

To: Chief Executives
At: All Employing Authorities

Circular 07/2022

21 April 2022

Dear Colleagues,

NILGOSC's Funding Strategy Statement

Under the Local Government Pension Scheme Regulations (Northern Ireland) 2014, NILGOSC is required to prepare, maintain and publish a Funding Strategy Statement (FSS) which sets out the framework for the funding of all pension liabilities. The regulations also require that the FSS and any subsequent changes to it must be agreed following consultation with relevant stakeholders.

The current Funding Strategy Statement was published in September 2019 and is currently due for review as part of the 2022 triennial valuation process. NILGOSC has taken advice from the Scheme actuary, Aon, on its funding strategy and has proposed some minor changes to the content of the strategy in three broad categories:

- Amendments required as a result of legislative updates/amendments pending (McCloud) or coming into force since the last FSS publication;
- Amendments required to reflect changes to the Statement of Investment Principles since the last Funding Strategy Statement was published; and
- Amendments to the narrative to simplify or provide clarity around the more technical aspects of the Funding Strategy Statement

While the 2022 content updates are minor in nature, the document itself has been reformatted in an effort to improve the readability of the overall strategy for all stakeholders. To this end, the main body of the document has been shortened with additional narrative to provide context for the more technical elements of the strategy and further background and detail is then provided in appended schedules.

This revised layout for the 2022 accessible strategy document is intended to promote increased participation in the consultative process from all stakeholders.

I should be grateful if you would consider the draft Funding Strategy and provide feedback by way of a formal response to this consultative exercise by 30 June 2022 in order that any comments can be considered by the Committee in advance of it agreeing the final version of the document.

A copy of the draft Funding Strategy Statement is attached to this letter and can also be accessed through NILGOSC's website www.nilgosc.org.uk.

Responses are welcomed in electronic or hard copy although an electronic version would be appreciated to assist with the collation of stakeholder feedback. Please submit your response to the Head of Finance at NILGOSC using the contact details below:

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411 Holywood Road
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I look forward to hearing from you however if you do have any queries, please do not hesitate to contact me 0345 3197 320 or by email maria.bowers@nilgosc.org.uk.

Yours sincerely

Maria Bowers

Head of Finance

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