

Templeton House
411 Holywood Road
Belfast, BT4 2LP

T: 0345 3197 320

E: info@nilgosc.org.uk

www.nilgosc.org.uk

To: Chief Executives

Circular 14/2023

At: All Employing Authorities

8 November 2023

Dear Colleagues,

NILGOSC's Annual Report and Accounts 2022/23

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 2023 is attached, along with the report from the Northern Ireland Audit Office (NIAO) to the Department for Communities.

NILGOSC has navigated through a number of challenges from both a Scheme and investment perspective in 2022/23. It has had difficulty maintaining its strong service level performance due to sustained high levels of staff turnover. This has coincided with an increase in resource demands due to the preparation for anticipated regulations resulting from the 'McCloud' court ruling. During those periods when resource cannot match demand, actions which have a monetary impact on members, such as retirement and death benefit payments will be prioritised.

In terms of investment returns, and following on from 2021/22 when it published its highest ever audited net asset position, the Fund experienced a profound reversal in fortune.

Key investment and administration results for 2022/23 are captured below:

- Set against a backdrop of rising interest rates, elevated inflation and geopolitical uncertainty, NILGOSC recorded negative returns across a broad range of its asset classes in 2022/23. The Fund fell in absolute terms by £701m to £9.530bn representing a 6.85% decline.
- The Fund performance, while ahead of CPI, finished behind its target of CPI +3.0% by -2.61% and -2.91% on a three and five year basis respectively for the period ended 31 March 2023.
- Scheme membership grew by 7.5% during the year, bringing the total number of members to 160,929 at 31 March 2023.
- Despite ongoing resource challenges NILGOSC met or exceeded 11 out of its 16 service standards. Two, non-monetary activities fell well short of target, leaver option notifications (68%) and provision of benefit quotations (78%), while the three remaining actions, while short of target, were within 3% of standard.
- NILGOSC prides itself on offering a high quality, individual service to its members and communication and member engagement remains a strategic priority for the organisation. It measures stakeholder satisfaction annually and was pleased to record an overall aggregate satisfaction rate of 92% across all stakeholder groups.
- NILGOSC continues to promote the use of its member self-service facility My NILGOSC Pension Online as the primary communications delivery tool. Utilisation of this member self-service facility has continued to grow with over 42,000 members registered as at 31 March 2023.
- The roll-out of NILGOSC's new data exchange platform for Scheme employers accelerated during 2022/23, with 83 employers onboarded and actively using the system by 31 March 2023.

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 2022/23 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 2022/23, please do not hesitate to contact me on 0345 3197 320 or by email at maria.bowers@nilgosc.org.uk

Yours sincerely,

Maria Bowers

Head of Finance