

## **NORTHERN IRELAND LOCAL GOVERNMENT OFFICERS' SUPERANNUATION COMMITTEE**

Minutes of the meeting of the Management Committee held in the Boardroom, Templeton House, 411 Holywood Road, Belfast, BT4 2LP on 25 February 2020 at 10:15am.

**MEMBERS PRESENT:** Lindsay Todd (Chairperson), Tom Irvine, David Jackson, Peter Caldwell, Mark McBride, Joan McCaffrey, Peter McMurray, Linda Neilan

**IN ATTENDANCE:** David Murphy (Secretary)  
Nicola Todd (Deputy Secretary)  
Ciara Keenan (Head of Governance and Support Services)  
Maria Bowers (Finance Manager)  
Zena Kee (Pensions Manager)  
Louise Hickland (Investment Services Manager)  
Catherine Whyte (Corporate Support Officer)  
Chris Lyons (Legal & General)  
David Barron (Legal & General)

**APOLOGIES:** Paddy Mackel and Sharon McQuillan

### **1 DECLARATION OF MEMBERS' INTERESTS**

1.1 No interests were declared.

### **2 CHAIRPERSON'S BUSINESS AND APOLOGIES**

2.1 The Chairperson welcomed the members to the meeting and noted Anthony Carleton, Paddy Mackel and Sharon McQuillan's apologies.

2.2 The Chairperson gave an update on the meeting held with DfC and Central Procurement Directorate on 6 February. The Secretary advised that he had subsequently written to Anthony Carleton seeking written clarification in respect of investment services and National LGPS Frameworks but had not yet received a response.

2.3 The Chairperson updated the Committee regarding the recruitment of new Committee members. The Chair confirmed that he had been advised that 5 appointments were before the Minister for approval, which suggested that further extensions were likely. The Committee noted the urgency of decisions with respect to new appointments and extensions, especially for members whose term of office ended in February. They also expressed their dissatisfaction with Departmental communication on the matter and how existing members were being treated.

### **3 MINUTES OF THE MEETING HELD ON 28 JANUARY 2020**

3.1 The minutes of the meeting held on 28 January 2020, having been circulated were agreed following a minor correction.

### **4 MATTERS ARISING**

4.1 There were no matters arising.

## **5 AUDIT AND RISK ASSURANCE COMMITTEE**

### **5.1 Report of the meeting held on 10 February 2020**

- 5.1.1 The Chairperson of the Audit and Risk Assurance Committee (ARAC) presented a verbal report on the meeting held on 10 February 2020. The Management Committee noted the verbal report.
- 5.1.2 The Chairperson reported that NILGOSC's external audit fee had increased by 33% on the previous year.

### **5.2 Review of the Risk Register**

- 5.2.1 The Head of Governance and Support Services presented the review of the Risk Register for the quarter ended 31 December 2019.
- 5.2.2 The Management Committee noted the outcome to the Risk Register review, approving three changes to the Risk Register.
- 5.2.3 The Committee queried the addition of the Coronavirus epidemic to the Risk register, and it was noted that this would be considered at the next quarterly Risk review.

### **5.3 Approval of the revised Anti-Fraud Policy**

- 5.3.1 The Head of Governance and Support Services presented the revised Anti-Fraud policy.
- 5.3.2 The Committee approved the revised Anti-Fraud policy.

### **5.4 Approval of the Internal Auditor**

- 5.4.1 The Head of Governance and Support Services presented the paper summarising the outcome of the internal audit tender evaluation process.
- 5.4.2 The Committee noted the outcome of the tender evaluation process.
- 5.4.3 The Committee approved the appointment of ASM Ltd for the provision of internal audit services for an initial three year contract period with an option to extend for a further two years.

*(The Head of Governance and Support Services left the meeting and the Investment Services Manager joined the meeting)*

## **6 MANAGER PERFORMANCE BRIEFING NOTE – LEGAL & GENERAL**

- 6.1 The Investment Services Manager provided a summary of Legal and General's performance in the year to 31 December 2019.
- 6.2 The Committee noted the briefing.

*(Chris Lyons and David Barron joined the meeting)*

## **7 PRESENTATION BY LEGAL & GENERAL**

- 7.1 The Chairman welcomed Chris Lyons and David Barron to the meeting and invited them to present on the recent performance and prospects for NILGOSC's portfolio.
- 7.2 Chris Lyons gave an overview on the mandate, performance numbers, corporate governance stewardship and a LGIM business update.

