BATH AND NORTH EAST SOMERSET

AVON PENSION FUND COMMITTEE

Friday 12th December 2025

Bath and North East Somerset Councillors: Toby Simon (Chair), George Leach (Vice-Chair), Shaun Stephenson-McGall, John Leach (in place of Chris Dando) and Joanna Wright

Co-opted Voting Members: Councillor Robert Payne (North Somerset Council), Councillor Fi Hance (Bristol City Council), William Liew (HFE Employers), Pauline Gordon (Independent Member), John Finch (Independent Member) and Jackie Peel (Independent Member)

Co-opted Non-voting Members: Edmund Cannon (Parish & Town Councils), Shona Jemphrey (Unison) and James Hillary (Unite)

Advisor: Steve Turner (Mercer)

Also in attendance: Nick Dixon (Head of Pensions), Nathan Rollinson (Investments Manager), Carolyn Morgan (Governance and Risk Advisor), Nicky Russell (Technical & Compliance Advisor) and Claire Newbery (Pensions Operations Manager)

30 EMERGENCY EVACUATION PROCEDURE

The Democratic Services Officer announced the emergency evacuation procedure.

31 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor Chris Dando, Councillor Mike Drew, Wendy Weston and Charles Gerrish had sent their apologies to the Committee.

Councillor John Leach was present for the duration of the meeting as a substitute for Councillor Chris Dando.

32 DECLARATIONS OF INTEREST

The Chair explained to the public the difference between DPI's (Disclosable Pecuniary Interests), which require recusal, and ‘other interests’. Members are expected to declare relevant ‘other interests’ but only need to withdraw if they consider their judgement is clouded by considerations relating to the bodies for which they declare such an interest.

William Liew declared an ‘other interest’ with regard to agenda item 9 (Investments in Aerospace & Defence) as in his role on the Committee he represents all Further and Higher Education employers which have engagement with these industries. He stated he had no personal interest to declare.

John Finch declared an ‘other interest’ with regard to agenda item 10 (Investments Pooling) as he is employed as an independent advisor to the Cornwall Pension Fund.

Edmund Cannon declared an ‘other interest’ with regard to agenda item 9 (Investments in Aerospace & Defence) as he is an employee of the University of Bristol.

33 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

34 ITEMS FROM THE PUBLIC - TO RECEIVE STATEMENTS, PETITIONS OR QUESTIONS

Youssef Ibrahim addressed the Committee on behalf of Helen Wheeler, a summary of the statement is set out below.

He said the survey results show that only 47% of those who responded want to remain invested in Aerospace & Defence which was not a clear majority. He wanted to draw the Committee’s attention to the fact that many young people and women had shown that they were against the continued investment position.

He said that the political position of the Committee had been known since March.

He said that the decision the Committee was likely to make, might well be legal, but in his view, it was not ethical. He added that so many people have been killed in the conflict in Gaza including relatives of his and many more Muslims.

He stated that it was his view that genocide remained ongoing in Gaza.

Benazir Jatoi addressed the Committee, a summary of the statement is set out below.

She said that the results of the survey show that the Fund membership is split on this issue and that the 42% that wish to divest from Aerospace & Defence were mainly women and young people.

She stated that she believed that the survey included non-relevant information. She added that she felt that most Fund members would expect investment in assets that would cause no harm to human life.

She called for a further expert analysis of the survey results to be carried out.

Eldin Fahmy addressed the Committee, a summary of the statement is set out below.

He said it was clear that the Committee intends to vote today to continue investing members' pay in arms companies complicit in genocide and that this was the outcome it always wanted from the member survey.

He stated that the Committee had expressed clear political support for arms investments, that its members' have known links to the arms industry and were undeclared, and that these members did not recuse themselves from previous meetings.

He said that in his view the Committee have provided no meaningful opportunities for members or their representatives to comment on the plans and that Trade Union reps were consulted very late and on a confidential basis only.

He added that the survey design was highly contentious with numerous concerns raised by invited stakeholders about biased questions and misleading information. He highlighted that only 1 in 5 members were surveyed and that no explanation had been provided as to why you did not contact a wider pool of members via APF employers on an opt-in basis.

He stated that the results provide no evidence of widespread support for continued arms investments amongst members, with only a minority of members (47%) supporting the APF Committee's position. He added that there is no mandate from members for your controversial and divisive policy.

He said that the perception that this decision is guided by the personal priorities and interests of APF Committee - and not by pension fund members' best interests - will be damaging to the Fund.

