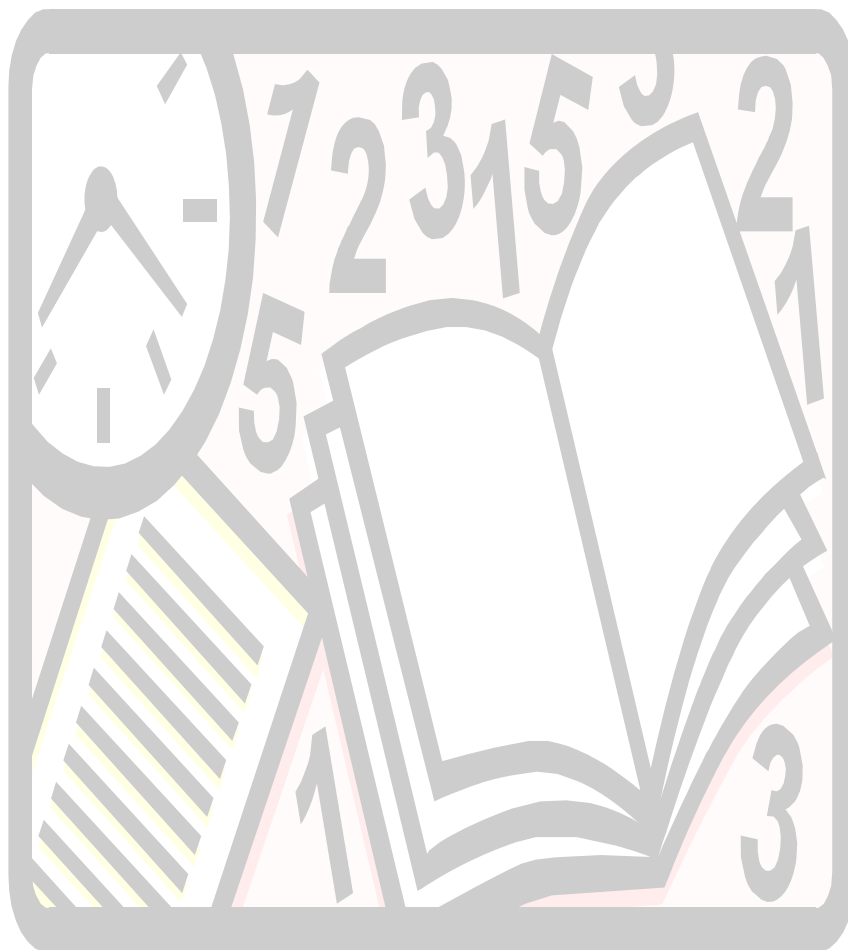


NORTHERN IRELAND LOCAL GOVERNMENT OFFICERS'  
SUPERANNUATION COMMITTEE



**Corporate Plan  
2011/12 - 2013/14**

## **Northern Ireland Local Government Officers' Superannuation Committee**

### **Corporate Plan 2011/12 – 2013/14**

#### **1. Introduction**

- 1.1 The Northern Ireland Local Government Officers' Superannuation Committee is a statutory body established by the Local Government (Superannuation) Act (Northern Ireland) 1950 to: -
- administer a pension scheme for local authorities and admitted bodies
  - to manage and maintain a fund out of which the benefits of the scheme are met.
- 1.2 The Committee is appointed by the Department of the Environment, which makes statutory regulations setting out the constitution, and powers of the Committee and the rules governing the pension scheme and the management of the Fund.
- 1.3 The current regulations are the Local Government Pension Scheme (Administration) Regulations (Northern Ireland) 2009, Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations (Northern Ireland) 2009 and Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2009 as amended which came into operation on 1 April 2009.

