

Northern Ireland Local Government Officers' Superannuation Committee

Minutes of the meeting of the Management Committee held at the Stormont Hotel on 18 December 2023 at 10.15am.

Members Present

Joan McCaffrey (Chair of the meeting), Ken Clayton, Paul Francey, Derek McCallan, Shane McCurdy, Antoinette McMillen, Peter Moore, Michael Rafferty, and J J Tohill.

Observers

Lindsay Todd

Apologies

Anthony Carleton, Alan Law, Mark McBride

In Attendance

David Murphy (Secretary)
Nicola Todd (Deputy Secretary)
Denise McElrea (Head of Governance and HR)
Helen McEvoy (Acting Head of Investment Services)
Annie McElhatton (Investment Services Manager)
Caoimhe Fitzpatrick (Governance Manager)
Catherine Whyte (Corporate Support Officer)
Emma Lynch (Department for Communities)
Alexei Jourovski (Unigestion)
Alex Marquis (Unigestion)
Ken Harvie (Unigestion)
Louis Paul Hill (Aon)
Hazel Hobbs (Departmental Reviewer)

1 Declaration of Member Interests

- 1.1 The Departmental Representative, Emma Lynch, introduced the Departmental reviewer, Hazel Hobbs, to the Committee. Emma advised that Hazel was attending as an observer as part of her independent review of NILGOSC, as commissioned by DfC. Hazel advised the review should be completed by March 2024 for submission to the DfC. She clarified that any recommendations would be the responsibility of DfC to take forward.
- 1.2 Lindsay Todd declared an interest in item 7 of the agenda.

- 1.3 Antoinette McMillen declared an interest in the Secretary's Report with respect to reference to the ongoing legal action being taken against NILGOSC by NIPSA.
- 1.4 JJ Tohill declared a conflict in relation to the NIPSA legal action.
- 1.5 It was agreed that those members with a conflict would not be present when the relevant agenda items were being discussed.

Shane McCurdy joined the meeting.

2 Chairperson's Business and Apologies

- 2.1 The Committee noted apologies from Anthony Carleton, Alan Law and Mark McBride. They also noted Heather McKinstry's absence.
- 2.2 The Chair of the meeting invited Lindsay Todd to provide an update. Lindsay Todd asked the Departmental Representative for an update on his and Mark McBride's outstanding reappointments to the Committee. Emma advised that the Permanent Secretary had written to the Secretary of State, requesting the reappointments were made, and backdated to their expiry date of 1 April 2023.
- 2.3 The Secretary advised that he had received a letter advising of the recent correspondence between the Permanent Secretary and Secretary of State, but that this communication stated that the appointment would only be effective from the date of reappointment.
- 2.4 The Departmental representative advised that she would follow this up and clarify when the reappointment date would be.

3 Minutes of the previous meeting on 27 November 2023

- 3.1 The minutes of the meeting held on 27 November 2023, having been circulated, were agreed.

4 Matters Arising

- 4.1 The Secretary updated the Committee that item 10 and 14 of the previous meeting had been approved unanimously via email following the meeting, due to the Committee not being quorate when the items were heard on 27 November 2023.
- 4.2 The Chair asked the Departmental Representative for an update on the requested attendance of DoF at this Committee meeting, to discuss the outstanding 2022/23 Pay Remit. The Departmental Representative advised that a DoF representative was unable to attend the meeting as they were too busy.

- 4.3 Lindsay Todd asked if it was possible to get a timescale from DoF on when NILGOSC could expect an answer. Emma Lynch advised it wasn't possible to get a timescale from DoF.
- 4.4 The Committee were informed that DoF would not consider NILGOSC's pay remit application, until the NICS settlement was agreed.
- 4.5 The Committee requested that a letter is sent to the Permanent Secretaries of DoF and DfC to request a meeting to discuss concerns over the stalled approval process.
- 4.6 The Committee also requested that legal advice be sought from Counsel on the options available to allow the 2022/23 pay proposal to be implemented.
- 4.7 The Secretary notified the Committee members who weren't present for the end of the previous meeting, of two strategic workshops planned for May and June 2024.

5 Internal Dispute Resolution Committee

- 5.1 The Chair of the IDRC meeting presented a verbal report of the IDRC meeting held on 4 December.
- 5.2 The Committee noted the verbal report.

The Governance Manager joined the meeting.

6 Complaints Procedure

- 6.1 The Governance Manager presented the revised Complaints Handling Procedure, which was revised in line with NIPSO's Model Complaints Handling Procedure.
- 6.2 The Committee approved the revised arrangements for Complaints Handling subject to the correction of some minor formatting issues.

Lindsay Todd left the meeting.

