

BATH AND NORTH EAST SOMERSET

PENSION BOARD

Wednesday 3rd December 2025

Present:- Nick Weaver (Chair), Helen Ball, Alison Wyatt, Andrew Ridley and Stuart Pearson

Also in attendance: Nick Dixon (Head of Pensions), Jeff Wring (Director of Financial Services, Assurance & Pensions), Claire Newbery (Pensions Operations Manager), Carolyn Morgan (Governance and Risk Advisor), Nicky Russell (Technical & Compliance Advisor) and Richard Hopkins (Avon Pension Fund Project Manager)

64 EMERGENCY EVACUATION PROCEDURE

The Chair welcomed everyone to the meeting and asked the Democratic Services Officer to read out the Emergency Evacuation Procedure.

65 APOLOGIES FOR ABSENCE

There were none.

66 DECLARATIONS OF INTEREST

There were none.

67 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

The Chair explained that Councillor Toby Simon in his role as the Chair of the Avon Pension Fund Committee had asked to address the Board on current matters.

The Chair briefly explained that the role of the Board is to assist the Council in scrutinising the administration and governance of the Fund, ensure that it complies with LGPS regulations and to act in an advisory role to the Fund.

Councillor Simon explained that the Fund is in the process of changing its pooling arrangements following the decision by the Government that their current pool Brunel was too small.

He added that arrangements have been in place with Brunel for ten years and have seen them deliver on a number of ESG (Environmental, Social, and Governance) specifications.

He said that the Fund were in discussions to join LPPI (Local Pensions Partnership Investments).

He also highlighted that discussions would take place in the coming months about possible changes to APF's Investment Strategy.

He also wished to draw the Board's attention to the results of the Aerospace & Defence member survey. He said that there was a body of opinion that felt that divestment from this sector should take place, but this was not a majority.

Alison Wyatt asked if moving to a new pool would have any effect on a decision regarding investment in Aerospace & Defence.

Councillor Simon replied that the assets of the Fund would transfer with the existing restrictions in place and that it would be for the new pool to decide if any changes should be made.

Alison Wyatt asked if due diligence had been carried out to ascertain that LPPI are able to accept the incoming assets.

Councillor Simon replied that assurance had been provided that the capacity is in place.

The Chair, on behalf of the Board, thanked Councillor Simon for his update and attendance.

68 ITEMS FROM THE PUBLIC

There were none.

69 ITEMS FROM MEMBERS

There were none.

70 MINUTES OF PREVIOUS MEETING: 3RD JUNE 2025

The Board approved the minutes of the previous meeting and they were duly signed by the Chair.

71 INVESTMENTS UPDATE

The Head of Pensions introduced the report to the Board and highlighted the following areas from within it.

- The Fund already implements a responsible investment policy, aligned with UN Principles on Human Rights. The question was whether the Fund should go further and whether Aerospace & Defence (A&D) companies should play any role in the Funds' investments.
- As A&D divestment would be a non-financial decision, it would require evidence that a 'broad consensus' (60%+) of members are in favour. Hence the Fund undertook an online survey of a sample of members which was live during 4-22 September 2025.

Survey methodology

- The survey was conducted online only, a tried & tested methodology – the default method for research surveys. In the case of Avon Pension Fund, there is a close match between the demographic profile, specifically gender and age, of members for whom APF holds email addresses and the total membership.
- Prevision Research provided the structure of the survey and the analysis of the responses.

Sampling

- 26,360 emailed invitations, 2,500 completed the survey. This is a 9.5% response rate which is very high vs similar surveys (4-5%), yielding a statistically significant confidence level exceeding 98%.
- A stratified sample by age and gender yields findings that are statistically significant with a margin of error of +/- 1.5%.
- Prevision weighted the findings to ensure that the demographic profile of responses matches the overall member profile.

The Chair of the Board asked for further information on the selection of Prevision Research to carry out their role.

The Head of Pensions replied that four agencies had been considered and that Prevision Research had been selected as a result of their public and private sector experience and effective data collection procedures.

Alison Wyatt asked that, whilst accepting there had been a good response rate, why had only a sample been selected to take part in the survey.

The Head of Pensions replied that by surveying a sample of members this yields findings that are statistically robust and representative of the membership. He added that an increase in the sample size yields diminishing returns in terms of a smaller margin of error.

Summary of research findings

- Overall, should investment in A&D sector continue or cease?
Continue: 47.1% / Cease: 42.3%

Demographic analysis of whether investment in A&D sector should continue or cease

- Percentage agreeing that the Fund should CONTINUE investing in A&D sector was 47% including a high proportion of males and members over the age of 55.

- Percentage agreeing that the Fund should CEASE investing in A&D sector: 42% including a high proportion of females and members under the age of 45.

Stuart Pearson said that he had spoken with colleagues about the process and that while surprised by the outcome were happy with how it had been carried out. He asked if the sector in question regularly outperforms markets or provides higher returns.

The Head of Pensions replied that a decision is not based on the level of returns. He added that advice to the Committee has been clear that you could not say that divestment would equate to lower returns. He said that A&D assets have performed well in the past five years, but no prediction could be made as to future years.