#### **2. The Corporate Plan**

- 2.1 The rolling Corporate Plan covers the three-year period from 1 April 2011 to 31 March 2014.
- 2.2 Its main purpose is to: -
- state the Vision and Mission of NILGOSC
  - state the aims of the Committee
  - set out the key objectives of the Committee
  - provide an administrative budget
  - state the Committee's values and service standards.
- 2.3 The Plan will be reviewed and revised annually. Progress in meeting the objectives will be reported quarterly to the Management Committee and Department of the Environment and in the Annual Report and Financial Statements.
- 2.4 The Plan has been formulated by the Committee taking into account the views of management and staff and understanding external factors such as government policy and stakeholder needs. Each Team within NILGOSC undertakes a number of Operational Activities. These are shown in Annex B. These activities fulfil NILGOSC's Business Objectives which in turn are designed to satisfy the Corporate Aims. Annex B shows the relationship between Corporate Aims, Business Objectives and Operational Activities in a table format.
- 2.5 The plan for the three years to 2013/14 is driven by the Committee's desire to provide a level of service suitable for the stakeholders of today. In doing so the

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Committee aims to comply with government policy for public sector bodies and pension schemes.

- 2.6 NILGOSC faces a number of challenges as regards pension scheme administration and the political environment in 2011/12.
- 2.7 The financial settlement for Northern Ireland Departments for the next 4 years is extremely challenging. Many employers within the Scheme are undertaking re-organisations or re-structuring which includes redundancies for members of the Scheme. This increases the workload for NILGOSC as we continue to assist employers plan for such cutbacks and estimate costs. We also have to ensure that the fund is protected should any Scheme employer cease to function.
- 2.8 The Independent Public Service Pensions Commission is due to publish its final report in March 2011 and the Government will respond by the Summer. We expect that wholesale changes will be made to the Final Salary nature of the Scheme. NILGOSC will have a role in influencing the Department of the Environment and the Assembly as regards which changes proposed for England and Wales should be made in Northern Ireland. Following the making of the new Regulations we will have to explain the changes to the Employers and Members of the Scheme. Subsequently of course NILGOSC will have to change its administration systems and process in order to implement the new scheme.
- 2.9 The Department of the Environment plans to make new regulations which will permit Councillors to join the Scheme after the May 2011 Local Government elections. NILGOSC will provide Councillors with details of the Scheme and put in place new systems to administer it. All Councillors will be auto-enrolled in the new scheme but can opt-out. Councillors will receive benefits based on their career-average pay rather than final salary.
- 2.10 Finally we still expect Local Government Reorganisation and a similar exercise for the Education and Library Boards to be undertaken at some point in the future. This creates uncertainty for the employees affected which will increase the enquires to NILGOSC as members explore their retirement options.

### 3. Vision

- 3.1 The Committee's vision is

**"To be an excellent Pension Service provider ."**

### 4. Mission Statement

- 4.1 The Committee's mission statement is

**"To administer and manage the NILGOSC Scheme efficiently and effectively while continuously seeking to enhance the quality of service provided to all stakeholders".**

- 4.2 NILGOSC has adopted a number of business practices designed to facilitate the achievement of its mission. These are: -

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- The review and monitoring of key performance indicators and the taking of appropriate action.
- The annual review of NILGOSC's business needs and the potential benefits offered by advances and innovation in the available technologies to provide IT solutions.
- The focus on best practice, compliance with legislation, and prioritising areas for improvement.
- The maintenance of proactive human resource policies, which ensure fairness, sensitivity and equality in dealing with staff.
- The enhancement of team spirit and associated working practices by promoting a culture that encourages participation, consultation and communication.

#### 5. Review of the Annual Corporate Plan 2010/11

5.1 In 2010/11 a significant proportion of the annual plan was completed although some project completion deadlines have been extended into future periods. Those projects not completed have been carried forward to this year's corporate plan. A significant increase in volume adversely impacted on those objectives regarding service delivery and, in particular, service standards. This was addressed in 2010/11 mainly by way of an increase in staffing. Full details of the progress made in implementing the Corporate Plan 2010/11 will be included in the Annual Report and Accounts for the Year Ended 31 March 2011.

