian Agnew (La Salle)
Sophie Simmonds (La Salle)
Julian Taylor (La Salle)
Colin Cartwright (Aon)

Apologies

Paul Francey

1 Declaration of Member Interests

1.1 The Secretary highlighted a potential conflict of interest for NIPSA officials in relation to approval of Staff policies. No further interests were declared.

2 Chairperson's Business and Apologies

2.1 Apologies were received from Paul Francey in advance of the meeting.

3 Minutes of the previous meeting on 24 May 2022

3.1 The minutes of the meeting held on 24 May 2022, having been circulated, were agreed.

Peter Moore joined the meeting.

4 Matters Arising

4.1 There were no matters arising.

5 Audit and Risk Assurance Committee

5.1 Report of Meeting held on 31 May 2022

5.1.1 The Committee noted the verbal report, presented by the ARAC Chair, of the meeting held on 31 May 2022.

5.2 2021/22 Risk Register Review for the Quarter Ended 31 March 2022

5.2.1 The Governance Manager presented the review of the risk register for the quarter ended 31 March 2021.

5.2.2 The Committee noted the review of the Risk Register.

5.3 Annual Review of the Risk Register 2022/23

5.3.1 The Governance Manager presented the Annual Review of the Risk Register.

5.3.2 The Committee approved the Risk Register for the period 2022/23.

5.4 Annual Report of the Audit and Risk Assurance Committee

5.4.1 The Chair of the ARAC Committee presented the annual report of the ARAC for 2021/22.

5.4.2 The Committee noted the report.

5.5 Departmental Assurance Report

5.5.1 The Secretary presented the Departmental Assurance Statement for the six months ended 31 March 2022.

5.5.2 An issue was highlighted in relation to procurement delays being experienced with Central Procurement Directorate. The Departmental representative advised this was due to staff absences relating to the Covid 19 pandemic.

5.5.3 The Committee noted the completed Departmental Assurance Statement for the six-month period ended 31 March 2022, and the Chair completed the 'Statement from the Chair'.

5.6 Draft Governance Statement as at 31 March 2022

5.6.1 The Secretary presented the Accounting Officer's Governance Statement for the financial year ended 31 March 2022.

5.6.2 The Chair queried progress with the partnership agreement and the Secretary advised the draft was with the Department.

- 5.6.3 Antoinette McMillen highlighted a typing error on the Committee attendance table.
- 5.6.4 The Committee agreed to endorse the Accounting Officer's Governance Statement for the financial year ended 31 March 2022.

The Governance Manager left the meeting.

6 Staffing Committee

6.1 Report of Meeting held on 18 May 2022

- 6.1.1 The Committee noted the verbal report, presented by the Chair, of the Staffing Committee meeting held on 18 May 2022.

The Committee discussed the potential of a conflict of interest for NIPSA officials. The Committee agreed to defer the approval of the Grievance Policy, the revised Policy on Employer's discretions and the Staff Code of Conduct and to seek Legal advice on the matter.

6.2 Annual Report of the Staffing Committee

- 6.2.1 The Human Resources Manager presented the annual report of the Staffing Committee, and the Committee noted the report.

The Committee had a short break. The Head of Investment Services and Colin Cartwright joined the meeting.

7 Manager Performance Briefing Note – La Salle

- 7.1 The Investment Services Manager provided a report to the Committee which summarised both the core property and index-linked property portfolios for the year to 31 March 2022.
- 7.2 The Committee noted the Manager Briefing report.

8 Investment Monitoring Scorecard

- 8.1 The Head of Investment Services presented the outcome of the investment manager review for the quarter ended 31 March 2022.
- 8.2 She informed the Committee that all mandates had been awarded an overall green rating.
- 8.3 The Committee agreed the Investment Monitoring Scorecard for the quarter ended 31 March 2022.

9 Selection of a Global Property Fund Manager

- 9.1 The Head of Investment Services presented a report outlining the next phase of the agreed transition plan for the implementation of the new

investment strategy, which is to select and appoint a second Global Property Manager in order to reach the increased target allocation of 6%.

- 9.2 She recommended that the second ranking manager from the previous selection exercise would be considered for appointment. She advised that due diligence would be undertaken by NILGOSC and AON prior to a recommendation being made to the Committee.
- 9.3 The Committee agreed to utilise the reserve list from the previous Selection exercise for the selection of a second global property manager, subject to enhanced due diligence.

The La Salle representatives joined the meeting.

10 Presentation by La Salle

- 10.1 The Chair welcomed Sophie Simmonds, Julian Agnew and Julian Taylor to the meeting and invited them to present their reports.
- 10.2 Sophie Simmonds presented her review of the core property mandate, including portfolio performance, statistics, and activity during the year to 31 March 2022, and their strategy going forward. She advised that performance had met targets and the defensive nature of the portfolio had helped achieve this.
- 10.3 Julian Agnew gave a brief overview of the current U K economy, specifically on the property market.
- 10.4 Julian Taylor presented his review of the index linked property mandate, advising on current initiatives and the plan for the mandate moving forward.
- 10.5 The La Salle team presented an additional report, focusing on Environmental, Social and Governance plans. Sophie Simmonds gave an overview of the La Salle Sustainability Management Programme, advising they are currently undertaking Net Zero Carbon audits on all buildings they manage.
- 10.6 The Committee raised several questions relating to industrial weighting, valuation perspectives, interest rates and inflation, ESG and Net Zero.
- 10.7 The Chair thanked La Salle for their attendance and reports, and the Committee noted the presentation.

The La Salle representatives left the meeting.

11 Presentation by Aon

- 11.1 The Chair invited Colin Cartwright to present Aon's quarterly investment report to the Committee.

- 11.2 Colin provided an overview of the fund's performance for the quarter ended 31 March 2022 noting that the fund had underperformed its target over the quarter and year but was ahead over longer time periods.
- 11.3 Colin advised that inflation was rising significantly and that recent global events has caused uncertainty in the market.
- 11.4 The Committee noted the report.

12 Selection of Global Value Equity Fund

- 12.1 The Secretary presented a paper recommending the appointment of a Global Value Equity Manager, outlining the selection exercise and providing key details on the top scoring manager.
- 12.2 The Committee approved the appointment of Dodge and Cox as Global Value Equity Manager, subject to a satisfactory due diligence assessment and the agreement of a satisfactory Investment Management Agreement.

13 Secretary's Report and Seal Log

- 13.1 The Secretary presented his report to the Committee outlining important operational issues that had arisen since the last Committee Meeting.
- 13.2 He advised that a letter had been issued to Armagh City, Banbridge and Craigavon Borough Council, in response to their request that NILGOSC would exclude fossil fuel investments.
- 13.3 The Secretary informed the Committee that annual newsletters and pensioner updates had been issued to members, which enabled NILGOSC to meet the disclosure requirements in respect of recent amending regulations.
- 13.4 The Secretary provided updated data in relation to ill health retirement applications, appeals and decisions.
- 13.5 The Committee noted the Secretary's Report and Seal Log.

14 Summary of Invested Funds at 31 May 2022 – Market Value

- 14.1 The Committee noted the summary of invested funds at 31 May 2022.

There being no further business, the meeting was closed.

Chairperson (Signature).

Date