Alison Wyatt asked if other Funds were being asked to consider taking a similar decision.

The Head of Pensions replied that other Funds were under some pressure to consider their position, but that the APF were the first to carry out a member survey.

Pooling

- LPPI discussions going well with the aim to sign a shareholder agreement before April 1st 2026.
- Working on transitional arrangements to minimise frictional costs.
- Assets to move to LPPI as are and over the proceeding 18 months a reorganisation of portfolios will likely take place.

The Board **RESOLVED** to note the methodology and survey results and acknowledged that the Pension Committee, as the strategic decision making body of the Fund, would make its final decision on Aerospace & Defence investments at its next meeting on 12th December 2025.

72 REVIEW OF AUDIT REPORTS - TO FOLLOW

The Director of Financial Services, Assurance & Pensions addressed the Board and apologised for there not being a report available on this occasion. He said that this should now form part of their agenda in March 2026.

He explained that the Funds accounts had been examined by External Audit and that these had now been signed off by the Council's Audit Committee.

The Chair asked if any concerns had been identified from the audits that have been completed.

The Director of Financial Services, Assurance & Pensions replied that there were no issues of significance to raise.

Alison Wyatt referred to the Risk Register, in particular NR04 – Governance and internal controls – as the likelihood had been increased from possible to likely to

reflect the fact that the Fund has not received full audit scrutiny. She asked if any further comment could be given.

The Governance & Risk Advisor replied that Internal Audit were behind with the Audit Plan for 2025/26 due to resource issues within the department and that steps were being taken to rectify this.

Helen Ball asked if Internal Audit would look at the incoming changes to the Fund and give an assessment on those in due course.

The Director of Financial Services, Assurance & Pensions replied that this was indeed already under consideration due to the significant upcoming changes to the Fund.

Andrew Ridley asked if the Government had provided any funding in relation to their decision that the Fund should change their pooling arrangements.

The Head of Pensions replied that they had not and that indeed costs would be incurred from closing Brunel down and transferring to LPPI. He said that these figures were still being deliberated.

The Chair, on behalf of the Board, thanked the Director of Financial Services, Assurance & Pensions for his update.

73 REVIEW OF REGULATORY AND DATA BREACHES

The Governance & Risk Advisor introduced the report to the Board and highlighted the following points.

A summary of regulatory and data breaches recorded for the period October 2024 to October 2025 can be found in Appendix 5. There were no material breaches reported during the period.

Regulatory Breaches October 2024 to October 2025

Employer late payers – 14 incidents over the year. The report states that 2 are outstanding, one of these have now been resolved.

Employer Year End Data – 6 incidents - Late or incorrect data submitted - All employers issued fines for late/missing data submissions in October 2025.

5 Year Refund Breaches – 399 incidents - Unable to pay refund within 5 year deadline - Due to no response from members or the inability to trace members - Member tracing continues.

Data Breaches October 2024 to October 2025

Reported to Information Governance: 7 (1 x incorrect link sharing, 3 x postal breach (wrong address), 2 x postal breach (enveloping), 1 x email breach). Training and support to team members provided, including refresher training and bespoke training sessions. Internal process reviews being carried out to ensure compliance and

necessity. Procedure notes are being reviewed to ensure all consistency across teams. Regular data protection reminders issued to staff.

The Governance & Risk Advisor stated that the Breaches Policy had been reviewed and updated to reflect TPR's General Code of Practice (GCOP). TPR's expectations have not changed but the policy has now been written more in line with the code of practice and in particular sets out more detail about the legal duty to report and assessing material breaches.

She explained that the Avon Pension Fund Committee were being asked to approve the Policy at their meeting on 12th December 2025.

The Board **RESOLVED** to;

- i) Note the summary of the breaches log
- ii) Note the changes to the breaches policy.

74 ADMINISTRATION PERFORMANCE UPDATE

The Pensions Operations Manager introduced the report to the Board and highlighted the following points.

- Pensions Administration Strategy – Following approval by Committee in September, a consultation with employers began on 7th November and will end on 31st January 2026. Initial feedback from employers has been positive.
- Oasis direction order – The order approves the consolidation of 53 academies and associated admitted bodies to LPFA. The APF have 10 academies and 1 admitted body covering approximately 1500 member including active, deferred and pensioner members. This change will create significant additional workload and expense for the Fund for which we will seek recovery from Oasis and have this agreed in the final direction order.
- SLA monthly performance average October 2024 to October 2025 – Latest position: 89%
- Total KPI's outstanding – Oct 2024 to Oct 2025 – Latest position: 1,268
- KPI's outstanding over 31 days – Oct 2024 to Oct 2025 – Latest position: 189
- KPI cases outstanding under 31 days – Oct 2024 – Oct 2025 – Latest position: 1079
- Service performance – Plan v's Actual – Oct 2025 - Latest position: 88% (+3% ahead of plan)

Status 2 Records

During the last year, the number of status 2 records we held on our system peaked at 8,307 during September 2024. Compared with 3,790 status 2 records as at the end of October 2025, this is a 55% reduction.

