

Northern Ireland Local Government Officers' Superannuation Committee

Minutes of the meeting of the Management Committee held at the Stormont Hotel on 25 September 2023 at 11am.

Members Present

Joan McCaffrey (Chair of the meeting), Paul Francey, Alan Law (Via MS Teams), Derek McCallan (Via MS Teams), Shane McCurdy (Via MS Teams), Antoinette McMillen, Peter Moore, Michael Rafferty, and J J Tohill.

Observers

Lindsay Todd, Mark McBride

Apologies

Ken Clayton, Heather McKinstry

In Attendance

David Murphy (Secretary)
Nicola Todd (Deputy Secretary)
Helen McEvoy (Acting Head of Investment Services)
Annie McElhatton (Investment Services Manager)
Catherine Whyte (Corporate Support Officer)
Anthony Carleton (Department for Communities)
Louis-Paul Hill (Aon)
Andrew Skeat (T Rowe Price)
Quentin Fitzsimmons (T Rowe Price)

1 Declaration of Member Interests

1.1 Alan Law and Antoinette McMillen declared an interest in section 4.4 of the Secretary's Report.

1.2 The Committee expressed their condolences to Committee Member

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Anthony Carleton joined the meeting.

2 Chairperson's Business and Apologies

2.1 The Committee noted apologies from Heather McKinstry and Ken Clayton.

- 2.2 The Chair of the meeting invited Lindsay Todd to provide an update. Lindsay Todd informed the Committee that there remained no update from the Department for Communities in relation to his and Mark McBride's reappointment. The Departmental representative informed the Committee that the Permanent Secretary was seeking additional legal advice on the matter, and he hoped there would be further information available this week.

3 Minutes of the previous meeting on 29 August 2023

- 3.1 The minutes of the meeting held on 29 August 2023, having been circulated, were agreed.

4 Matters Arising

- 4.1 At the previous meeting the Committee had requested that the Department write to NILGOSC, clearly detailing the current position on Committee member reappointments. The Secretary advised that this had not yet been received.

JJ Tohill joined the meeting.

JJ declared an interest in section 4.4 of the Secretary's Report.

5 Internal Dispute Resolution Committee

- 5.1 In the absence of the Chair of the previous IDRC meeting held on 11 September 2023, Joan McCaffrey gave an update on the work of the Internal Dispute Resolution Committee. She informed the Committee that three reviews were heard, and three decisions were made at the last IDRC Meeting.
- 5.2 The Committee queried the revised wording used to describe the review outcome. The Chair of the meeting suggested that this is considered by the Legal Officer for future reports.
- 5.3 The Committee noted the report.

The Acting Head of Investment Services, the Investment Services Manager and Louis-Paul Hill joined the meeting.

6 Manager Performance Briefing Note – T. Rowe Price

- 6.1 The Investment Services Manager provided a report which summarised the T. Rowe Price Absolute Return Bond Portfolio performance for the year to 30 June 2023.
- 6.2 The Committee noted the Manager Performance Briefing Note.

The T. Rowe Price representatives joined the meeting.

7 Presentation by T. Rowe Price

- 7.1 The Chair welcomed the representatives from T Rowe Price (TRP) and invited them to present their report on the performance of the portfolio.
- 7.2 Andrew Skeat gave an overview of the strategy and provided an update on personnel changes within the investment team, introducing Quentin Fitzsimmons who formally became co-portfolio manager in February 2023.
- 7.3 Quentin Fitzsimmons provided a summary of the portfolio including current positioning, performance and future outlook.
- 7.4 The Committee raised a number of questions with TRP on changes to positioning, key performance drivers, market conditions, ESG considerations and the co-portfolio management arrangement.
- 7.5 The Chair thanked TRP for their presentation and the Committee noted the update.

The TRP representatives left the meeting.

The Committee had a short comfort break.

Derek McCallan left the meeting.

8 Presentation by Aon

- 8.1 The Chair invited Louis Paul Hill to present Aon's quarterly investment report to the Committee.
- 8.2 Louis provided an overview of the fund's performance for the quarter ended 30 June 2023 noting the fund had underperformed its CPI+3% target.
- 8.3 Louis gave an executive summary of funding levels, asset allocation, returns relative to benchmark, market returns and manager performance.
- 8.4 The Committee noted the presentation.

Alan Law left the meeting.

9 Investment Monitoring Scorecard

- 9.1 The Investment Services Manager presented the outcome of the Investment Manager review for the quarter ended 30 June 2023.
- 9.2 She informed the Committee that all mandates had been awarded an overall green rating.

- 9.3 The Committee agreed the Investment Monitoring Scorecard for the quarter ended 30 June 2023.

The Head of Investment Services, the Investment Services Manager and Louis Paul Hill left the meeting.

10 Public Sector Pensions Update

- 10.1 The Secretary provided the Committee with an update on Public Sector Pensions, noting that the Department of Communities had not yet issued a response to its further consultation on the McCloud remedy. He informed the Committee that the Department intends to make the regulations week commencing 25 September, ahead of 1 October effective date.

- 10.2 The Secretary advised that the Public Bill Committee met in early September in regard to the Economic Activity of Public Bodies (Overseas Matters) Bill. He advised that NILGOSC had made written submissions regarding the matter.

- 10.3 The Committee noted the Public Sector Pensions Update.

Antoinette McMillen left the meeting.

11 Secretary's Report and Seal Log

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

- 11.2 He notified the Committee that the FOI policy had recently been reviewed and would be circulated to the Committee.

- 11.3 He informed the Committee that NILGOSC had won two awards at the recent LAPF Investment Awards. These were awarded for Sustainable Investment Strategy and Scheme Administration. The Committee expressed their congratulations to the staff at NILGOSC.

- 11.4 The Secretary referred to a recent announcement by the Prime Minister on climate policy, highlighting the potential impact of any change in regulatory environment for investors. He advised that NILGOSC was intending to co-sign a letter to the PM requesting that he reconsider the dilution of UK climate policy.

- 11.5 The Secretary advised there had been no movement on the Pay award, and NILGOSC awaited further correspondence from the Department of Finance.

- 11.6 The Secretary advised the Committee that NILGOSC had issued 99% of member benefit statements ahead of the 31 August statutory deadline.

JJ Tohill left the meeting.

11.7 The Secretary updated the Committee members on the NIPSA Injury to Feelings claim noting that future updates were likely to be verbal in nature

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There being no further business, the meeting was closed.

Chairperson (Signature).

Date