



# **Vision, Mission, Strategic Aims & Values**

## Summary of Consultation Responses

September 2015

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

## **Summary of Consultation Responses**

### **1 Background**

- 1.1 NILGOSC is the administering body for the Local Government Pension Scheme (LGPS) in Northern Ireland. NILGOSC was set up by the Government in April 1950 to operate a pension scheme for local councils and other similar bodies in Northern Ireland. The pension scheme is known as the Local Government Pension Scheme (Northern Ireland) and is a defined benefit scheme. The pension scheme is funded by contributions paid by both employees and the scheme employers.
- 1.2 NILGOSC's role is to administer the LGPS Regulations, both in terms of pension scheme administration, including the calculation and payment of benefits, and the management of the investment fund. The Regulations are made by the Department of the Environment and, while NILGOSC will respond actively to any consultation process, it does not have any power to change the regulations or determine their content. In this respect, NILGOSC's remit is relatively limited with its function being to deliver a pension service to scheme members and employing authorities. Within this narrowly defined function, the focus continues to be on providing a high quality service to all stakeholders, in line with their continually evolving expectations.
- 1.3 Like most organisations, NILGOSC has established a strategic planning process which allows it to identify and achieve its long term strategic objectives. A key part of this process is the triennial strategic review, during which the organisation's vision, mission, values and strategic aims are subjected to a thorough review and stakeholder consultation to ensure that they remain relevant and reflective of the current operating environment.
- 1.4 NILGOSC undertook its latest strategic review in April 2015, starting with an assessment of the current operating environment. A Stakeholder Analysis was undertaken to identify current stakeholders and their needs and expectations, both at present and in the future. A SWOT analysis was also undertaken to identify and examine NILGOSC's strengths and weaknesses, opportunities and threats.
- 1.5 The outcome of this review was a revised statement of NLGOSC's Vision, Mission, Strategic Aims and Values.

### **2 Consultation Process**

- 2.1 NILGOSC recognises the important role of consultation in its strategic planning process and is keen to ensure that interested parties are given the opportunity to comment and shape the service that we provide.
- 2.2 A 12 week consultation process was launched on 28 May 2015 seeking views from beneficiaries and stakeholders in the NILGOSC pension scheme. Scheme employers, staff and other representative groups and organisations were directly invited to take part in the consultation.
- 2.3 The closing date for the consultation was 31 August 2015.

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#### **3 Summary of consultation responses**

- 3.1 A total of six responses were received and a list of respondents is attached at Appendix A.
- 3.2 A summary of the comments received and NILGOSC's response is attached at Appendix B.
- 3.3 A marked-up version of NLGOSC's Vision, Mission, Strategic Aims and Values is attached at Appendix C.

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### **Appendix A**

#### **Respondents**

Arc21  
Northern Ireland Audit Office  
NIPSA  
NILGOSC Staff

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### Appendix B

Summary of comments	NILGOSC response
<p>Over the years arc21, since becoming a member of the Local Government Pension Scheme, has been subject to the very high quality professional service provided by the staff at NILGOSC. This consultation on its Corporate Strategy is just another example of how highly NILGOSC values and communicates with its members as part of its overall service provision.</p> <p>The approach to the revised vision, mission, values, strategic aims and objectives follows a professional standard framework and arc21 has no comment to make.</p>	<p>Noted</p>
<p>In terms of the strategic aim number 3 - <i>To promote the scheme and inform members and employers of their pension options</i> – NILGOSC may wish to consider introducing a range of ancillary services that would enhance the promotion of the pension scheme.</p> <p>For example, private health care, dental plans, permanent health insurance and additional life insurance cover may be services that could be offered to members at more affordable levels if bought through NILGOSC, with its substantial buying power, rather than individually.</p>	<p>Under the current LGPS regulations NILGOSC has no remit or power to offer ancillary services other than Additional Voluntary Contribution arrangements. AVC arrangements can be used by scheme members to increase their benefits as well as providing additional life cover. Further information on AVCs and other ways of boosting your pension can be found at <a href="http://www.nilgosc.org.uk/boosting-your-pension">www.nilgosc.org.uk/boosting-your-pension</a></p> <p>As part of our review of the take-up of the scheme, we will examine what services we can offer members.</p>
<p>Thanks for giving us sight of your consultation document "Revised Vision, Mission, Strategic Aims and Objectives". You will appreciate as auditors that it is important that we remain independent and don't get involved in management decisions.</p>	<p>Noted</p>
<p><i>Scheme Sustainability</i> NIPSA is very concerned as to the adverse implications of the spate of redundancies (regardless of what type) and recruitment embargoes across the public services for scheme sustainability. In particular we will be keeping a close eye on the consequential impact for the cap and collar arrangements, especially if any attempt is made to pass the impact onto active members.</p>	<p>Noted</p>