#### 6. Aims and Key Objectives for 2011/12 to 2013/14

6.1 **Aim 1: To provide a level of service needed to comply with the pension scheme regulations, good practice, other legislation and stakeholder expectations.**

##### 6.1.1 Objectives

- To pay member's pension benefits, refunds and transfers promptly
- To credit pension contributions and transfers received promptly and accurately
- To provide members with information needed to make pension decisions promptly
- To ensure that all necessary action is taken on any change to scheme rules
- To ensure that systems and procedures comply with new or recent legislation
- To ensure NILGOSC attracts and retains well trained personnel.

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#### 6.2 **Aim 2: To maintain an effective investment strategy in line with the actuarial profile of the fund.**

##### 6.2.1 Objectives

- To value the scheme assets and liabilities and set contribution rates accordingly
- To invest scheme funds in accordance with the Statement of Investment Principles
- To adopt good practice in Public Sector pension fund management.

#### 6.3 **Aim 3: To promote the scheme and inform members and employers of their pension options.**

##### 6.3.1 Objectives

- To provide general scheme information to scheme employers, their employees, members and pensioners
- To provide members and employers with specific details of Regulation changes
- To provide advice on the pensions implication of other changes such as public sector reorganisation.
- To update address information of those members who have not informed NILGOSC of address changes

#### 6.4 **Aim 4: To influence the future of the Local Government Pension Scheme**

##### 6.4.1 Objectives

- To respond to consultation on changes to the LGPS and contribute to consultee groups.
- To improve the Scheme Regulations.

#### 6.5 **Aim 5: To undertake business in an efficient and accountable manner as required of a public body.**

##### 6.5.1 Objectives

- To maintain corporate governance arrangements appropriate for a public body
- To introduce IT and other system developments in order to improve efficiency.

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6.6 **Aim 6: To be committed to the need to promote equality of opportunity, the desirability of promoting good relations and the fulfillment of its Section 75 obligations.**

6.6.1 Objectives

- To undertake Equality Impact Assessments on existing and new policies
- To ensure NILGOSC personnel policies promote equality of opportunity.

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#### 7. Service Standards, Values and Targets

##### 7.1 Values

In carrying out its aims and objectives the Committee is committed to: -

- providing an efficient and high standard of service, which is equitable, sensitive and fair for all its stakeholders.
  - paying benefits promptly and accurately in accordance with the regulations.
  - maintaining accurate and up to date records.
  - being responsive to the requirements of its stakeholders.
- and
- making every effort to address problems quickly and honestly.

##### 7.2 Service Standards

###### 1. Retirements

To pay any lump sum due as soon as possible or within ten working days of the receipt of the relevant details.

To notify the pensioner of the pension payable within ten working days of the receipt of the relevant details.

###### 2. Deaths

To pay the death grant and notify any dependants of the pension within ten working days of the receipt of the relevant proof of title.

###### 3. Early Leavers

To provide a statement of benefit options within twenty working days of notification.

###### 4. Refunds

To pay within ten working days of receiving a valid application.

###### 5. Transfers Out

To provide an estimate of the cash equivalent within twenty working days of request and receipt of relevant details.

To pay the cash equivalent within ten working days of receiving authority.

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#### 6. **Transfers In**

To provide an estimate of pensionable service to be credited to the member within ten working days of receipt of relevant details.

To provide confirmation within twenty working days of receiving the transfer payment.

#### 7. **Benefit Quotations**

To provide individual requests within ten days.

#### 8. **New Entrants**

To process new entrants forms within twenty working days of receipt.

#### 9. **Correspondence**

To reply to correspondence and communication within ten working days.

#### 10. **Annual Report**

Issued by 30 November each year.

#### 11. **Pension Benefit Statements**

Issued to all members and preserved members within two months of receipt of valid annual membership data.