7 Admission of the Independent Commission for Reconciliation and Information Recovery (ICRIR)

- 7.1 The Secretary presented a paper outlining ICRIR's eligibility for admission to the Local Government Pension Scheme NI.
- 7.2 The Committee recommended that ICRIR is admitted as an employer to the Scheme on an open basis, at an intermediate employer group rate, subject to the seven conditions outlined in the report.

Lindsay Todd rejoined the meeting. The Acting Investment Services Manager and Louis Paul Hill joined the meeting.

8 Climate Related Disclosure Report

8.1 The Acting Head of Investment Services presented the Climate Related Disclosures Report for the year ended 31 March 2023.

8.2 The Committee noted the Climate Related Disclosures Report.

The Investment Services Manager joined the meeting.

9 Manager Performance Briefing Note - Unigestion

9.1 The Investment Services Manager provided the Committee with an overview of the Unigestion Global Equities portfolio performance for the year to 30 September 2023.

9.2 The Committee noted the report and agreed to use it as a basis for their discussion with Unigestion at the meeting.

The Committee had a short break. The Unigestion representatives joined the meeting.

10 Presentation by Unigestion

10.1 The Chair of the meeting welcomed Alexei Jourovski, Alex Marquis and Ken Harvie to the meeting. She invited them to present their report on the Global Equities portfolio.

10.2 Alexei introduced the portfolio, giving an executive summary of the strategy, performance, positioning, and outlook.

10.3 Alex gave a detailed review of performance, noting the key contributors to and detractors from performance.

10.4 The Committee raised a number of questions on ESG, differentiation from peers, choice of benchmark, geopolitical events and challenges posed by A.I.

10.5 The Chair of the meeting thanked Unigestion for their presentation and the Committee noted the update.

The Unigestion representatives left the meeting. JJ Tohill left the meeting.

11 Investment Monitoring Scorecard

11.1 The Investment Services Manager presented the outcome of the Investment Manager Review and Scorecard for the quarter ended 30 September 2023.

11.2 She informed the Committee that T. Rowe Price had been awarded an amber rating and would therefore remain on the Scorecard for the quarter under review, while the rest of the mandates were awarded green ratings.

11.3 The Committee agreed the Investment Monitoring Scorecard and Watchlist for the quarter ended 30 September 2023.

12 Presentation by Aon

12.1 The Chair of the meeting invited Louis Paul Hill to present Aon's quarterly investment report to the Committee.

12.2 Louis provided an overview of the fund's performance for the quarter ended 30 September 2023.

12.3 Louis highlighted the funding level at 30 September 2023, both on an ongoing and low risk basis and advised that Aon was in discussion with the officers regarding potential recommended action.

12.4 He discussed the upcoming strategy review in 2024 and advised that he would prepare a paper for the January meeting with some recommendations ahead of the formal strategy review.

12.5 Louis Paul confirmed he was meeting with the Departmental Reviewer following the meeting.

12.6 The Committee noted the report.

13 Public Sector Pensions Report

13.1 The Secretary provided the Committee with an update on Public Sector Pensions, noting the Scheme Advisory Board had recently discussed the Cost Cap Valuation, the change to the Revaluation date and the McCloud Remedy.

13.2 The Secretary updated the Committee that DHULC had published its response to the July 2023 Investment Consultation.

13.3 He also advised that Paul Maynard had been appointed to Pensions Minister at the Department for Work and Pensions.

13.4 The Committee noted the Public Sector Pensions Update.

14 Secretary's Report and Seal Log

14.1 The Secretary presented his report outlining important operational issues that had arisen since the last Committee Meeting.

14.2 He informed the Committee that the Head of Finance had held an initial meeting with the newly appointed external auditors, Ross Boyd Chartered Accountants and the NIAO.

14.3 The Secretary highlighted that the 2022/23 pay remit which DfC sent to DoF, is still outstanding. He also highlighted that DfC Approval for the

NILGOSC NJC 2023/24 pay remit submission, agreed by the employer and trade union side in November, is also outstanding.

- 14.4 Lindsay Todd invited the Secretary to provide an update on the planned job evaluation exercise and the need to procure a service provider. The Secretary advised that DfC CBU had stated that no new procurement exercises would be progressed in 2023 and that NILGOSC were finalising the specification for submission in early 2024.
- 14.5 The Committee noted the Secretary's Report and Seal Log.

15 Any other business

- 15.1 The Chair of the meeting thanked Caoimhe Fitzpatrick for her work as Governance Manager and wished her luck in her new role.
- 15.2 Hazel Hobbs, the Departmental reviewer, advised the Committee of the areas of focus for her review.
- 15.3 The Chair of the meeting wished the members a Happy Christmas.

There being no further business, the meeting was closed.

Chairperson (Signature).

Date