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Summary of comments	NILGOSC response
<p><i>Engagement</i> There should be specific engagement events for the trade unions representing scheme members. Also some of the Employer Seminars etc. should be opened up to the trade unions.</p>	<p>NILGOSC has run specific trade union events in the past and will continue to do to engage with this important stakeholder group as demand allows. NILGOSC would encourage all trade unions to contact NILGOSC with any requests.</p> <p>Capacity constraints together with the administrative focus of many employer seminars has historically led to NILGOSC running separate employer and member events, as this allows greater focus on the differing needs of the two stakeholder groups. Consideration will be given to future events to identify those with a common interest agenda.</p>
<p><i>Investment Strategy</i> Within the constraints imposed on NILGOSC, NIPSA would wish to see as much investment as possible in Northern Ireland. NIPSA fully supports and would wish to see stronger ESG.</p>	<p>Noted</p> <p>As at 30 June 2015, NILGOSC held investments totalling £114.3million across its UK property portfolios. In addition, NILGOSC has allocated £50million for investment in the region.</p> <p>NILGOSC prides itself on its ESG activities and considers itself to be in the top decile of its peers in respect of its voting and engagement activities. Further details on NILGOSC's responsible investment activities including voting, engagement and collaborative initiatives can be found at <a href="http://www.nilgosc.org.uk/responsible-investment">www.nilgosc.org.uk/responsible-investment</a></p>
<p>I have reviewed the consultation document and think the revised Vision, Mission, Values, Aims and Objectives is a good piece of work. I have a couple of minor comments/suggestions on the document that you may want to consider:</p>	
<ul style="list-style-type: none"> <li>• Values: responsiveness, taking action in a <del>quick and</del> timely manner</li> </ul>	<p>Suggested wording accepted</p>

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Summary of comments	NILGOSC response
<ul style="list-style-type: none"> <li>Strategic Aim 1: To update address information of those members who have not informed NILGOSC of address change – I thought this might be better as <b>To update changes to member information promptly and accurately.</b></li> </ul>	Original wording retained as this objective relates specifically to member addresses which are no longer current.
<ul style="list-style-type: none"> <li>Strategic Aim 4: To influence changes to the LGPS and actively contribute to <del>consultee groups</del> <b>relevant consultations</b></li> </ul>	Suggested wording accepted
<ul style="list-style-type: none"> <li>Strategic Aim 4: To engage with, and inform, interested parties and relevant <b>groups and</b> decision makers</li> </ul>	Original wording retained. The term interested parties is considered to include all relevant groups.
<p><i>Mission Statement</i> The subtle change in the wording of the Mission statement makes it mandatory that we enhance the quality of service to stakeholders. The previous wording meant we had to seek to enhance the quality of service.</p>	This was a conscious decision by NILGOSC to be more definitive in its desire to enhance the quality of service it provides to its stakeholders.
<p><i>Values</i></p> <ul style="list-style-type: none"> <li>operational excellence through innovation – innovation is mentioned a number of times – is there a plan/theme around this?</li> <li>collaboration to achieve shared goals – with who?</li> </ul>	Innovation and collaboration were two of the six overarching themes for the 2015 strategic review, as set out in the accompanying background information. NILGOSC seeks to continually improve its services with a view to being a best in class public pension provider. In conjunction with this, NILGOSC seeks to collaborate and work with key partners, policy makers and peers where appropriate. Both themes are central to NILGOSC's strategic planning and will encompass all aspects of our service including administration, investment, procurement and scheme governance.
<p><i>Strategic Aims</i></p> <p>The overall Corporate Plan I feel is outward looking with only 2 specific items relating to staff. I think given the recent staff survey that a specific Aim in relation to staff would be appropriate.</p> <p>Suggested Aim: To recruit and retain well trained staff to a challenging environment offering opportunities to learn and develop. Suggested Strategic Objectives</p>	<p>Noted</p> <p>NILGOSC recognises that its staff are its key business asset and continually seeks to be an employer of choice, within the confines of existing public sector constraints. Staff training and development and equality of opportunity are key business priorities and are already expressly stated in NILGOSC's strategic aims and objectives. Annual appraisals, exit</p>

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Summary of comments	NILGOSC response
<ul style="list-style-type: none"> <li>• To engage and communicate with staff to keep them informed of ongoing developments</li> <li>• To provide appropriate job related training to offer continuous development opportunities</li> <li>• To ensure that the office environment is adequate to meet the needs of staff and stakeholders</li> <li>• To further develop the staff appraisal system</li> <li>• To recruit to a staff forum and undertake a yearly staff satisfaction survey</li> <li>• To publish a monthly staff magazine (Templeton Times)</li> <li>• To ensure NILGOSC meets its obligations in relation to equal opportunities and diversity</li> <li>• To undertake exit interviews with departing staff</li> </ul>	<p>interviews, internal staff newsletters and staff surveys are already in place at an operational level and action is already underway in respect of establishing a staff forum.</p> <p>NILGOSC welcomes the spirit of this response and will consider additional operational actions around staff retention and development when it is developing the detailed 2016/17 business plan.</p>
<p><i>Stakeholder Analysis</i> Are staff classed as NILGOSC stakeholders? The document mentions staff only once, and it is unclear whether they are included here. If they aren't, it would be helpful to set separate objectives to demonstrate our commitment to staff, over and above the physical office environment.</p>	<p>NILGOSC staff are very much a key stakeholder and were included in the stakeholder analysis undertaken by NILGOSC in April 2015.</p>
<p><i>Values</i></p> <ul style="list-style-type: none"> <li>• Responsiveness, taking action in a <del>quick</del> and timely manner</li> <li>• Innovation may not always be an option, given the constraints previously mentioned - might be best to delete this part, or to change it to ', through innovation, where possible'</li> <li>• I think we need to explain what we mean by fairness here, ie do we mean in terms of how we treat staff and other stakeholders, or how we lobby for regulatory change to promote equality?</li> </ul>	<p>Suggested wording accepted.</p> <p>As noted above, innovation was one of the six overarching themes for the 2015 strategic review. Original wording retained.</p> <p>Fairness is used here to mean equity in its simplest form and this value extends to how we deliver our service.</p>
<p><i>Strategic Aim 1</i> To ensure that the office environment <del>is adequate to</del> meets the growing needs of stakeholders and staff.</p>	<p>Suggested wording accepted.</p>