- 7.3 David Barron outlined the performance attribution and the strategy's current performance.
- 7.4 Chris Lyons discussed LGIM's current position in relation to ESG, including client's pledges, executive pay, political lobbying, climate critical resolutions and divestment. He also gave an overview of the current global client footprint.
- 7.5 The Committee raised several questions in relation to significant business developments, growth trends, asset flows and product type, passporting and rebalancing and Future World range of index tracking equity funds and their approach to stewardship and engagement.
- 7.6 The Committee noted the presentation and thanked Chris and David for their presentation.

*(The Investment Manager, Chris Lyons and David Barron left the meeting)*

## **8 CORPORATE PLAN 2020/21 – 2022/23**

- 8.1 The Deputy Secretary presented the draft Corporate Plan 2020/21 – 2022/23 and detailed a summary of the proposed amendments to the rolling three year Corporate Plan last approved in February 2019.
- 8.2 The Committee was content with the proposed amendments.
- 8.3 The Deputy Secretary brought the Committee's attention to the funding and administration implications of Cost Cap and McCloud, noting that additional resources will be required once there is clarity over the remedy and implementation date. She also gave an update on proposed and existing projects with a focus on system developments.
- 8.4 The Committee requested the addition of 'where applicable' to point 2.1.3.
- 8.5 The Committee approved the Corporate Plan 2020/21 – 2022/23.

*(The Finance Manager joined the meeting)*

## **9 ANNUAL BUDGET 2020/21**

- 9.1 The Finance Manager presented the Annual Budget for 2020/21 totalling £4,990,000.
- 9.2 The Finance Manager highlighted the key elements of the budget and provided an overview of the key expenditure items.
- 9.3 The Finance Manager referred to the likely associated costs with Cost Cap and McCloud and also the likely financial implications a move to CPD would have on procurement costs.
- 9.4 The Committee approved the Annual Budget for 2020/2021.

*(The Finance Manager left the meeting)*

## **10 SECRETARYS REPORT AND SEAL LOG**

- 10.1 The Secretary presented a report outlining operational issues that have arisen since the last Committee meeting.
- 10.2 The Committee noted the recent investment in Project North.
- 10.3 The Secretary highlighted the recent letter published by a representative from the Green

Party.

10.4 The Secretary brought the Committee's attention to Aon's rating of M&G UK Property to a sell. NILGOSC's AVC members who have invested in this fund will be notified of the downgrade.

10.5 The Committee noted the Secretary's report and Seal Log.

*(The Pensions Manager joined the meeting)*

**11 NILGOSC POLICY STATEMENT ON AGREEMENT TO THE EARLY PAYMENT OF DEFERRED BENEFITS ON COMPASSIONATE GROUNDS UNDER THE 2000 REGULATIONS.**

11.1 The Pensions Manager presented the revised NILGOSC Policy Statement.

11.2 The Committee approved the revised Policy Statement on agreement to the Early Payment of Deferred Benefits on Compassionate Grounds under the 2000 Regulations.

**12 ADMISSION OF OCS TO THE SCHEME**

12.1 The Pensions Manager presented a paper on the admission of OCS Group UK Limited to the Scheme.

12.2 The Committee approved the admission of OCS Group UK Limited to the scheme, subject to a number of conditions. These were as follows:

*(a) Payment by the College of the initial funding required*

*(b) The College providing a formal legal guarantee in respect of the admission in a form satisfactory to NILGOSC;*

*(c) A satisfactory risk assessment; and*

*(d) The completion of an admission agreement by OCS and the College to the satisfaction of NILGOSC.*

**13 PRINT CONTRACT EXTENSION**

13.1 The Pensions Manager presented a paper on the contract extension for Lots 1 and 2 of the secure printing contract.

13.2 The Committee approved a two year extension to the Contract under Lots 1 and 2 in respect of the provision of secure printing and postage services.

**14 INVESTMENTS**

14.1 The Committee noted the Summary of Invested Funds at 31 January 2020.

**15 ANY OTHER BUSINESS**

15.1 Tom Irvine requested an investigation on T Rowe Price's performance since inception. It was agreed that the performance will be included in the Scorecard to be presented at the March meeting.

- 15.2 The Secretary advised that the conference list for 2020 would be circulated to Committee members.
- 15.3 The Committee agreed to defer its planned training session scheduled for the afternoon of 24 March 2020 until the matter of Committee appointments and extensions has been resolved.

**16 DATE OF NEXT MEETING**

- 16.1 The date of the next meeting is Tuesday, 24 March 2020 at 10.15am in the Boardroom, NILGOSC, Templeton House, 411 Holywood Road, Belfast, BT4 2LP.

There being no further business, the meeting was closed.

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**CHAIRPERSON**

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**DATE**