

Northern Ireland Local Government Officers' Superannuation Committee

Minutes of the meeting of the Management Committee held at Templeton House on 25 March 2025 at 10am.

Members Present

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

In Attendance

David Murphy (Secretary)
Nicola Todd (Deputy Secretary)
Maria Bowers (Head of Finance)
Zena Kee (Head of Pensions Policy)
Denise McElrea (Head of Governance and HR)
Louise Hickland (Head of Investment Services)
Annie McElhatton (Investment Services Manager)
Helen McEvoy (Investment Services Manager)
Catherine Whyte (Governance Manager)
Jeff Glass (Department for Communities) (via MS Teams)
Gareth Roberts (Baillie Gifford)
Tatjana Evans-MacLeod (Baillie Gifford)
Kenneth Ettles (Aon)
Laura Caudwell (Aon)
Becky Durran (Aon)

Apologies

Dooley Harte

1 Declaration of Member Interests

- 1.1 The Secretary presented the standing item of the Committee's Register of Interest. He informed the Committee that the Governance team had considered the Register in advance of the meeting and hadn't highlighted any new or existing conflicts relevant to the meeting papers. He noted the standing conflicts of Antoinette McMillen and Alan Law relating to their employment with NIPSA.

2 Chairperson's Business and Apologies

- 2.1 The Chair advised that in April he would be involved in the interview process for the recruitment of a new employer representative for the

Management Committee, following the end of Derek McCallan's term of office.

- 2.2 The Chair advised that following the end of Derek McCallan's term of office, the Committee would be required to appoint a new Deputy Chair. He advised that nominations and a vote would take place, via email, in due course.

3 Minutes of the Previous Meeting held on 25 February 2025

- 3.1 The minutes of the meeting held on 25 February 2025, having been circulated, were agreed.

4 Matters Arising

- 4.1 The Secretary updated the Committee that the secure database had been rolled out to the ARAC, and that following assessment of its usefulness, it would be rolled out to the Management Committee.
- 4.2 The Secretary advised that the contract for Investment Advisory Services was in the final stages of negotiation with ISIO and should be in place in the coming week.
- 4.3 The Secretary informed the Committee that the tender panel for the procurement of an Internal Auditor was meeting the next day for the consensus part of the tender evaluation process. He noted that it was unlikely that a new contract would be in place by 1 April however, this was not expected to impact on the delivery of internal audit services for the year ended 31 March 2026.

5 Management Committee Terms of Reference

- 5.1 The Head of Governance and HR presented a paper outlining a revised copy of the Management Committee Terms of Reference.
- 5.2 The Head of Governance and HR advised that the Terms of Reference had been updated due to changes to requirements in The Pension Regulator's General Code of Practice. She also informed the Committee that the Department for Communities had approved the amendments.
- 5.3 The Committee adopted the revised Management Committee Terms of Reference which were updated to comply with the TPR General Code of Practice.

6 Standing Orders

- 6.1 The Head of Governance and HR presented a paper outlining the revised Standing Orders.

- 6.2 The Head of Governance and HR advised that the Standing Orders had been updated due to changes to requirements in The Pension Regulator's General Code of Practice.
- 6.3 The Committee approved the revised Standing Orders which were updated to comply with the TPR General Code of Practice.

7 Funding Strategy Statement

- 7.1 The Head of Finance presented the draft Funding Strategy Statement to the Committee advising that upon approval it would be sent out for consultation with scheme employers and other stakeholders.
- 7.2 The Head of Finance advised that during the review of the Funding Strategy Statement, which was undertaken in conjunction with the Actuary, NILGOSC had considered the updated guidance for Pension Schemes produced by the LGPS England and Wales Scheme Advisory Board, the Chartered Institute of Public Finance and Accountancy and Ministry of Housing, Communities and Local Government.
- 7.3 The Committee noted the complexity of the document and requested that efforts are made to include explanatory narrative when the Statement is issued for consultation.
- 7.4 The Head of Finance confirmed that approval was being sought at this stage for the Statement in its draft form and that it would be brought back to the Committee post-consultation for full consideration of any responses received.
- 7.5 The Committee approved the draft Funding Strategy Statement.

The Head of Finance left the meeting.

8 Public Sector Pensions Report

- 8.1 The Secretary presented an update on Public Sector Pensions. He informed the Committee that the Department for Communities completed a consultation on statutory guidance for the implementation of the McCloud Remedy, and that the response is yet to be issued.
- 8.2 The Secretary advised that HMRC has confirmed that while the top-up payments for individuals affected by the net-pay anomaly will still be made for the 2024/25 tax year and subsequent years, the payments for 2024/25 are likely to be offered later than planned and are expected in 2026.
- 8.3 The Secretary advised that the LGA's LGPS Governance Conference 2025 took place in Bournemouth on 30 and 31 January 2025 and was attended by three Committee members. The 2026 conference will be held in Cardiff on 29 and 30 January 2026.