#### 12. **Payment of Monthly Pensions**

All pensions to be paid by the last banking day each month.

#### 13. **P60s issued to Pensioners**

P60s to be issued by 31 May each year

### 7.3 **Other Targets**

#### **Investment Managers Returns**

<b>Manager</b>	<b>Asset Type</b>	<b>Target</b>
Legal & General	Passive Equity	Various Indices
Baillie Gifford	UK Equity	Index +2%
Baillie Gifford	Global Unconstrained	Index + 3%
Edinburgh Partners	Global Unconstrained	Index + 3%
Wellington	Global Equity	Index + 2%
Jupiter Asset Management	UK Unconstrained	Index + 2%
Blackrock	UK Unconstrained	Index + 4%
Aberdeen	Bonds	Index + 0.75%
LaSalle	Property	Index +1%

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#### **8. Freedom of Information**

The Committee believes that information about our plans, activities and services should be accessible to members of the public. The aim is to be open, transparent and proactive in our information provision, embracing the ethos of the Freedom of Information Act 2000 and responding to requests for information courteously and promptly, offering advice and assistance where necessary.

#### **9 Costs of the Corporate Plan**

- 9.1 The corporate plan for 2011/12 has been costed (at current prices) and is shown in Annex A.

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### Corporate Plan 2011/12 – 2013/14

	<b>Budget 2011/2012</b>	<b>Annex A</b>
<b>STAFF COSTS</b>		
Salaries		1,299,492
Superannuation		230,888
National Insurance		102,704
Staff Training		57,541
Staff Travelling		37,700
Chairman's Allowance		12,240
National Insurance		901
Committee's Training Expenses		15,900
Committee's Travel & Expenses		54,255
		<b>1,811,621</b>
<b>OFFICE OVERHEADS</b>		
Rates & Insurance		67,850
Electricity		17,700
Office Rent		7,800
Rental Income		(40,020)
Office Service Charges		64,990
Office Cleaning		21,780
		<b>140,100</b>
<b>COMPUTER RUNNING COSTS</b>		
Maintenance		178,585
Materials		12,000
		<b>190,585</b>
<b>DEPRECIATION AND HIRE</b>		
Computers		40,500
Refurbishment		61,100
Templeton House		60,000
Office Equipment		6,400
		<b>168,000</b>
<b>ADMINISTRATION</b>		
Printing, Advertising & Stationery		119,300
Telephone and Communications		37,870
Postage		88,210
		<b>245,380</b>
<b>PROFESSIONAL FEES</b>		
Medicals		69,050
Actuary		91,000
Local Government Auditor		32,000
Internal Audit		24,000
Professional Advice		135,050
		<b>351,100</b>
<b>GENERAL EXPENSES</b>		
Bank Charges		9,000
Maintenance		5,910
Miscellaneous		9,000
		<b>23,910</b>
<b>TOTAL EXPENDITURE</b>		
		<b>2,930,696</b>
Recoverable Costs		125,700
<b>NET EXPENDITURE</b>		<b>2,804,996</b>

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**Relationship between Corporate Aims, Business Objectives and Operational Action**

