



Vision, Mission, Strategic Aims & Values

Summary of Consultation Responses

December 2024

Northern Ireland Local Government Officers' Superannuation Committee
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1 Background

- 1.1 NILGOSC is the administering body for the Local Government Pension Scheme (LGPS) in Northern Ireland. NILGOSC was set up by the Government in April 1950 to operate a pension scheme for local councils and other similar bodies in Northern Ireland. The pension scheme is known as the Local Government Pension Scheme (Northern Ireland) and is a defined benefit scheme. The pension scheme is funded by contributions paid by both employees and the scheme employers.
- 1.2 NILGOSC's role is to administer the LGPS Regulations, both in terms of pension scheme administration, including the calculation and payment of benefits, and the management of the investment fund. The Regulations are made by the Department for Communities and, while NILGOSC will respond actively to any consultation process, it does not have any power to change the regulations or determine their content. In this respect, NILGOSC's remit is relatively limited with its function being to deliver a pension service to scheme members and employing authorities. Within this narrowly defined function, the focus continues to be on providing a high-quality service to all stakeholders, in line with their continually evolving expectations.
- 1.3 Like most organisations, NILGOSC has established a strategic planning process which allows it to identify and achieve its long-term strategic objectives. A key part of this process is the triennial strategic review, during which the organisation's vision, mission, values and strategic aims are subjected to a thorough review and stakeholder consultation to ensure that they remain relevant and reflective of the current operating environment.
- 1.4 NILGOSC undertook its latest strategic review in May 2024, starting with an assessment of the current operating environment. A Stakeholder Analysis was undertaken to identify current stakeholders and their needs and expectations, both at present and in the future. A SWOT analysis was also undertaken to identify and examine NILGOSC's strengths and weaknesses, opportunities and threats.
- 1.5 The outcome of this review was a revised statement of NLGOSC's Vision, Mission, Strategic Aims and Values, which is designed to drive service delivery over the next three-year strategic planning period.

2 Consultation Process

- 2.1 NILGOSC recognises the important role of consultation in its strategic planning process and is keen to ensure that interested parties are given the opportunity to comment and shape the service that it provides.
- 2.2 An eight-week consultation process was launched on 6 September 2024 seeking views from stakeholders in the NILGOSC pension scheme. Scheme employers, staff and other representative groups and organisations were directly invited to take part in the consultation.

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2.3 The closing date for the consultation was 1 November 2024.

3 Summary of consultation responses

3.1 One response was received from the Arts Council of Northern Ireland.

3.2 A summary of the comments received and NILGOSC's response is attached at Appendix A.

3.3 NILGOSC's Vision, Mission, Strategic Aims and Values is attached at Appendix B.

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Appendix A

The **Arts Council of Northern Ireland** responded to each of the six questions asked:

Summary of comments	NILGOSC response
<p>Question 1: Do you agree with our vision? If not, what would you expect to see included?</p> <p>Agree with your vision overall. However, consideration could be given to including "secure". Particularly due to more widespread use of AI technology, the complexity of information and the targeting of older people for scams.</p>	<p>'Secure' is used by the responder to refer to threats from AI, complexity and scammers. NILGOSC has robust controls in place to protect its systems and members against such threats.</p> <p>Security however has wider connotations for pension funds, primarily in respect of providing a long term, stable pension to scheme members. As a statutory scheme, NILGOSC pensions are both determined by and guaranteed by legislation and therefore there is no risk of financial loss to the value of a member's pension benefits. Expanding the vision to providing a secure pension scheme could be misinterpreted by members that the security of their benefits is not guaranteed. 'Sustainable' was chosen as a more appropriate term for the corporate vision in line with NILGOSC's statutory obligation to maintain the pension fund at a certain level to meet current and future liabilities.</p>
<p>Question 2: Do you agree with our mission statement? If not, what would you expect to see included?</p> <p>Yes, agree with your mission statement. Perhaps the addition of "equitably" or "fairly" could be considered.</p>	<p>Fairness is included within NILGOSC's corporate values as a behaviour it wishes to exhibit in dealing with all stakeholders.</p> <p>'Equitably' is defined as treating everyone fairly and in the same way. NILGOSC's remit is to administer the pension scheme in accordance with the Regulations and it is mindful that the law relating to pensions does not always treat everyone the same.</p>

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Summary of comments	NILGOSC response
<p>Question 3: Do our values meet your expectations for a public sector pension scheme? If not, what would you expect to see included?</p> <p>We agree with the nine values in principle but think there could be some explanation or definitions in the context of the values or providing asterisk with some expansion to clarify meaning e.g. taking action in a timely* manner. *What constitutes timely? Will there be any changes to current set timeframes for responses or new KPIs? Same for acceptable* risk parameters e.g. who decides what is acceptable? How is it defined? Is it relative to other factors? Etc.</p>	<p>'Timely' was chosen to convey that NILGOSC wishes to act promptly and also in accordance with any deadlines that might apply. With respect to service provision, there are a wide range of timeframes and deadlines set out in legislation with which NILGOSC must comply. NILGOSC has also established a set of service standards for core calculation and payment actions which adhere to any legislative deadlines but are designed to ensure an excellent level of service is provided to scheme members. The service standards are set out in full in NILGOSC's corporate plan.</p> <p>Investment and funding risk is a highly technical and complex area for defined benefit pension schemes such as the LGPS NI. NILGOSC's approach to investment risk and funding risk is set out in its Statement of Investment Principles and Funding Strategy Statement, both of which are set by the Management Committee having taken professional advice from the Investment Adviser and Scheme Actuary. Both documents are publicly available at www.nilgosc.org.uk/pension-fund/</p> <p>In light of the above, it would be difficult to articulate such detail in a meaningful, concise footnote to the Values.</p>
<p>Question 4: Do our strategic aims meet your expectations for a public sector pension scheme? If not, why?</p> <p>Yes.</p>	<p>Noted.</p>

