

Northern Ireland Local Government Officers' Superannuation Committee

Minutes of the meeting of the Management Committee held at Templeton House on 26 August 2025 at 9.30am.

Members Present

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

In Attendance

David Murphy (Secretary)
Nicola Todd (Deputy Secretary)
Maria Bowers (Head of Finance)
Louise Hickland (Head of Investment Services)
Helen McEvoy (Investment Services Manager)
Andrew Clegg (Legal Officer)
Catherine Whyte (Governance Manager)
Gemma Major (Governance Officer)
Gerard Murray (Department for Communities)
Andrew Skeat (T.Rowe Price)
Arif Husain (T.Rowe Price)

Apologies

The Chairperson informed the Committee that he had spoken with Paul Francey, who had been absent since the June meeting due to a period of ill-health. The Committee expressed its best wishes to Paul Francey and wished him a full recovery.

1 Declaration of Member Interests

- 1.1 Michael Rafferty informed the Committee that he had a potential perceived conflict of interest in relation to items 9 and 10 of the agenda, as he was an employee of a Scheme employer who could potentially benefit from the proposed introduction of notional individual employer investment strategies. Michael Rafferty agreed to leave the meeting when the matter was being discussed.
- 1.2 The Secretary presented the standing item of the Committee's Register of Interest which was prepared by the Governance Team in advance of the meeting. He highlighted the exact wording of the conflicts recorded by Antoinette McMillen and Alan Law in relation to their employment with NIPSA and advised that redacted copies of meeting papers had been

issued to Alan Law, Antoinette McMillen and the Departmental Representative.

- 1.3 The Chairperson stated that he was not aware of the specific detail of Antoinette's declaration of interest before now and apologised for this to Antoinette. The Chair continued by saying he wanted to work to resolve the conflicts of interest matter relating to item 7 and proposed two options. The first of which was for the Committee to consider item 7 and take a decision on whether the report should be released to Antoinette and an informed decision taken. The second option was to continue with the approach adopted to date whereby any member declaring a conflict of interest would step out of the room during any discussion and no information would be released to them in relation to the conflicted item. In the case of the second option, item 7 would be withdrawn.
- 1.4 Antoinette stated that she was willing to withdraw her request to have access to the document at item 7 if the Committee were in agreement to proceed via the second option. If the Committee were not in agreement, Antoinette confirmed that she would pursue access to the legal report.
- 1.5 The representative from the Department for Communities (DfC) questioned the redactions applied to their meeting paper pack. The Secretary stated that based on legal advice obtained, the information was redacted due to legal privilege that would attach to the advice. The DfC representative advised that he felt that the full meeting paper pack should have been shared with the Department regardless of legal advice.
- 1.6 Alan Law stated that the Committee was not aware in advance of the meeting that the DfC representative received redacted papers.
- 1.7 It was agreed between the Department and the Committee that the matter of redactions would be discussed offline at a later date. The Department representative confirmed they would seek further advice.
- 1.8 JJ Tohill stated his preference to continue to manage the conflict of interest as has been done to date. Antoinette McMillen and Dooley Harte agreed with this approach.
- 1.9 Richard Baker queried whether the proposed option would be aligned with NIAO's Conflict of Interest Guidance 2005. The Secretary advised the Chair that he was unable to address the question while those conflicted members remained in the room.
- 1.10 The Committee discussed the preferred approach to take in relation to the options provided. The Committee agreed to continue managing the conflict in the manner it had been managed to date. The Committee further agreed that there was no requirement for Alan Law or Antoinette McMillan to remove themselves from the discussion. The Chair noted that the matter had flagged some governance issues around the handling of conflicts of interest which would need addressed.
- 1.11 The Chair note that the Departmental observer was present and may wish to consider the matter. Gerard Murray advised that conflicts of interest were

a matter for the board, however some matters had emerged that would require reflection and advice and that he would revert accordingly.

