

Northern Ireland Local Government Officers' Superannuation Committee

Minutes of the meeting of the Management Committee held at Templeton House on 26 November 2024 at 10.15am.

Members Present

Mark McBride (Chair), Ken Clayton, Paul Francey, Dooley Harte, Alan Law, Cathy Matthews, Derek McCallan, Shane McCurdy, Heather McKinstry, Antoinette McMillen, Peter Moore, Michael Rafferty and JJ Tohill (via MS Teams).

In Attendance

David Murphy (Secretary)
Nicola Todd (Deputy Secretary)
Denise McElrea (Head of Governance and HR)
Maria Bowers (Head of Finance)
Annie McElhatton (Investment Services Manager)
Catherine Whyte (Corporate Support Officer)
Jeff Glass (Department for Communities)
Regina Borromeo (PIMCO)
Anna Dragesic (PIMCO)

1 Declaration of Member Interests

- 1.1 Antoinette McMillen declared an interest in items relating to both the McCloud legal action against NILGOSC being taken by NIPSA and NIPSA's dispute with NILGOSC on employment related matters. Alan Law declared the same interest.
- 1.2 Alan Law advised that he is only aware of some of the matters relating to his employer, due to its presence in the NILGOSC Management Committee papers.

2 Chairperson's Business and Apologies

- 2.1 The Chair welcomed Dooley Harte and Cathy Matthews to their first Management Committee meeting, noting this was also his first Management Committee meeting as Chair.
- 2.2 The Chair thanked Derek McCallan for his term as Interim Chair and for his help with a handover.
- 2.3 The Chair also noted Jeff Glass was attending in place of Anthony Carleton. Jeff Glass reminded the Committee that the new Departmental representative would be Gerard Murray.

Heather McKinstry joined the meeting.

- 2.4 The Chair advised he had been contacted by DfC regarding an exercise to appoint an independent member, to replace Derek McCallan when his term ends at 30 April 2025.

3 Minutes of the previous meeting on 23 September 2024

- 3.1 The minutes of the meeting held on 23 September 2024, having been circulated, were agreed.

4 Matters Arising

- 4.1 Derek McCallan advised he awaits his appraisal from the Department for his term as Interim Chair. The Chair requested that the Department conducts an appraisal for Derek McCallan for the 2023/24 year.
- 4.2 The Chair advised that, for consistency purposes, Derek McCallan would continue with his involvement in the procurement tender for Investment Advisory Services.

Shane McCurdy joined the meeting.

5 Internal Dispute Resolution Committee

5.1 Report of the meeting on 11 November 2024

- 5.1.1 As Chair of the Internal Dispute Resolution Committee (IDRC), Derek McCallan gave a verbal report on the recent IDRC meeting held on 11 November 2024, advising that this meeting was held to consider one Stage II review.

- 5.1.2 The Committee noted the verbal report.

5.2 Terms of Reference

- 5.2.1 The Secretary presented a paper outlining the proposed minor amendments to the Terms of Reference for the IDRC.
- 5.2.2 The Secretary advised that the amendments had been considered by the IDRC, and that the changes bring them into line with the other Sub-Committees' Terms of Reference.
- 5.2.3 The Committee approved the revised Terms of Reference for the IDRC.

6 Appointment of Members to Sub-Committees

6.1 To approve the appointment of Cathy Matthews to the Staffing Committee

- 6.1.1 The Committee approved the appointment of Cathy Matthews to the Staffing Committee.

6.2 To approve the appointment of Dooley Harte to the Internal Dispute Resolution Committee (IDRC)

6.2.1 The Committee approved the appointment of Dooley Harte to the IDRC.

6.3 To appoint an additional member to the IDRC

6.3.1 The Secretary highlighted the requirement for an additional member of the IDRC.

6.3.2 The Committee appointed Alan Law to the IDRC.

6.4 To appoint a Chair of the Internal Dispute Resolution Committee for a period of 12 months

6.4.1 The Secretary outlined that following the agreed changes to the IDRC Terms of Reference there was now a requirement to appoint an IDRC Chair for a period of 12 months. Derek McCallan nominated Kenneth Clayton and this was seconded by Alan Law.

6.4.2 The Committee appointed Kenneth Clayton as Chair of the IDRC.

6.5 To appoint a Chair of the Staffing Committee

6.5.1 The Secretary informed the Committee of the requirement to appoint a Chair of the Staffing Committee as the position was currently vacant. Alan Law proposed Shane McCurdy and this was seconded by Antoinette McMillen.

6.5.2 The Committee appointed Shane McCurdy as Chair of the Staffing Committee.

The Investment Services Manager joined the meeting.

7 Manager Briefing Note - PIMCO

7.1 The Investment Services Manager provided a report which summarised the PIMCO Multi Asset Credit Portfolio for the year to 30 September 2024.

7.2 The Committee discussed various topical points and formed questions they would present to PIMCO.

7.3 The Committee noted the Manager Performance Briefing Note.

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

8 Presentation by PIMCO

8.1 The Chair welcomed the representatives from PIMCO and invited them to present their review report on the Multi Asset Credit Portfolio.

