Templeton House
411 Holywood Road
Belfast, BT4 2LP

T: 0345 3197 320

E: info@nilgosc.org.uk

www.nilgosc.org.uk

To: Chief Executives

At: All Employing Authorities

Circular 12/2026

4 November 2026

Dear Colleague,

NILGOSC's Annual Report and Accounts 2025/26

Under the Local Government Pension Scheme Regulations (Northern Ireland) 2014, NILGOSC is required to forward a copy of the Local Government Auditor's report and the audited financial statements for each financial year to each employing authority.

A copy of NILGOSC's Annual Report and Accounts for the year to 31 March 2026 is attached. The Annual Report includes the report from the Northern Ireland Audit Office (NIAO) to the Department for Communities.

2025/26 was a milestone year for NILGOSC, marking 75 years since its establishment as the pension scheme for local government employees in Northern Ireland. From an investment perspective, it was a year of uncertainty and resilience. Despite initial volatility, financial markets performed well and 2025 was the first calendar year since the pandemic in which all asset classes delivered positive returns. Volatility returned in the final month of the financial year because of geopolitical tensions in the Middle East.

Other key investment and administration results for 2025/26 are captured below:

- The Fund increased in absolute terms by £891m to its highest audited net asset position of £11.843bn. This represents an overall increase of 8.1%.
- The Fund outperformed its investment target of CPI + 3% per annum by 1.5% on a three-year basis but underperformed by 4.4% on a five-year basis for the period ended 31 March 2026. Five-year returns continue to be impacted by 2022's global surge in inflation.

- The latest triennial valuation of the Fund took place on 31 March 2025, with a publication date of 30 March 2026. The Scheme Actuary reported that the overall funding position has continued its positive trajectory with an improved funding level of 119%, an increase of 8% since the 2022 valuation. This healthy funding position has allowed the Scheme Actuary to set a lower employer contribution rate for most Scheme employers for the three years ending 31 March 2029.
- Scheme membership grew by 3.7% during the year, bringing the total number of members to 183,426 at 31 March 2026.
- Despite ongoing administrative challenges caused by the McCloud remedy and employer back-dated pay awards, most service delivery related operational actions remain in line with or ahead of published service standards. Performance fell below standard in the case of retirements, quotations and leaver option notifications as a result of increased work volumes.
- One notable achievement relates to the roll-out of the UK Government's Pension Dashboard Programme, as NILGOSC successfully connected to the Dashboard ahead of its statutory deadline of 31 October 2025. Once operational, the Dashboard will allow individuals to view details of all their pension entitlements in a single location, including state and other public sector pensions.

Further information with respect to investment performance, membership and scheme administration is provided within the Annual Report and Accounts. The Annual Report and Accounts 2025/26 is also available on NILGOSC's website at: https://nilgosc.org.uk/document-category/scheme-performance

If you have any queries with respect to the Annual Report and Accounts 2025/26, please do not hesitate to contact me on 0345 3197 320 or by email at anne.baird@nilgosc.org.uk

Yours sincerely



Anne Baird

Chief Finance Officer