

NORTHERN IRELAND LOCAL GOVERNMENT OFFICERS' SUPERANNUATION COMMITTEE

Minutes of the meeting of the Management Committee held via videoconference on 23 June 2020 at 9.30am.

MEMBERS PRESENT: Lindsay Todd (Chairperson), David Jackson, Peter Caldwell, Mark McBride, Peter McMurray, Linda Neilan, Sharon McQuillan, Tom Irvine, Joan McCaffrey, Antoinette McMillen, JJ Tohill, Paul Francey, Michael Rafferty.

IN ATTENDANCE: David Murphy (Secretary)
Nicola Todd (Deputy Secretary)
Ciara Keenan (Head of Governance and Support Services)
Maria Bowers (Finance Manager)
Louise Hickland (Investment Services Manager)
Caoimhe Fitzpatrick (Governance Manager)
Jennifer Campbell (HR Manager)
Patricia Managh (Solicitor)
Catherine Whyte (Corporate Support Officer)
Julian Agnew (LaSalle)
Rebecca Gates (LaSalle)
Tom Hill (LaSalle)
Stuart Richmond-Watson (LaSalle)
Pratik Patel (Aon Hewitt)
Emily McGuire (Aon Hewitt)

1 DECLARATION OF MEMBERS' INTERESTS

1.1 Linda Neilan and Paul Francey declared an interest in the Stage II appeal.

2 CHAIRPERSON'S BUSINESS AND APOLOGIES

2.1 The Chairperson confirmed that the Department had yet to determine how and when it might utilise the reserve list for the next round of Committee appointments.

3 MINUTES OF THE MEETING HELD ON 26 MAY 2020

3.1 The minutes of the meeting held on 26 May 2020, having been circulated were agreed following minor amendments and the inclusion of the decision by the Committee to add two further members to the Investment Advisor selection panel. The minutes will be signed at the next suitable opportunity.

4 MATTERS ARISING

4.1 The Secretary confirmed that he would discuss with the Chairperson the action required under section 6.2 from the minutes.

4.2 The Secretary advised that in relation to section 10.5 of the minutes, this had been raised with the Departmental representative at the ARAC meeting and there has since been correspondence on this matter.

4.3 Following the issue raised in section 17.2 of the minutes, the Committee tariff sheet and offers of alternative training have since been circulated.

(The HR Manager joined the meeting)

5 STAFFING COMMITTEE

5.1 Report of Meeting held on 28 May 2020

- 5.1.1 The Chairperson of the Staffing Committee presented a verbal report of the meeting held on 28 May 2020.

5.2 Annual Report of the Staffing Committee

- 5.2.1 The Committee noted the Annual Report of the Staffing Committee for 2019/20.

5.3 Staff Code of Conduct

- 5.3.1 The HR Manager presented the revised Staff Code of Conduct, advising that that Values and Behaviors policy had been incorporated into the document.
- 5.3.2 The Committee agreed the revised Staff Code of Conduct.

5.4 Policy Statement on Employer's Discretions

- 5.4.1 The HR Manager presented the revised Policy Statement on Employer's Discretions, advising that the recent update was prompted by the LGPS (Amendment) Regulations 2019.
- 5.4.2 The Committee agreed the revised Policy Statement on Employer's Discretions.

(The HR Manager left the meeting)

6 AUDIT AND RISK ASSURANCE COMMITTEE

6.1 Report of Meeting held on 1 June 2020

- 6.1.1 The Chairperson of the Audit and Risk Assurance Committee (ARAC) presented a verbal report of the meeting held on 1 June 2020.
- (The Governance Manager joined the meeting)*

6.2 2019/20 Risk Register Review for the Quarter ended 31 March 2020

- 6.2.1 The Chairperson of the ARAC presented a paper documenting the review of the Risk Register for the quarter ended 31 March 2020.
- 6.2.2 The Committee noted the Risk Register Review for the quarter ended 31 March 2020.

6.3 Annual Review of the Risk Register 2020/21

- 6.3.1 The Governance Manager presented a report of the annual review of the Risk Register 2020/21 and advised a new Risk Register had been created for the COVID-19 pandemic.
- 6.3.2 The Committee approved the Risk Register for the period 2020/21 and approved the supplementary COVID-19 Risk Register.

6.4 Annual Report of the Audit and Risk Assurance Committee

- 6.4.1 The Chairperson of the ARAC presented the Annual Report of the Audit and Risk Assurance Committee for 2019/20.
- 6.4.2 The Committee thanked the previous Chairperson for their contribution during their term in office.

