

Northern Ireland Local Government Officers' Superannuation Committee

Minutes of the meeting of the Management Committee held at Templeton House on 27 May 2025 at 10am.

Members Present

Mark McBride (Chair), Richard Baker, Ken Clayton, Paul Francey (Via MS Teams), Dooley Harte, Alan Law (Via MS Teams), Cathy Matthews, Heather McKinstry, Antoinette McMillen (Via MS Teams), Peter Moore, Michael Rafferty (Via MS Teams) and JJ Tohill.

In Attendance

David Murphy (Secretary)
Nicola Todd (Deputy Secretary)
Sinead Heath (Chief Pensions Officer)
Zena Kee (Head of Pensions Policy)
Maria Bowers (Head of Finance)
Louise Hickland (Head of Investment Services)
Annie McElhatton (Investment Services Manager)
Jennifer Campbell (HR Manager)
Catherine Whyte (Governance Manager)
Jeff Glass (Department for Communities) (Via MS Teams)
Paul Rayner (RLAM)
Peter Hensman (RLAM)
Tony Coniaris (Harris) (Via MS Teams)
Will Fox-Robinson (Harris)

Apologies

Shane McCurdy

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 had highlighted a conflict in relation to item 19 of the agenda for JJ Tohill, due to his employment with Mid Ulster District Council. JJ agreed to leave the meeting when this item was being discussed.

- 1.2 The Secretary noted the standing conflicts of Antoinette McMillen and Alan Law relating to the ongoing legal action and their employment with NIPSA. He also advised the Committee that JJ Tohill was also now conflicted with matters relating to the NIPSA action. JJ advised that he was taking action to remove the conflict."

2 Chairperson's Business and Apologies

- 2.1 Antoinette McMillen and Alan Law advised they would have to leave for a short period of time at 11 to attend an item at the NIPSA Conference.
- 2.2 The Chair expressed his condolences on behalf of the Committee to two Committee members who had recently been bereaved.
- 2.3 The Chair welcomed Richard Baker to his first Management Committee meeting.
- 2.4 The Chair congratulated Ken Clayton on his recent appointment to the Deputy Chair position and thanked Michael Rafferty for putting his name forward for consideration.
- 2.5 Apologies were noted in advance of the meeting from Shane McCurdy.
- 2.6 The Chair advised that following confidential correspondence between members since the previous meeting, Ken Clayton had sought and gained support for the inclusion of Item 8 on the agenda.

3 Minutes of the previous meeting held on 25 March 2025.

- 3.1 The minutes of the meeting held on 25 March 2025, having been circulated, were agreed. These minutes were signed by the Chair.

4 Matters Arising

- 4.1 The Secretary highlighted that on 14 April 2025 the Committee agreed by email that Ken Clayton was appointed as Deputy Chairperson.
- 4.2 The Secretary highlighted that on 14 April 2025 the Committee agreed by email to note the outcome of the tender evaluation process for the provision of Internal Audit and approved the appointment of Sumer NI Ltd for the provision of internal audit services for an initial contract period of three years commencing on 23 April 2025, with an option to extend for a further two years. He advised that he and some Committee members had met with Sumer NI following their reappointment as part of the planning process.

5 Staffing Committee

- 5.1 **Report of Meeting held on 1 May 2025**

- 5.1.1 The Committee noted the verbal report, presented by a member of the Staffing Committee, of the meeting held on 1 May 2025.

5.2 Annual Report of the Staffing Committee

- 5.2.1 The HR Manager advised that the purpose of the Annual Report was to provide the Management Committee with an annual assurance report on matters considered by the Staffing Committee. She summarised the activities and considerations undertaken by the Staff Committee during the year ended 31 March 2025.
- 5.2.2 The Management Committee noted the annual report of the Staffing Committee.

5.3 NILGOSC Policy Statement on Employer's Discretions

- 5.3.1 The HR Manager presented the revised NILGOSC Policy Statement on Employer's Discretions which was reviewed and recommended by the Staffing Committee at their recent meeting on 1 May 2025.
- 5.3.2 The Committee approved the NILGOSC Policy Statement on Employer's Discretions.

5.4 Grievance Policy

- 5.4.1 The HR Manager presented the revised Grievance Policy which was reviewed and recommended by the Staffing Committee at their recent meeting on 1 May 2025.
- 5.4.2 The Committee approved the revised Grievance Policy.

6 Internal Dispute Resolution Committee

6.1 Report of the Meeting held on 12 May 2025.

- 6.1.1 The Chair of the IDRC meeting presented a report of the IDRC meeting held on 12 May 2025.
- 6.1.2 The Committee noted the report.

6.2 Revised IDRC Terms of Reference

- 6.2.1 The Deputy Secretary presented a paper outlining a minor addition to the IDRC Terms of Reference to explicitly state membership and voting rights.
- 6.2.2 The Committee approved the revised Terms of Reference for IDRC.