As at the end of October 2025, the total outstanding cases sat at 3,669, of these, 859 are awaiting replies to enable processing. 366 are awaiting a response from the member and 225 are awaiting a response from another LGPS Fund.

iConnect Leaver Cases – Spikes are experienced in both December and September on a yearly basis, with the highest number of created cases being in September 2025 with a figure of 1,721.

Data Improvement Plan

The Pensions Operations Manager explained that PASA had recently issued new guidance and a template in late November and she therefore proposed to review the document and bring it back to the Board in March 2026.

Statutory Annual Requirements

- Data Return outcomes
 - 504 employers submitted year-end data returns, covering 41,709 members.
 - 2 employers (0.4%) were fined for late returns.
 - 3 employers (0.6%) were fined for excessive data queries (*less than 2% query rate).
 - 8 employers (1.6%) received a data improvement plan (**reduced from 21 in 2024).
 - Employer participation increased by 4% compared to the previous year.

The Chair asked what further can be done to try to contact the 3,827 'Gone Aways'.

The Pensions Operations Manager replied that a cleansing exercise has been ongoing since August which will provide feedback on the likelihood of a person living at a specific address. The fund also have a new data cleansing tool as part of the software package which recently went live.

The Avon Pension Fund Project Manager addressed the Board to provide them with an update on two projects.

My Pension Online

- What it is?
 - Provides secure, 24/7 access to pension information
 - Enable lifestyle-based retirement planning
 - Support digital-first member engagement
- Benefits
 - SMS two-factor authentication for enhanced security

- Accessible, user-friendly design with clear retirement planning tools
- Fast, easy access to pension details
- What and how the project delivered
 - DPIA for governance and compliance
 - User testing across Fund teams
 - Registration campaign and stakeholder engagement
 - Staff training and rollout support
- Future Developments
 - Boost member registrations – developing communication opportunities
 - Online P60s and payslips
 - Digitised workflows and processing

30,000 members emailed about the project, 8,000 have registered to use it.

Stuart Pearson said that he felt that the project provided a positive step change for members.

Alison Wyatt commented that she found it very easy to use.

Pensions Dashboard

- Connected to Dashboard ecosystem from 31st October 2025
- During 2026
 - Finalise and implement new BAU & Annual processes (inc. AVCs)
 - Continue Status 2 reduction
 - Embed ongoing compliance monitoring & review frequency
 - Assess workload & resourcing in advance of going live
- Potential live date early in 2027

The Board **RESOLVED** to note the service performance to the period ending 31st October 2025.

75 LEGISLATION UPDATE

The Technical and Compliance Manager introduced the report to the Board and highlighted the following areas to them.

Access and Fairness Consultation

- A response to the consultation that closed on 7 August 2025 is still awaited. Once a response to the consultation is received from Government, the final outcomes will need to be considered further by the administration team, in particular around rectification of survivor benefits. The timescales for implementation and the availability of central support and guidance will be critical.

Access and Protection Consultation

- On 13 October 2025, MHCLG published a new consultation titled “Scheme improvement (access and protections)”. The four main areas covered in the consultation are summarised as follows.
 - Normal Minimum Pension Age
 - Access for councillors and mayors
 - Academies
 - New Fair Deal
- The Consultation closes on 22 December 2025.

Helen Ball raised the issue that some mayors may work across areas that are co-terminus.

The Technical and Compliance Manager replied that she was unsure of the level of the number of councillors and mayors that would be involved at this stage.

The Board **RESOLVED** to note the current position regarding the developments that could affect the administration of the fund.

76 RISK MANAGEMENT REVIEW

The Governance & Risk Advisor introduced the report to the Board and highlighted the following areas.

- The quarterly review of the risk register has taken place and one change has been made to scores for this quarter. Some amendments have also been made to current impacting factors.
- NR04 – Governance and internal controls – the likelihood has been increased from possible to likely to reflect the fact that the Fund has not received full audit scrutiny. Internal Audit are behind with the audit plan for 2025/26 due to resource issues within the department.

Alison Wyatt noted a disparity in the pre and post mitigation scores for risk NR02.

The Governance & Risk Advisor replied that this would be updated and recalled that the score had changed in just the previous quarter.

The Board **RESOLVED** to note the report.

77 GOVERNANCE UPDATE

The Governance & Risk Advisor introduced the report to the Board and highlighted the following areas.

Board Workplan

- Benchmarking – Use SF3 data and this has been provided late. Report to March 2026 meeting.

Training

- A reminder to all members to complete this round of training by March 2026.

The Pension Regulator's General Code of Practice – Action Plan

- The Action Plan is set out at appendix 3.
- It has been reviewed and updated to show progress and where appropriate completion of tasks. We will be holding a further review meeting in February 2026 to ensure we are on track to complete the action plan by March 26, although there may be a few tasks that require a further extension.

Board recruitment

- Interviews due to be held later today for the remaining Employer Representative positions.

Good Governance Regulations

- These have been published and will come into effect from April 2026.

The Board **RESOLVED** to:

- i) Note the workplan & training plan for 2025/26
- ii) Note the action plan to meet compliance with TPR GCOP
- iii) Note the dates for future meetings.

The meeting ended at 12.18 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services