The two Investment Services Managers, Helen McEvoy and Annie McElhatton joined the meeting.

9 Stewardship Code Report

- 9.1 Helen McEvoy presented the annual Stewardship report, demonstrating how NILGOSC has applied the UK Stewardship Code's principles and supporting NILGOSC's renewal application to remain a signatory.
- 9.2 The Committee thanked the team for their work on the report and approved NILGOSC's Stewardship Report for 2024 for submission to the FRC ahead of 31 May 2025.

Helen McEvoy left the meeting.

10 Manager Performance Briefing Note – Baillie Gifford

- 10.1 Annie McElhatton presented a summary of the performance of the Long-Term Global Growth portfolio managed by Baillie Gifford.
- 10.2 The Committee noted the report and agreed to use it as a basis for discussion with Baillie Gifford at the meeting.

The Baillie Gifford representatives joined the meeting. The Head of Investment Services joined the meeting.

11 Presentation by Baillie Gifford

- 11.1 The Chair welcomed the Baillie Gifford representatives to the meeting.
- 11.2 Gareth Roberts introduced himself and his colleague, Tatjana Evans-MacLeod, outlining their roles as Client Service Director and Senior Director respectively. He provided an overview of the business strategy and culture.
- 11.3 Tatjana gave an overview of recent performance highlighting various key contributors. She gave an update on the performance of the portfolio in relation to US markets.
- 11.4 Tatjana gave an update on portfolio composition and outlook.
- 11.5 The Committee questioned Baillie Gifford on performance, challenges around protectionist policies and trade tensions, the outlook for certain individual holdings, standout investments and engagement with controversial holdings.
- 11.6 The Chair thanked Baillie Gifford for their presentation.

The Baillie Gifford representatives left the meeting. The Committee had a short break.

12 Investment Monitoring Scorecard

- 12.1 The Head of Investment Services presented the Investment Monitoring Scorecard and Watchlist as at 31 December 2024.

- 12.3 The Committee agreed that immediately following appointment, the new Investment Advisor, ISIO, are instructed to advise on the suitability of a low volatility equity allocation within the Fund's investment strategy and to advise on options for the management of the assets currently in the Unigestion mandate.
- 12.4 The Committee noted the overall ratings for the quarter ended 31 December 2024.

Kenneth Ettles joined the meeting.

13 Presentation by Aon

- 13.1 The Chair invited Kenneth Ettles to present Aon's quarterly report on the performance of the Fund for the quarter ended 31 December 2024.
- 13.2 Kenneth Ettles gave an executive summary of funding levels and absolute returns. He gave an overview of the total performance of the fund for the quarter ended 31 December 2024, highlighting the effect US markets have had on investments.
- 13.3 Kenneth Ettles gave a summary of the markets and market background. He also gave an update on manager performance and returns relative to target.
- 13.4 The Committee noted the report. The Chair thanked Kenneth Ettles for his presentation and thanked the wider Aon team for their contribution to NILGOSC.

The Aon representative left the meeting.

14 Secretary's Report and Seal Log

- 14.1 The Secretary presented his report outlining important operational issues that had arisen since the last Committee meeting.
- 14.2 The Secretary informed the Committee that the Department for Communities sought a NILGOSC representative on its ALB Climate Change Group, and that the Deputy Secretary would attend.
- 14.3 The Secretary advised that the quarterly meeting with the Department planned for 4 March was cancelled and that an alternative date has been arranged of 19 May.

- 14.4 The Secretary informed the Committee that NILGOSC won the award for DB Pension Scheme of the Year 2025 at the recent Pensions Age Award. The Chair, on behalf of the Committee, expressed Congratulations to NILGOSC on winning this award.
- 14.5 The Secretary advised of changes to the Procurement Act which was published on 6 March. He advised that there was a change to the Standstill period and that contract authorities are now to choose the Most Advantageous Tender as opposed to the Most Economically Advantageous Tender.
- 14.6 The Secretary informed the Committee that Sinead Heath would be joining NILGOSC on 31 March 2025 as the new Chief Pensions Officer, overseeing the Pension Administration and Pensions Development functions.
- 14.7 The Committee noted the Secretary's Report and Seal Log.

15 Any Other Business

- 15.1 The Chair reminded the Committee that today was Derek McCallan's last Committee meeting as his term was coming to an end.
- 15.2 The Chair expressed his thanks and gratitude to Derek for his time on the Management Committee, and as Interim Chair.
- 15.3 Derek thanked the Committee and staff for their support during his term of office and wished the Committee well in the future.

There being no further business, the meeting was closed.

Chairperson (Signature).

Date