Michael Rafferty joined the meeting.

7 Committee Effectiveness Framework – Self Assessment

- 7.1 The Governance Manager presented a paper, summarising the outcome of the Committee effectiveness evaluation for 2024/25. She advised that the purpose of the evaluation was to provide a useful and valuable feedback mechanism for improving effectiveness, maximising strengths and highlighting areas for further development.
- 7.2 The Governance Manager advised that the evaluation was overwhelmingly positive and provided assurance that the Committee was operating effectively.
- 7.3 The Committee discussed the first area for improvement which was the gender imbalance of the Committee. They noted that this was ultimately a matter for the Department to address and acknowledged the efforts NILGOSC had undertaken to widen the pool of applicants.
- 7.4 The Committee then discussed the second area for improvement which was the working relationship between NILGOSC and the sponsor department. It was noted that the Partnership Agreement had not yet been finalised and that this could improve the working relationship.
- 7.5 The third area of suggested improvement was regarding the Secretary and Chair having timely access to Departmental Representatives. The Secretary and Chair confirmed they do have timely access to Departmental representatives when required.
- 7.6 The Committee considered and agreed the outcome of the Committee Effectiveness evaluation.

8 Attendance at External Conferences and Minutes of the Committee meeting 23 August 2024.

- 8.1 The Chair outlined the scope of this item, advising that Ken Clayton had requested this item was added to the agenda and that Ken would therefore speak to the item.
- 8.2 Ken Clayton expressed frustration that Committee members were unable to attend the PLSA Local Authority conference this year as it clashed with the June Management Committee meeting. He commented that the removal of this option had restricted choice for members who had previously been offered two out of three conferences.
- 8.3 The Secretary advised that Committee members are still permitted to attend two conferences per year and that alternatives to the Local Authority conference would be offered for 2025/26, with details to be circulated once suitable events were available. He advised that the PLSA Local Authority conference would be taken into account when agreeing Committee dates for 2026.

Alan Law left the meeting.

8.4 The Committee noted the discussion.

The Head of Investment Services and the Investment Services Manager joined the meeting.

9 Annual Equality Statement

9.1 The Governance Manager presented the draft Annual Equality Statement to the Committee for approval, informing the Committee that all duties to ensure that NILGOSC policies and procedures are fair and lawful were carried out and a number of the actions set out in the Equality Action Plan had been progressed during the period.

9.2 The Committee approved the Annual Equality Statement for the year ended 31 March 2025 for inclusion in the Annual Report and Accounts 2024/25.

10 Manager Performance Briefing Note – RLAM

10.1 The Head of Investment Services provided a report to the Committee which summarised the performance of the Absolute Return Government Bond portfolio for the year to 31 March 2025.

10.2 The Committee noted the Manager Briefing report.

Antoinette McMillen left the meeting. The RLAM representatives joined the meeting.

11 Presentation by RLAM

11.1 The Chairperson welcomed Paul Rayner and Peter Hensman to the meeting and invited them to present on the portfolio's performance and activity throughout the year to 31 March 2025.

11.2 Peter Hensman introduced both himself and Paul Rayner to the Committee and provided an overview of the organisation and assets under management.

11.3 Paul Rayner gave a review of the strategy, positioning and performance over the last 12 months. He provided an overview of the bond markets and economic forecasts for the period ahead, together with the role of green bonds in the portfolio.

11.4 The Committee questioned RLAM on portfolio positioning, the effect of high global interest rates on strategy, positions following stable credit spreads and the impact of trade wars on the portfolio.

- 11.5 The Committee thanked Paul Rayner and Peter Hensman for their attendance and noted the presentation.

The RLAM representatives left the meeting. There was a short break and Antoinette McMillen and Alan Law rejoined the meeting.

12 Manager Performance Briefing Note – Harris

- 12.1 The Investment Services Manager provided a report to the Committee which gave an overview of the Harris Associates portfolio for the year to 31 March 2025.
- 12.2 The Committee noted the Manager Briefing report.

Tony Coniaris joined the meeting via MS Teams and Will Fox-Robinson joined the meeting in person.

13 Presentation by Harris

- 13.1 The Chairperson welcomed Tony Coniaris and Will Fox-Robinson to the meeting and invited them to present on the portfolio's performance and activity throughout the year to 31 March 2025.
- 13.2 Will Fox-Robinson introduced both himself and Tony Coniaris to the Committee. Tony gave an overview of the team, investment process, performance and portfolio positioning, together with an overview of how ESG is integrated into decision making.
- 13.3 The Committee questioned Harris on market opportunities, regional overweights, the allocation to cash and US markets and the exclusion of holdings on ESG grounds.
- 13.4 The Committee thanked Tony Coniaris and Will Fox-Robinson for their attendance and noted the presentation.