<b>Corporate Aim</b>	<b>Business Objective</b>	<b>Operational Action</b>	<b>Performance Indicator</b>
1. To provide a level of service needed to comply with the pension scheme regulations, good practice, other legislation and stakeholder expectations.	1.1 To pay member's pension benefits, refunds and transfers promptly	1.1.1 To pay monthly pensions promptly and accurately	Paid by last banking day of the month and notification of pensions issued within 10 days of relevant details received.
		1.1.2 To pay pension lump sums and grants promptly and accurately	Within 10 working days of the receipt of the relevant details
		1.1.3 To pay refunds of contributions promptly and accurately	Within 10 working days of receiving a valid application.
		1.1.4 To pay transfer payments promptly and accurately	Pay the cash equivalent within 10 working days of receiving authority
	1.2 To credit pension contributions and transfers received promptly and accurately	1.2.1 To collect monthly contributions and invest in scheme fund promptly	Within 10 working days of following month.
		1.2.2 To reconcile contributions received and service credited annually	For 100% of employers by 31 December
		1.2.3 To credit service on receipt of transfers into the scheme promptly	Provide confirmation within 20 working days of receiving the transfer payment
	1.3 To provide members with information needed to make pension decisions promptly	1.3.1 To respond to member queries	Within 10 working days
		1.3.2 To provide members leaving the scheme with option choices	Provide a statement of benefit options within 20 working days of notification
		1.3.3 To provide members with quotations.	Quotes issued within 10 days.
		1.3.4 To provide members with benefit statements	Benefit statements issued within 2 months of receipt of valid data.

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<b>Corporate Aim</b>	<b>Business Objective</b>	<b>Operational Action</b>	<b>Performance Indicator</b>
	1.4 To ensure that all necessary action is taken on any change to pension scheme regulations.	1.4.1 Ensure that processes change to reflect regulation changes	Complete changes within 1 month of a regulation change
		1.4.2 To train relevant staff on any regulation changes	Relevant staff trained on new regulations by date regulations effective
		1.4.3 To have administration systems updated for any new or amended regulations	To have software tested and installed and to have new forms and procedures developed by date regulation effective
		1.4.4 To train relevant staff on the Councillors' scheme	Relevant staff trained on Councillors' scheme by date scheme effective.
		1.4.5 To have administration systems updated for the Councillors' scheme and all necessary procedures in place to administer the scheme	To have new software tested and installed, to have new forms and procedures developed by date scheme effective
		1.4.6 To issue specific guidance for Councillors	To have prepared and distributed guidance on the Scheme for Councillors within 3 months of the May 2011 election
	1.5 To ensure that systems and procedures comply with new or recent non-pensions legislation	1.5.1 To respond to Data Protection and Freedom of Information requests	Within 40 days (DPA) or 20 days (FOI) of request
	1.6 To ensure NILGOSC attracts and retains well trained personnel	1.6.1 To ensure all staff complete training plans and undertake appropriate training.	That all staff complete plans and that training is received.

<b>Corporate Aim</b>	<b>Business Objective</b>	<b>Operational Action</b>	<b>Performance Indicator</b>
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2. To maintain an effective investment strategy in line with the actuarial profile of the fund.	2.1 To value the scheme assets and liabilities and set contribution rates accordingly	2.1.1 Undertake Actuarial valuation every 3 years.	Publish valuation by 31 March 2014
		2.1.2 To ensure employer contribution rates for 11/12 implemented.	Collect higher contributions from 1 April.
	2.2 To invest scheme funds in accordance with the Statement of Investment Principles	2.2.1 To achieve investment performance in line with targets	NILGOSC benchmark
		2.2.2 To monitor and regulate investment management	That no manager breaches investment guidelines and that under performance is promptly addressed
		2.2.3 To maximise income from scheme assets	Amount of income earned.
	2.3 To understand and adopt good practice in Public Sector fund management	2.3.1 Implement the Responsible Investment Policy	Vote in as many company meetings as possible, recoup earnings through class actions and to engage with companies to improve governance.
		2.3.2 Review Statement of Investment Principles and Funding Strategy Statement	Revise FSS and revise SIP when necessary
3. To promote the scheme and inform members and employers of their pension options.	3.1 To provide general scheme information to scheme employers, their employees, members and pensioners	3.1.1 Publish comprehensive scheme literature and guidance	Within 2 months of Scheme changes
		3.1.2 Provide employee and employer seminars	Within 1 month of request or later if requested
		3.1.3 To publish the annual report in the NI Assembly.	At end of Summer recess