- 1.12 Michael Rafferty proposed a review of policy and protocols for handling conflicts. The Secretary advised that the policy had been reviewed in the recent past and encouraged the Committee to follow the policy.
- 1.13 The Committee discussed the current controls in place around Conflict-of-Interest Management and agreed that the matter had been handled effectively by the Committee. They agreed to continue managing Conflicts of Interest in the same manner as before and that where a Conflict has been declared, the person conflicted will leave the room while the matter is discussed. The Committee agreed to withdraw item 7, Circulation of Advice on Conflict of Interest, from the agenda without any further discussion.
- 1.14 Michael Rafferty confirmed that due to his potential Conflict of Interest declared earlier in the meeting, he would leave the room while the matter was discussed.

2 Chairperson's Business and Apologies

- 2.1 Heather McKinstry advised she would need to leave the meeting at 1pm.
- 2.2 The Chair confirmed the Committee's appraisals had been completed and would be sent to Committee members in the next few days for signing. The Governance Manager confirmed that these can be signed via a wet ink signature or digitally.

3 Minutes of the previous meeting on 17 June 2025

- 3.1 Alan Law requested further context be added to minute 1.11 to clarify that the Chair didn't ask him to leave the room. The Committee agreed to amend this minute to state that Alan did not believe that he was conflicted and that the Chair confirmed that he had not asked Alan to leave the room.
- 3.2 The minutes of the meeting held on 17 June 2025 were agreed pending an amendment to item 1.11. It was agreed that these would be signed at the next Committee meeting.

4 Matters Arising

- 4.1 There were no matters arising.

The Head of Finance joined the meeting.

5 Audit and Risk Assurance Committee

5.1 Report of meeting held on 13 August 2025

5.1.1 Michael Rafferty gave a verbal update of the ARAC Meeting held on 13 August 2025. He advised that the external auditor was satisfied with the overall workings of NILGOSC.

5.1.2 The Committee noted the verbal report, presented by the ARAC Chair, of the meeting held on 13 August 2025.

5.2 2025/26 Risk Register review for the quarter ended 30 June 2025

5.2.1 The Governance Manager presented the review of the risk register for the quarter ended 30 June 2025 noting there had been no changes.

5.2.2 The Management Committee noted the outcome of the review of the risk register for the quarter ended 30 June 2025.

5.3 Report to those Charged with Governance (RTTCWG) and Annual Report and Accounts 2024/25

5.3.1 The Head of Finance presented the RTTCWG and Annual Report and Accounts, providing an overview of key results and noting that the ARAC had recommended them to the Management Committee for approval.

5.3.2 Michael Rafferty stated that the ARAC members were pleased with the report and congratulated the Finance team for their hard work this year. The Departmental Representative sought and obtained further clarification on the misstatements reported in the RTTCWG.

5.3.3 The Management Committee noted the 'Report to those Charged with Governance', endorsed Management's rationale for not adjusting any misstatements and approved the Annual Report and Accounts 2024/25.

5.4 Internal Audit Charter

5.4.1 The Governance Manager presented the Internal Audit Charter which covered the appointment of Sumer NI as the provider of NILGOSC's Internal Audit service.

5.4.2 The Management Committee approved Sumer NI's Internal Audit Charter.

6 Internal Dispute Resolution Committee

6.1 As Chair of the Internal Dispute Resolution Committee (IDRC), Ken Clayton presented a report of the IDRC Meetings held on 12 June and 5 August 2025.

6.2 The Management Committee noted the report.

7 Circulation of Advice on Conflict of Interest

- 7.1 This paper was withdrawn from the agenda.

8 Committee Meeting Dates 2026

- 8.1 The Deputy Secretary presented a paper outlining the proposed Committee Meeting dates for 2026.
- 8.2 The Management Committee agreed the proposed Committee meeting dates for 2026.

9 Notional Individual Employer Investment Strategies

Michael Rafferty left the meeting.

