



To: Chief Executives

Circular 06/2025

18 April 2025

At: All Employing Authorities

Dear Colleague

## **NILGOSC's Funding Strategy Statement**

Under the Local Government Pension Scheme Regulations (Northern Ireland) 2014, NILGOSC is required to prepare, maintain and publish a Funding Strategy Statement (FSS) which sets out the framework for the funding of all pension liabilities. The regulations also require that the FSS and any subsequent changes to it must be agreed following consultation with relevant stakeholders.

The current Funding Strategy Statement was published in September 2022 and is currently due for review as part of the 2025 triennial valuation process. In preparation for each triennial valuation NILGOSC reviews the FSS utilising advice provided by the Fund actuary.

In addition, in January 2025, the LGPS England and Wales Scheme Advisory Board (SAB), the Chartered Institute of Public Finance and Accountancy (CIPFA) and Ministry of Housing, Communities and Local Government (MHCLG) jointly produced updated guidance for Local Government Pension Schemes to consider when reviewing and preparing their FSS.

This has resulted in a more proscriptive format to ensure consistency across all Schemes.

While detailed and technical in content, the main purpose of the FSS is to outline how NILGOSC will manage the pension fund liabilities, ensuring financial stability and long-term sustainability, while meeting regulatory requirements and balancing the interests of employers and members.

The draft FSS, as presented, has three main sections:

### **Introduction**

This section sets out the purpose of the FSS along with the aims and objectives of the Fund, the regulatory framework and the means by which the FSS is monitored and reviewed.

### **Key Funding Principles**

This section provides details on the steps that NILGOSC takes to ensure that benefits can be met as they fall due, including how it sets employer contributions to reach target fund levels while striving to keep rates as stable as possible.

## Employer Events

This final section of the document includes specific policies for scenarios where employers join or leave the Fund.

The FSS together with NILGOSC's investment strategy and employer covenant monitoring framework ensure an integrated approach to funding strategy and risk management, supporting NILGOSC in meeting its regulatory funding requirements.

I should be grateful if you would consider the draft Funding Strategy and provide feedback by way of a formal response to this consultative exercise by 27 June 2025 in order that any comments can be considered by the Committee in advance of it agreeing the final version of the document.

A copy of the draft Funding Strategy Statement is attached and can also be accessed through NILGOSC's website [www.nilgosc.org.uk](http://www.nilgosc.org.uk).

Responses are welcomed in electronic or hard copy although an electronic version would be appreciated to assist with the collation of stakeholder feedback. Please submit your response to the Head of Finance at NILGOSC using the contact details below:

Email: [maria.bowers@nilgosc.org.uk](mailto:maria.bowers@nilgosc.org.uk)

Post: Maria Bowers  
NILGOSC  
Templeton House  
411 Holywood Road  
Belfast BT4 2LP

Telephone: 0345 3197 320

I look forward to hearing from you however if you do have any queries, please do not hesitate to contact me 0345 3197 320 or by email [maria.bowers@nilgosc.org.uk](mailto:maria.bowers@nilgosc.org.uk).

Yours sincerely



Maria Bowers  
Head of Finance  
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