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<b>Corporate Aim</b>	<b>Business Objective</b>	<b>Operational Action</b>	<b>Performance Indicator</b>
	3.2 To provide members and employers with specific details of regulation changes	3.2.1 Communication of any regulation changes	Within 2 months of regulations being made
		3.2.2 To advise all new members of the benefits of the pension scheme	Issue guidance to scheme members within 3 months of joining.
	3.3 To provide advice on the pensions implication of other changes	3.3.1 Continue to work with RPA affected bodies and staff to explain pension implications of RPA transfers.	Meetings with bodies, advice given to members, satisfaction with NILGOSC service.
		3.3.2 Determine the implications of Local Government reorganisation on the ability to deliver a pension service.	Produce a staff plan within 3 months of RPA decisions being made
		3.3.3 To assess the impact on Scheme Employers and NILGOSC of the Auto-Enrollment provisions and prepare an action plan.	To undertake review and prepare plan by 31 March 2012. To implement plan by 1 October 2012.
	3.4 To update address information of those members who have not informed NILGOSC of address changes	3.4.1 To use external databases to track down members with missing address information	To have an accurate address database.
	4. To influence the future of the Local Government Pension Scheme	4.1 To respond to consultation on changes to the LGPS and contribute to consultee groups	4.1.1 To ensure that Employers are aware of potential scheme changes and canvas views
4.1.2 To respond to Government consultation exercises			By consultation reply date
4.1.3 To respond to Department of the Environment consultation exercises			By consultation reply date
4.1.4 To contribute to consultee groups eg NAPF, LGPC, OAG, LAPFF etc			To have representation on all groups

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<b>Corporate Aim</b>	<b>Business Objective</b>	<b>Operational Action</b>	<b>Performance Indicator</b>
	4.2 To improve the Scheme Regulations or proposed changes to the Scheme	4.2.1 Identify potential changes to the existing regulations or draft regulations and lobby the Department to make the changes.	The number of improvements identified and the number of changes made by the Department.
5. To undertake business in an efficient and accountable manner as required of a public body	5.1 To maintain corporate governance arrangements appropriate for a public body in line with published good practice	5.1.1 Respond to External Auditor letters	Within 10 working days
		5.1.2 Review of NILGOSC Internal Controls	Annually by 31 March
		5.1.3 Participate in NFI exercise and extend data exchanged	Identify invalid payments and recoup losses.
		5.1.4 To test Business Continuity procedures and ensure effective	Business Continuity procedures are effective.
		5.1.5 Maintain a Risk Register and take actions to mitigate identified risks	The Risk Register is complied, reviewed quarterly and action identified is completed.
		5.1.6 To undertake a triennial review of the Organisation's Strategic Objectives	Committee review objectives to form part of Corporate Plan 2012/3 by 31 December 2011.
	5.2 To ensure that Committee Members have the requisite Knowledge and Skills in compliance with good practice.	5.2.1 To ensure that all Committee Members receive appropriate training in line with NILGOSC's Knowledge and Skills Framework	Each member has undertaken 40 hours of training/development per annum.
		5.2.2 To ensure that new appointed Committee members receive induction training	New members receive induction training before attending first Committee meeting.
	5.3 To introduce IT developments and other procedures in order to improve efficiency	5.3.1 Implementation of a Document Imaging System	DI system installed and operational by March 2012

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<b>Corporate Aim</b>	<b>Business Objective</b>	<b>Operational Action</b>	<b>Performance Indicator</b>
6. To be committed to the need to promote equality of opportunity, the desirability of promoting good relations and the fulfillment of the Section 75 obligations	6.1 To undertake Equality Impact Assessments on existing and new policies	6.1.2 Undertake an EQIA on any new policy	Completion of the EQIA before implementation of the policy.
	6.2 To ensure NILGOSC personnel policies promote equality of opportunity	6.2.1 To prepare S55 Report for Equality Commission	Report prepared by April 2014
		6.2.2 To record annual recruitment monitoring information	Report submitted by 1 May each year