Tony Coniaris and Will Fox-Robinson left the meeting. The Head of Investment Services and the Investment Services Manager left the meeting.

14 Public Sector Pensions Report

- 14.1 The Secretary provided the Committee with an update on Public Sector Pensions.
- 14.2 The Secretary informed the Committee that, following a recent consultation for the LGPS England & Wales, NILGOSC had been contacted by the Department for Communities requesting details on NILGOSC's approach to local investment.

14.3 The Secretary advised that two pools, Access and Brunel had received a joint letter from the Pensions Minister and Local Government Minister stating that they must merge with another pool.

14.4 The Committee noted the update on Public Sector Pensions.

15 GAD Review of NILGOSC Actuarial Valuation 2022

15.1 The Secretary presented GAD's report on its review of NILGOSC's Actuarial Valuation.

15.2 The Secretary explained the background to the review and highlighted key observations and recommendations for the Department.

15.3 The Secretary advised that GAD found the 2022 valuation was compliant with the relevant regulations, the fund meets the conditions required to be able to demonstrate solvency and that the fund meets the conditions required to demonstrate long term cost efficiency of the scheme.

15.4 The Committee noted the report.

16 Secretary's Report and Seal Log

16.1 The Secretary presented his report to the Committee, outlining important operational issues that had arisen since the last meeting.

16.2 The Secretary notified the Committee that on 24 March 2025, the Minister wrote to NILGOSC confirming approval of the draft Corporate Plan 2025/26-2027/28.

16.3 The Secretary gave an update in relation to a member complaint which had been raised directly with the Minister, rather than utilising the normal complaints process.

16.4 The Secretary highlighted that following the recent tender process for an Internal Audit provider, it became apparent that CPD processes were not compatible with NILGOSC's current Committee approval procedures and that this would need to be considered for future exercises.

The Head of Finance joined the meeting.

16.5 The Secretary gave an update on how NILGOSC can now exercise their voting rights for company meetings held across both the active and passive mandates using Pass-through Voting.

16.6 The Secretary updated the Committee that NILGOSC has appointed a class action provider, Labaton Keller Sucharow, to undertake NILGOSC's global monitoring, legal advice and claims administration service.

- 16.7 The Secretary provided indicative dates for the Investment Strategy review now underway with Isio, noting these would include a training session after the August meeting and a decision paper for consideration in November.
- 16.8 The Secretary informed the Committee that Isio had recommended that Unigestion be retained in the short term until the strategy review is completed and had also indicated they support the rebalancing of index-linked gilts to the strategic allocation.
- 16.9 The Committee noted the Secretary's Report and Seal Log.

Antoinette McMillen and Alan Law left the meeting.

17 Corporate Plan 2024/25 – Progress at 31 March 2025

- 17.1 The Deputy Secretary provided a report to the Committee detailing the performance in respect of the delivery of the Corporate Plan 2024/25. She informed the Committee that 84 out of 99 actions had a green status which translated to an achievement rate of 85% for the year.
- 17.2 She provided a summary for all actions with a red or yellow flag, highlighting key contributing factors.
- 17.3 The Committee noted the progress update on the Corporate Plan 2024/25.

The Chief Pensions Officer and the Head of Pension Policy joined the meeting.

18 Budget 2024/25

- 18.1 The Head of Finance provided the Committee with a report to show the comparison of Actual Expenditure to Budget for the twelve months to 31 March 2025, highlighting any key variances.
- 18.2 The Committee noted the comparison of Actual Expenditure to Budget for the year ended 31 March 2025.

The Head of Finance and JJ Tohill left the meeting.

19 Admission of HomeBawn Limited

- 19.1 The Head of Pensions Policy presented a paper outlining an application by HomeBawn Limited to join the Scheme.
- 19.2 The Head of Pensions Policy presented the background to the application and advised that the admission would be on an open basis, expected to be with effect from 1 April 2026, and was subject to various conditions.

- 19.3 The Committee agreed to approve the admission of HomeBawn Limited to the Scheme on an open basis, expected to be from the 1 April 2026, at the main employer group rate, subject to the following conditions: Confirmation of the transfer of the Seamus Heaney Homeplace operations to HomeBawn Limited; Satisfactory risk assessment and an undertaking to keep the level of risk under review; Completion of an admission agreement in a form satisfactory to NILGOSC by HomeBawn Limited; Provision of a guarantee by Mid Ulster District Council in a form acceptable to NILGOSC; Finalisation of the Shareholders Agreement and Project Agreement between the Company, Mid Ulster District Council and DfC; HomeBawn Limited is and remains a not-for-profit organisation; NILGOSC is immediately advised of any change in legal status e.g. to charitable status; Completion of due diligence by NILGOSC.

The Head of Pensions Policy and the Chief Pensions Officer left the meeting.

20 Any other business

- 20.1 There was no further business.

Chairperson (Signature).

Date