6.4.3 The Committee reviewed the Annual Report of the ARAC and endorsed it for inclusion in the Annual Report 2019/20.

6.5 Departmental Assurance Report

6.5.1 The Secretary presented the Departmental Assurance Statement for the six months ended 31 March 2020. He informed the Committee that the completed Statement was submitted to the Department on 20 May 2020 and noted by the ARAC at its meeting on 1 June 2020.

6.5.2 The Committee noted the Departmental Assurance Statement for the six months ended 31 March 2020 and the Chairperson will sign the 'Statement from the Chair' at the next suitable opportunity.

6.6 Draft Governance Statement as at 31 March 2020

6.6.1 The Secretary presented the draft Governance Statement for the financial year ended 31 March 2020 to the Committee for endorsement. The Secretary noted that he hoped to have a partnership agreement in place with the Department within the next year to replace the need for a Management Statement.

6.6.2 The Committee endorsed the draft Governance Statement for the financial year ended 31 March 2020.

(The Finance Manager and Investment Services Manager joined the meeting)

7 ANNUAL EQUALITY STATEMENT

7.1 The Head of Governance and Support Services presented the Annual Equality Statement following a query over the inclusion of transgender individuals at the last meeting.

7.2 The Head of Governance and Support Services advised that, following advice from the Equality Commission, NILGOSC's Annual Equality Statement does reflect the current legislation as set out in Section 75 regarding transgender individuals.

7.3 The Committee approved the Equality Statement for 2019/20.

(The Governance Manager left the meeting)

8 DISASTER RECOVERY SITE

8.1 The Head of Governance and Support Services presented a report outlining the business need for the extension of the lease for the disaster recovery site at Mallusk for one year.

8.2 The Head of Governance and Support Services advised that NILGOSC aims to explore hosting and disaster recovery arrangements over the coming year and, therefore a one year extension to the lease was the preferred option.

8.3 The Committee approved the extension of a lease at Mallusk for one year.

(The Head of Governance and Support Services left the meeting. The Legal Officer joined the meeting, Paul Francey and Linda Neilan left the meeting.)

9 STAGE II REVIEW – MEMBER ██████████

9.1 The Legal Officer presented an application from a member for a review of the decision

taken by the Secretary at his Stage I Review in respect of payment of ill health benefits to the member.

- 9.2 JJ Tohill requested that an analysis he had undertaken on the application be circulated to other Committee members.
- 9.3 Following consideration of the paper presented by the Legal Officer, a proposal was put to the Committee to defer the decision and seek further clarification from the consultant [REDACTED]. Following a vote, a majority of the Committee supported the request to seek clarification from [REDACTED] as to the application of the tests as set out in the Scheme Regulations.
- 9.4 The matter has been deferred until further information is presented.

(The Committee had a short comfort break. The Legal Officer left the meeting, Linda Neilan and Paul Francey re-joined the meeting. The Investment Services Manager joined the meeting.)

(Emily McGuire and Pratik Patel joined the meeting)

10 MANAGER BRIEFING NOTE – LASALLE

- 10.1 The Investment Services Manager presented a report with a summary of LaSalle's performance for the year to 31 March 2020 for both the core and index-linked property portfolios and proposed a number of questions for discussion. The Committee sought the views of Aon on the performance of both mandates.

- 10.2 The Committee noted the briefing.

(Julian Agnew, Tom Hill, Stuart Richmond-Watson and Rebecca Gates joined the meeting)

11 PRESENTATION BY LASALLE

- 11.1 The Chairperson welcomed Julian Agnew, Tom Hill, Stuart Richmond-Watson and Rebecca Gates from LaSalle and invited them to present on the recent performance and future outlook for both the core and index-linked property portfolios.

- 11.2 Julian advised that LaSalle would focus the time available on the core portfolio [REDACTED].
[REDACTED] Julian Agnew summarised the impact of Covid-19 on the portfolio and wider property market.

- 11.3 Stuart Richmond-Watson gave an overview of the core property portfolio and discussed the contributors and detractors from performance. He discussed the assets in the portfolio which detracted the most from performance and set out future disposal and acquisition strategies.

- 11.4 Rebecca Gates provided an update on the collection of rent and lease renewal activity.
[REDACTED]

- 11.5 The Committee posed a number of questions including approaches to valuation, rent collection and tenant risk.

