

To: Chief Executives
At: All Employing Authorities

Circular 12/2022
24 November 2022

Dear Colleagues,

NILGOSC's Annual Report and Accounts 2021/22

Under the Local Government Pension Scheme Regulations (Northern Ireland) 2014, NILGOSC is required to forward a copy of the Local Government Auditor's report and the audited financial statements for each financial year to each employing authority.

A copy of NILGOSC's Annual Report and Accounts for the year to 31 March 2022 is attached, along with the report from the Local Government Auditor to the Department for Communities.

From a pensions administration perspective, NILGOSC has faced some challenges maintaining its strong service level performance due to a post pandemic higher than usual staff turnover. The office is now open to visitors with stakeholder meetings and training events once more available from NILGOSC offices. This is complemented by continued on-line support to meet the needs of employers and members.

In terms of investment returns, there was modest growth in 2021/22 however with the on-set of war in Ukraine in February 2022, sharp increases in global energy prices and post-pandemic supply chain challenges, early 2021/22 asset gains started to be reversed and post accounting date (31 March 2022) continue to be adversely affected.

Highlights from the 2021/22 year are listed below:

- The recent turbulent period continued throughout 2021/22 as the ongoing global pandemic and associated economic disruption impacted on global markets. Despite

sustained volatility, the Fund continued to grow, crossing the £10bn threshold for the first time, rising to a high of £10.5bn before ending the year at £10.231bn. This represents an increase in value in absolute terms of £436m or 4.4%. Fund performance overall delivered steady growth until the Russian invasion of Ukraine in February 2022 brought further volatility to global markets with rising commodity prices and falls in both bond and equity markets being the initial response to this unprecedented event.

- Scheme membership grew by 5.1% during the year, bringing the total number of members to 149,739 at 31 March 2022.
- On the Scheme administration front, 2021/22 saw further cycles of lockdown restrictions and an uplift in covid related staff absence which arguably had a greater impact on day-to-day service delivery than during the first year of the pandemic. Despite the challenges and practical impact of the pandemic on working norms faced by both NILGOSC and its participating employers, NILGOSC continued to meet or exceed 12 out of its 15 service standards.
- Member satisfaction remains paramount, particularly as the pandemic has expedited the trend towards electronic service delivery. In 2021/22 NILGOSC continued to promote the use of its member self-service facility My NILGOSC Pension Online as the primary delivery tool. Utilisation of this member self-service facility has continued to grow with over 33,750 members registered as at 31 March 2022.

Further information with respect to investment performance, membership and scheme administration is provided within the Annual Report and Accounts. An accessible version of the Annual Report and Accounts 2021/22 is also available on NILGOSC's website at:

<https://nilgosc.org.uk/document-category/scheme-performance>

If you have any queries with respect to the Annual Report and Accounts 2021/22, please do not hesitate to contact me on 0345 3197 320 or by email at maria.bowers@nilgosc.org.uk.

Yours sincerely

M Bowers

Maria Bowers

Head of Finance