- 9.1 The Deputy Secretary presented a paper which summarised the potential approach that could be considered for a small cohort of employers under the current Funding Strategy Statement.
- 9.2 The Committee discussed whether employers would be able to reverse any decision to adopt a low-risk notional investment strategy. The Deputy Secretary explained that this is a protection strategy designed for employers on a defined path to exit the Scheme and therefore it was not expected that employers would move back into the main strategy group, although consideration could be given on a case-by-case basis if deemed appropriate.
- 9.3 The Deputy Secretary highlighted the limitations and practicalities involved in offering a notional low risk strategy, noting that a formal agreement would be required which would set out the transfer of risk to the employer along with responsibility for any additional costs incurred. She confirmed that the implementation of a notional low risk investment strategy would have no impact on the benefits attached to employees of any employer adopting such an approach.
- 9.4 Cathy Matthews queried if additional costs will be involved for NILGOSC. The Deputy Secretary confirmed that yes, there would be an additional resource cost in terms of implementing any arrangement.
- 9.5 The Secretary confirmed that due to a funding surplus, this has provided an opportunity for employers to consider utilising a notional low risk investment strategy.
- 9.6 The Secretary confirmed that any uptake of the provision would be reported to the Committee via the Secretary's Report.
- 9.7 The Committee noted the potential to offer appropriate employers an individual notional investment strategy, with such provision considered where certain circumstances are met.

Michael Rafferty rejoined the meeting.

10 Funding Strategy Statement

- 10.1 The Head of Finance presented a paper providing a summary of the consultation responses and presented the final draft of the Funding Strategy Statement for approval.
- 10.2 The Head of Finance confirmed that one change has been made as a result of the consultation, namely the inclusion of para 10.9 which provided further clarity around the circumstances in which notional low risk investment strategies may be considered.
- 10.3 The Committee noted the consultation responses and agreed the Funding Strategy Statement.

The Head of Finance left the meeting. There was a short break, and the Head of Investment Services joined the meeting.

11 Manager Performance Briefing Note – T. Rowe Price Absolute Return Bond Portfolio

- 11.1 The Head of Investment Services presented a paper summarising the performance of the Absolute Return Bond portfolio managed by T. Rowe Price over the last twelve months.
- 11.2 The Committee noted the report and agreed to use it as a basis for discussion with T. Rowe Price.

The T. Rowe Price representatives joined the meeting.

12 Presentation by T. Rowe Price

- 12.1 The Chairperson welcomed the representatives of T. Rowe Price and invited them to present their report on the performance of the absolute return bond portfolio and the strategy going forward.
- 12.2 Andrew Skeat introduced the team and discussed their roles within T Rowe Price. Arif Husain gave a high-level overview of the dynamic global bond strategy including the reasons behind recent performance numbers and positioning of the portfolio going forward.
- 12.3 Arif discussed the impact of poor portfolio positioning in 2023 and confirmed that changes had subsequently been made to the portfolio management team to address this. Arif confirmed that one year performance was ahead of cash and stated that he was confident that the portfolio can deliver expected returns over the longer term.

- 12.4 The Committee raised a number of questions with T. Rowe Price including portfolio positioning, credit exposure, ESG, the stability of the portfolio management team and economic outlook.
- 12.5 The Chair thanked Andrew Skeat and Arif Husain for their presentation and the Committee noted the presentation.

The T. Rowe Price representatives left the meeting.

13 Performance Assessment of Investment Advisors – Balanced Scorecard Report 2024/25.

- 13.1 The Head of Investment Services presented the balanced scorecard and performance assessment of the investment advisors, Aon and LPFI, during the year ended 31 March 2025.
- 13.2 The Committee reviewed and agreed the balanced scorecard assessments of the performance of NILGOSC's investment advisory service partners, Aon, and LPFI, against agreed Strategic Objectives for the year end 31 March 2025.
- 13.3 The Chairperson certified the Compliance Statement for onward submission to the CMA by the due date of 7 January 2026.