- 8.2 Anna Dragesic introduced herself and Regina Borromeo to the Committee, advising their roles and responsibilities within PIMCO.
- 8.3 Anna gave an overview of portfolio statistics focusing on the last year's market and fund performance and the yield relative to inception, five years ago. She gave an update on Government Bond Yields, credit market spreads and performance attribution.
- 8.4 Regina Borromeo informed the Committee of positioning changes within the portfolio, advising the attractive positioning spread. She gave an overview of the attractive yield from a diversified credit portfolio together with an outlook for the period ahead.
- 8.5 The Committee raised a number of questions with PIMCO on the proportion of investments in renewables, rationales behind investing and divesting various holdings in specific countries, USA positioning and strength of the dollar, and the importance of ESG risk.

Derek McCallan left the meeting.

- 8.6 The Chair thanked PIMCO for their presentation and the Committee noted the update.

The PIMCO representatives left the meeting.

9 Investment Costs Report for year ended 31 March 2024

- 9.1 The Investment Services Manager presented the Investment Costs Report, noting this is the second year of a two-year contract in which CEM Benchmarking have conducted the analysis.
- 9.2 The Committee noted the Investment Costs Report for the year ended 31 March 2024.

The Investment Services Manager left the meeting.

10 Public Sector Pensions Update

- 10.1 The Secretary provided the Committee with an update on Public Sector Pensions.
- 10.2 The Secretary informed the Committee that he and two Management Committee members attended the Scheme Advisory Board meeting on 15 November. He advised the Committee that Gerard Murray, the new Departmental Representative, would be chairing the next Scheme Advisory Board meeting.
- 10.3 The Secretary updated the Committee on the outcome of the Chancellor's Mansion House speech. He advised that a detailed consultation was published on 14 November, setting out 18 proposals.

- 10.4 The Secretary also gave an overview of the Chancellor's Budget Statement. His overview included the changes to National Insurance rates for employers and inheritance tax and how this could affect NILGOSC.
- 10.5 The Secretary advised that on 22 October the Department for Work and Pensions had published a written statement on the Pension Dashboard project, confirming the Government's commitment to the existing timetable for connecting schemes to the ecosystem.
- 10.6 The Secretary informed the Committee that the Consumer Prices Index (CPI) rate of inflation for September 2024 was 1.7 per cent.
- 10.7 The Committee noted the Public Sector Pensions Update.

Heather McKinstry 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 The Secretary gave a summary of recent training undertaken by the Committee members.
- 11.3 The Secretary advised that the NI Assembly's Communities Committee requested a written briefing on NILGOSC in October, a copy of which was included in the meeting papers pack.
- 11.4 The Secretary updated the Committee on the status of the Investment Advisor Tender. He also updated the Committee on the transition of assets from William Blair to LGIM.
- 11.5 The Secretary updated the Committee on recent media coverage relating to investments, noting that copies of correspondence had been included in the meeting pack.
- 11.6 The Secretary informed the Committee that following 24 months of dialogue, Ministerial approval was received to implement the 2022/23 pay proposals for all staff, with the exception of the Chief Executive. He advised that the 2024/25 NJC pay award had also been approved by the Department. The Departmental Representative advised that DoF had released new guidance, which meant approval for contractual pay awards was now delegated to the Permanent Secretary. He informed the Committee that this was the reason why the recent NJC pay remit process was quicker than usual.
- 11.7 JJ Tohill informed the Committee that he hadn't attended the Chief Executive's Forum ARAC training.
- 11.8 The Committee noted the Secretary's Report and Seal Log.

The Head of Finance joined the meeting.

12 Progress of the Corporate Plan

- 12.1 The Deputy Secretary presented a summary of performance in respect of the delivery of the Corporate Plan 2024/25 during the six months ended 30 September 2024.
- 12.2 She advised the Committee that at 30 September 2024, 11 actions had been achieved, 77 actions were on target, 5 operational actions had been given a caution flag and 6 were flagged as behind target or not achievable.
- 12.3 The Committee noted that at the halfway point in the corporate planning year, 88.9% of the Corporate Plan remained on target or to be achieved or substantially achieved by 31 March 2025.

13 Annual Budget 2024/25 – Expenditure to half year ended 30 September 2024

- 13.1 The Head of Finance provided the Committee with a report to show the comparison of Actual Expenditure to Budget for the six months to 30 September 2024, highlighting any key variances.
- 13.2 The Committee noted the comparison of Actual Expenditure to Budget for the six months ended 30 September 2024.

14 Any other business

- 14.1 The Committee agreed to reschedule the September 2025 meeting to facilitate the Actuarial Valuation process.
- 14.2 The Secretary informed the Committee that a training session on Actuarial Valuations would be held after the March Committee meeting. A revised meeting schedule would be circulated to the Committee.
- 14.3 There being no further business, the meeting was closed.

Chairperson (Signature).

Date