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Summary of comments	NILGOSC response
<p>Question 5: Is there anything else you would expect to see included in our strategic aims and objectives?</p> <p>Strategic Aim 1 –Please define or provide further info on “ensure that all necessary action is taken on any change to scheme rules.”</p> <p>Strategic Aim 2 – “To review investment performance regularly” - Please define “To manage the investment risks posed by climate change” – Who oversees this? Please define/expand risks and how they may be subject to change. Who sets out these criteria? Is there a climate policy being referred to/applied and if so, which policy?</p>	<p>Strategic Aim 1 is written as a catch-all to cover any action that NILGOSC may be required to take following a change in legislation. Typically, this includes: changes to pension software; changes to internal processes; changes to Scheme literature guides and member communications; changes to HMRC reporting requirements; recalculation of benefits where any changes are retrospective; staff training etc. This level of detail is set out in the operational action section of the corporate plan.</p> <p>Similarly, detailed operational actions are set out in the corporate plan for both objectives referenced under Strategic Aim 2. These set out the specific actions and reporting that NILGOSC will undertake to help meet its strategic aims. NILGOSC has published a Climate Risk Statement which acknowledges the importance of climate risk as an investment issue and sets out the steps which will be taken to address it. The Climate Risk Statement, together with further information on NILGOSC’s responsible investment activities can be found on its website www.nilgosc.org.uk/pension-fund/</p>
<p>Question 6: Have you any other comments on our Vision, Mission, Values, Strategic Aims and Objectives?</p> <p>All are clear for the most part and the use of word ‘accurately’ and ‘promptly’ for payments is well considered.</p>	<p>Noted.</p>

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Appendix B

Vision

"To provide an excellent and sustainable pension scheme".

Mission Statement

"To operate the pension scheme efficiently, effectively and sustainably while enhancing the quality of service provided to stakeholders".

Values

NILGOSC is committed to providing a professional service to all its stakeholders. In carrying out its aims and objectives NILGOSC is committed to the following nine values:

- member focused service delivery
- maximising returns within acceptable risk parameters
- sustainability, both as an investor and as a pension scheme
- responsiveness, taking action in a timely manner
- operational excellence through innovation
- collaboration to achieve shared goals
- fairness, embracing equality and diversity in its widest sense
- honesty, integrity and openness in our engagement with stakeholders
- being understandable, providing simple, clear and complete information

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Strategic Aims and Objectives

NILGOSC has six strategic aims which set out what it wants to achieve. Beneath each aim sits a number of objectives, which set out what NILGOSC plans to do to achieve them.

Strategic Aim 1: To provide an effective service complying with the pension scheme regulations, good practice, other legislation and stakeholder expectations.

Objectives

- To pay members' pension benefits, refunds and transfers promptly and accurately
- To credit pension contributions, transfers and other employer liabilities received promptly and accurately
- To provide members with information needed to make pension decisions promptly
- To pay death benefits promptly and accurately
- To ensure that all necessary action is taken on any change to scheme rules
- To ensure that systems and procedures comply with relevant legislation
- To maintain accurate and complete member data.

Strategic Aim 2: To deliver an effective investment strategy in line with the actuarial profile of the fund.

Objectives

- To value the scheme assets and liabilities and set contribution rates accordingly
- To invest scheme funds in accordance with the Statement of Investment Principles
- To deliver investment performance within appropriate risk return parameters
- To review investment performance regularly
- To ensure effective stewardship in line with responsible investment policy
- To manage the investment risks posed by climate change
- To understand and adopt good practice in Public Sector pension fund management
- To work collaboratively on investment matters when suitable opportunities arise.

Strategic Aim 3: To promote the scheme and inform members and employers of their pension options.

Objectives

- To actively encourage retention in, and new membership of, the Scheme
- To provide general scheme information to scheme employers, their employees, members, Trade Unions and pensioners through active engagement
- To provide members and employers with specific details of Regulation changes and relevant tax legislation changes.

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Strategic Aim 4: To influence and inform the debate on the future of the Local Government Pension Scheme

Objectives

- To influence changes to the LGPS and actively contribute to relevant consultations
- To engage with, and inform, interested parties and relevant decision makers
- To improve the Scheme Regulations for the benefit of employers and members.

Strategic Aim 5: To undertake business in an efficient, effective and accountable manner as required of a public body.

Objectives

- To enhance corporate governance arrangements appropriate for a public body
- To maximise efficiency through the use of technology
- To manage change in an effective and timely manner
- To ensure NILGOSC attracts and retains well trained personnel
- To ensure that the office environment meets the growing needs of stakeholders and staff
- To ensure an effective and cohesive Committee.

Strategic Aim 6: To promote equality of opportunity, good relations and to fulfil Section 75 obligations.

Objectives

- To assess the likely impact of policies on the promotion of equality of opportunity and good relations
- To ensure NILGOSC personnel policies promote equality of opportunity
- To ensure that NILGOSC meets or exceeds best practice as set out by the Equality Commission.