He stated that the APF is a public body for which BANES Council is legally responsible - it must ensure that APF Committee is properly managed according to democratic principles.

Roger Thomas addressed the Committee on behalf of Ahmed Hamoud, a summary of the statement is set out below.

He said that the survey contained weighted questions and that despite that only 47% of respondents want a continuation in these types of investments. He called on the Committee to vote with their consciences.

He said that the images seen from Gaza were horrific and that humanity must form part of the Committee's consideration. He added that the death and mutilation of many people, including so many children cannot be defended.

He asked for members to vote against any decision to remain invested in Aerospace & Defence companies.

Beth Cleeter addressed the Committee, a summary of the statement is set out below.

She said that as a child she could recall not being able to comprehend the holocaust and that to now see genocide in Israel was appalling.

She said that she felt that some members of the Committee were employed by bodies that have an interest in this decision and were therefore biased.

She stated that claims about job risks contained in the survey, and mentioned previously, were not true.

She said that people should be free to speak on this matter despite non-violent action groups being jailed for their protests.

The Chair thanked the members of the public for their statements. He noted that questions had been received from Ahmed Hamoud. Responses to those questions had been prepared and circulated which will also be appended to these minutes online.

35 ITEMS FROM COUNCILLORS AND CO-OPTED AND ADDED MEMBERS

There were none.

36 MINUTES: 26TH SEPTEMBER 2025

The Committee **RESOLVED** that the minutes of the meeting on 26th September 2025 be confirmed as a correct record and signed by the Chair.

37 DRAFT PENSION BOARD MINUTES: 3RD DECEMBER 2025

The Committee **RESOLVED** to note the draft minutes of the Board meeting held on 3rd December 2025.

38 INVESTMENTS IN AEROSPACE & DEFENCE

The Head of Pensions introduced the report to the Committee and highlighted the following points.

- The Committee are being asked to confirm or reconsider its previous decision in-principle to remain invested in Aerospace & Defence (A&D) companies.

- Since the in-principle decision made in March 2025 there have been three developments which now inform the Committee's final decision on A&D investments:

    - The Fund has undertaken a representative survey of its members' views, led by an independent research provider.

    - The Fund has received expert legal opinion.

    - The UK government has published its Fit for the Future proposals, which shift key investment accountabilities from LGPS funds to their pools.

Brent Wright, Osborne Clarke, addressed the Committee to outline the legal advice provided.

- Legal advice has been taken from external solicitors and counsel (Nigel Giffin KC), to ensure that whatever decisions are taken by the Pension Committee are in accordance with its legal obligations and duties towards the Fund and its employers and members.

- The Pension Committee is considering a proposal to exclude from the Fund's investments all aerospace and defence companies, on grounds which are social or ethical rather than financial.

- The legal position is that the Authority (i.e, Bath & North East Somerset Council acting as the administering authority of the Fund, and here acting through its pension fund committee) may only base investment decisions upon non-financial factors if two conditions are satisfied:

    - That to do so would not involve significant risk of financial detriment to the Fund ("the financial condition"); and

    - There is good reason to think that scheme members would support the decision ("the member support condition").

- Both these conditions must be individually satisfied. If either condition is not met, it would be unlawful to proceed on these non-financial grounds.

- In relation to the financial criterion, the essential point is that the Authority, acting as a prudent custodian of the Fund, ought not to pursue a policy which, for non-financial reasons, creates a realistic possibility of the Fund suffering financial detriment which is material in the context of the Fund's size and nature. This requires consideration both of the likelihood of financial detriment arising, and the anticipated or potential scale of such detriment if it did arise.

- In relation to the member support criterion, this probably requires something effectively equivalent to consent given by the body of members as a whole. That is likely to mean both that a high proportion of those members with a view would support the proposed policy (not necessarily near-unanimous, but not just a bare majority either), and that there is substantial positive support for that policy (as opposed e.g. to an overwhelming indifference amongst the membership).

- There may be a variety of ways, formal or informal, in which the Authority could legitimately assess the extent of member support for a particular policy, but some rational positive basis is required for determining that the member support criterion is met. Where, as here, an organised survey of member opinion has been carried out, that is likely to represent the best evidence of member views, and some specific reason would be required for departing from what the survey shows.

Jackie Peel asked if, when the advice was sought, they were given any indication of a desired outcome.

Brent Wright replied that there was not and said that the legal advice was provided in an open manner.