- 11.6 The Chairperson thanked Julian, Tom, Rebecca and Stuart for their presentation.

- 11.7 The Committee noted the presentation.

(Julian Agnew, Tom Hill, Rebecca Gates and Stuart Richmond-Watson left the meeting)

- 11.8 The Committee discussed [REDACTED] the core mandate and noted that this would be discussed through the Investment Monitoring Scorecard, which was the next item on the agenda.

12 INVESTMENT MONITORING SCORECARD FOR THE QUARTER ENDED 31 MARCH 2020

- 12.1 The Investment Services Manager presented the Investment Monitoring Scorecard, summarising the investment manager review for the quarter ended 31 March 2020.

- 12.2 The Investment Services Manager advised that all Fund Managers with the exception of Jupiter and LaSalle had an overall green rating.

- [REDACTED]
- 12.4 The Committee approved the overall manager ratings for the quarter ended 31 March 2020.

13 PRESENTATION BY AON HEWITT

- 13.1 Emily McGuire presented Aon Hewitt's quarterly report on the performance of the Fund for the quarter ended 31 March 2020, highlighting the impact that Covid-19 has had on global markets.

- 13.2 Pratik Patel presented performance data on a Total Fund level, asset level and manager level, highlighting how certain strategies had performed during recent volatility in the markets.

- 13.3 Tom Irvine queried the fee rate shown for LaSalle and Pratik Patel agreed to clarify if the figure was correct.

- 13.4 The Chairperson thanked Emily and Pratik for their presentation and the Committee noted the quarterly report.

(Emily McGuire and Pratik Patel left the meeting)

14 STATEMENT OF RESPONSIBLE INVESTMENT

- 14.1 The Investment Services Manager presented the revised Statement of Responsible Investment, outlining how NILGOSC incorporates the consideration of environmental, social and corporate governance (ESG) issues into the investment practices.

- 14.2 The Committee approved the revised Statement of Responsible Investment.

(The Investment Services Manager left the meeting)

15 CORONAVIRUS

- 15.1 The Secretary advised that this paper would be the last stand alone Coronavirus report, and that in future any developments would be incorporated into the Secretary's Report.

- 15.2 The Secretary outlined the current status in respect of service delivery, staffing and office hours.

15.3 The Committee noted the report.

16 SECRETARYS REPORT AND SEAL LOG

16.1 The Secretary presented a report outlining important operational issues arising since the last meeting.

16.2 The Secretary informed the Committee of the need for maternity cover recruitment for a number of Officers who deal directly with the Committee members, and therefore to expect some new faces in the coming months.

16.3 The Committee noted the increase in active membership and were advised this was a consequence of the annual returns exercise.

16.4 The Committee noted the Secretary's Report and Seal Log.

17 INVESTMENTS

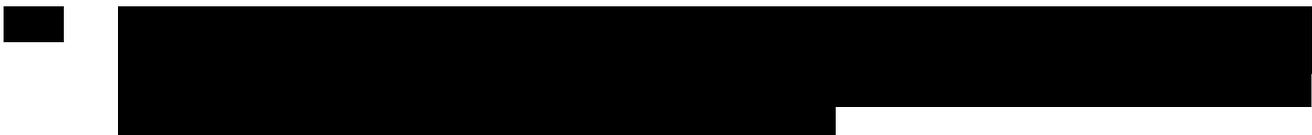
17.1 The Committee noted the Summary of Invested Funds as at 31 May 2020.

18 ANY OTHER BUSINESS

18.1 The Chairperson confirmed that the 2020 Committee appraisals would take place remotely.

18.2 The Committee discussed the possibility of a return to in-person meetings in August, pending Government restrictions at this time. It was noted that not all external attendees and NILGOSC staff may be able to attend in person and therefore remote access would need to be available an any offsite location. It was agreed that NILGOSC would explore the feasibility of offsite meetings for August.

18.3 The Chairperson discussed the recent nomination of Committee members to the selection panel for the Investment Advisor tender. The Chairperson asked the Committee if they were content with the method used to select the members. With the exception of one member, the Committee confirmed that it was content that the process adopted was reasonable. One member queried transparency over the random selection method adopted and it was agreed that in future it may be preferable for the Committee to agree the method to be used in advance.



19 DATE OF NEXT MEETING

19.1 The date of the next meeting is Tuesday, 25 August 2020 at 9.30am with arrangements to be circulated nearer the time.

There being no further business, the meeting was closed.

CHAIRPERSON

DATE