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Summary of comments	NILGOSC response
To <del>update address information of</del> trace members who have not informed NILGOSC of address changes	Suggested wording accepted as this better reflects the action to be taken.
<i>Strategic Aim 4</i> Might we want to mention equality here, in terms of regulatory changes to promote equality?	This is already an operational action which sits within the Equality Action Plan under Strategic Aim 6.
<i>Strategic Aim 5</i> We could usefully mention our commitment to the data protection principles here.	It is not considered appropriate to single out one statutory requirement from under the wider governance umbrella at a strategic objective level; however data protection remains a core element of excellent service delivery.
Strategic Aim 6 To <del>be committed to the need to</del> promote equality of opportunity, <del>the desirability of promoting</del> and good relations and <del>to the fulfillment of its</del> Section 75 obligations.  Should the objective to promote equality of opportunity be expanded to 'and provide fair treatment of staff'?	Suggested wording places a different emphasis on the role of NILGOSC and its statutory obligation. Original wording retained.  Equality of opportunity is taken to encompass fair treatment. Original wording retained.

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### Appendix C

#### Vision

NILGOSC's vision is

*To provide an excellent and sustainable pension scheme.*

#### Mission Statement

NILGOSC's mission statement is

*To operate the pension scheme efficiently and effectively while enhancing the quality of service provided to stakeholders.*

#### Values

In carrying out its aims and objectives NILGOSC is committed to the following eight values:

##### Values:

- *responsiveness, taking action in a ~~quick~~ and timely manner*
- *operational excellence through innovation*
- *collaboration to achieve shared goals*
- *fairness, embracing equality in its widest sense*
- *honesty, integrity and openness in our engagement with stakeholders*
- *sustainability, both as an investor and as a pension scheme*
- *being economical, maximising returns and minimising expenditure*
- *being understandable, providing simple, clear and complete information*

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### Strategic Aims

NILGOSC has six strategic aims which set out what it wants to achieve. Beneath each aim sits a number of objectives, which set out what NILGOSC plans to do to achieve them.

#### 1. To provide an effective service complying with the pension scheme regulations, good practice, other legislation and stakeholder expectations.

##### Objectives

- To pay members' pension benefits, refunds and transfers promptly and accurately
- To credit pension contributions, transfers and other employer liabilities received promptly and accurately
- To provide members with information needed to make pension decisions promptly
- To pay death benefits promptly and accurately
- To ensure that all necessary action is taken on any change to scheme rules
- To ensure that systems and procedures comply with relevant legislation
- To ensure NILGOSC attracts and retains well trained personnel
- To ensure that the office environment ~~is adequate to~~ **meets** the growing needs of stakeholders and staff
- To ~~update address information of those~~ **trace** members who have not informed NILGOSC of address changes

#### 2. To deliver an effective investment strategy in line with the actuarial profile of the fund.

##### 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 and the Statement of Responsible Investment.
- To review investment performance regularly.
- To understand and adopt good practice in Public Sector pension fund management

#### 3. To promote the scheme and inform members and employers of their pension options.

##### Objectives

- To actively encourage retention in, and new membership of, the Scheme
- To provide general scheme information to scheme employers, their employees, members, Trade Unions and pensioners through active engagement
- To provide members and employers with specific details of Regulation changes and relevant tax legislation changes.
- To provide advice on the pensions **implications** of other changes such as public sector reorganisation

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#### 4. To influence and inform the debate on the future of the Local Government Pension Scheme

##### Objectives

- To influence changes to the LGPS and actively contribute to ~~consultee groups~~ *relevant consultations*
- To engage with, and inform, interested parties and relevant decision makers
- To improve the Scheme Regulations for the benefit of employers and members

#### 5. To undertake business in an efficient, effective and accountable manner as required of a public body.

##### Objectives

- To enhance corporate governance arrangements appropriate for a public body
- To introduce IT developments and other procedures in order to improve efficiency
- To manage change in an effective and timely manner

#### 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.

##### Objectives

- To assess the likely impact of policies on the promotion of equality of opportunity and good relations
- To ensure NILGOSC personnel policies promote equality of opportunity
- To ensure that NILGOSC meets or exceeds best practice as set out by the Equality Commission