The Investment Services Manager joined the meeting.

14 Alternative Investments Briefing Note

- 14.1 The Investment Services Manager presented a summary and update on the alternative investments within the Fund's portfolio that are not reported through the quarterly investment monitoring scorecard process.
- 14.2 The Committee noted the report summarising the alternative investments within the Fund's portfolio.

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

15 Public Sector Pensions Update

- 15.1 The Secretary provided an update on Public Sector Pensions and advised that the Pension Regulator would be engaging with larger schemes, including NILGOSC, on dashboard implementation plans. The Secretary provided an update on HMRC's consultation on inheritance tax proposals and confirmed that the Pensions Commission was being reformed to review UK pension systems.
- 15.2 The Committee discussed how Northern Ireland would be involved in the Government's recently launched review of the State Pension Age. The Secretary advised that the Department would be involved in any such

review and Gerard Murray advised that he would keep the Committee updated when he heard anything.

- 15.3 The Committee noted the Public Sector Pensions Update.

16 Secretary's Report and Seal Log

- 16.1 The Secretary outlined important operational issues that have arisen since the last Committee meeting.
- 16.2 The Seal log was presented to the Committee showing all documents which the seal has been applied and witnessed by the Secretary, Deputy Secretary, or acting Secretary.
- 16.3 The Secretary provided an update from a recent event held by the Department relating to collaboration as a means to reduce costs.
- 16.4 The Secretary confirmed that all 45 actions arising from the implementation of TPR's new General Code of practice had been implemented by 30 June 2025.
- 16.5 The Secretary advised that the rebalancing exercise relating to the index-linked gilt portfolio had been completed in mid-July.
- 16.6 The Secretary acknowledged the quick turnaround by the Department in approving payment of the NJC pay agreement which was paid to staff in August and advised that he was awaiting a Memorandum of Understanding from the Department to clarify a change in procurement practices relating to exercises under £50K.
- 16.7 The Secretary's report and Seal log was noted by the Committee.

Heather McKinstry left the meeting at 1pm.

17 Annual Report Supplement 2024/25

- 17.1 The Deputy Secretary presented a report which provided information supplementary to the annual report, including comparative LGPS data on administrative and investment performance and costs; administration performance standards; outreach activities and a summary of on-going legal actions and complaint handling.
- 17.2 Antionette McMillen queried if NILGOSC needs more staff to deal with some of the administration challenges outlined in the report.
- 17.3 The Deputy Secretary confirmed that staffing levels would be an area for review by the new Chief Pensions Officer over the coming year.
- 17.4 The Committee noted the Annual Report Supplement for 2024/25.

Antionette McMillen and Alan Law left the meeting. NILGOSC's in-house lawyer joined the meeting.

18 NIPSA Employment Tribunal cases

18.1 The Legal Officer provided a verbal update on current NIPSA tribunal cases. He discussed the involvement of the law firm Carson McDowell LLP to work on behalf of NILGOSC for the scheme cases, advising that claims relating to non-scheme cases continued to be handled internally.

18.2 The Legal Officer advised that claim hearings are listed for October 2025.

The Deputy Secretary left the meeting.

18.3 The Committee noted the update.

The DfC representative and the Legal Officer left the meeting. Antionette McMillen and Alan Law rejoined the meeting.

19 Management Statement and Financial Memorandum

19.1 The Secretary discussed the Management Statement and Financial Memorandum for the information of Committee Members as is done annually, in line with the Management Statement.

19.2 The Committee noted the Management Statement and Financial Memorandum.

20 Any other business

20.1 Antionette McMillen submitted apologies for the September Committee meeting.

20.2 Alan Law advised that he would need to leave the next meeting early.

20.3 There being no further business, the meeting was closed.

Chairperson (Signature).

Date