Jackie Peel asked if there were any legal concerns as a result of the evidence gathered from the member survey.

Brent Wright replied that there were no concerns.

Councillor Fi Hance asked for confirmation that a clear majority of responses must be seen from the member survey to enable any potential change in investment decisions.

Brent Wright replied that this was correct.

Edmund Cannon commented that the Fund should not incur a financial detriment as a result of this decision and said that in times of warfare the profits of weapons companies were likely to increase.

The Head of Pensions said that with regard to future returns they would not be able to say whether there would be a financial benefit or detriment to the Fund should a decision to divest be made. He emphasised that Future returns from A&D companies could be higher or lower than the equity market overall.

Shona Jemphrey asked for clarification of any potential legal consequence should the Committee make a decision to divest from investments in A&D.

Brent Wright replied that any such decision could result in a Judicial Review being raised as the survey results show that a status quo is the preferred option from the majority of members.

Councillor Joanna Wright asked, given the close figures from the survey response (42% of members support A&D divestment, while 47% prefer continued A&D investment), what the legal opinion was for a decision the Committee could take.

Brent Wright replied that a clear majority would be required to enable the Committee to make a decision to divest. He added that the current figures do not reach the member support condition to enable change.

Trevor Wilkinson, Prevision addressed the Committee to explain the process and results of the member survey.

<u>Survey process</u>

- Prevision set up an online survey - The survey was designed and tested in the summer of 2025
- Of the Fund's 100,000 unique members, 31,000 had previously given permission for APF to approach via email
- APF emailed a link to the survey to a sample of members (26,360)
- The survey was live 4th – 22nd September
- Prevision received 2,500 anonymous responses

- A sample of 2,500 yields findings with a margin of error of +/- 1.5%.

Jackie Peel asked why all 31,000 members with an email address were not sent the survey.

Trevor Wilkinson replied that the 26,360 sample of members represented the whole Fund membership and that increasing the sample size yields diminishing returns in terms of a smaller margin of error.

Councillor Fi Hance asked if permission could have been sought by other employers to contact members on behalf of the Fund so that they could receive the survey.

Trevor Wilkinson replied that if other bodies had become involved in the survey it would add complexity and lessen the confidence in the results.

Councillor John Leach asked if any attempt to contact members outside of the online survey had been made.

Trevor Wilkinson replied that a postal survey had been considered but said that they were satisfied that the profile of those emailed represented the whole of the Fund membership.

<u>Benefits and features of an online survey</u>

Benefits:

- **Tried and tested methodology:** the default method for consumer surveys
- **Representative**: there is a close match between the profile of those members for whom APF holds email addresses and the profile of the total membership
- **Appropriate**: 90% of UK adults have internet access (source: Office for National Statistics).

Features:

- **Transparent objectives:** explained to respondents in the covering email and within the questionnaire.
- **Clear and unambiguous:** clear terminology, questions not leading, response scales balanced.
- **Easy to complete and short:** no more than five minutes.

Jackie Peel asked who produced the initial draft of questions and then what the process was once the Committee members had given their feedback on them.

Trevor Wilkinson replied that an initial discussion had been held with APF officers and that Prevision then drafted a set of questions for internal comment before being shared with Committee members. He added that following their feedback some amendments were made before the survey was distributed. He stated that at no time had there been any pressure to generate a specific result and that to do so would be contrary to the research industry code of conduct.

Sample

A survey of a sample of members yields findings that are statistically robust and representative of the membership.

Increasing the sample size yields diminishing returns in terms of a smaller margin of error, in addition to increasing the cost of conducting the survey.

Weighting

Prevision weighted the findings to ensure that the demographic profile of responses matches the overall member profile. All figures given in the findings section are weighted.

Summary of research findings

- How much do members agree with statements relating to Avon Pension Fund investing in the Aerospace & Defence sector?
    - I am concerned that products made by A&D companies may be used to harm civilians: 52% agree strongly, 22% agree somewhat
    - I am concerned that A&D companies can harm the environment: 37% agree strongly, 32% agree somewhat
    - For me, an important consideration is that A&D companies play a key role in the defence of the UK and its allies: 40% agree strongly, 29% agree somewhat
    - For me, an important consideration is that A&D companies employ many people across the Bristol and Bath region: 28% agree strongly, 37% agree somewhat
    - For me, an important consideration is the financial returns from investing in the A&D sector: 28% agree strongly, 26% agree somewhat, 26% disagree strongly
- 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.

Summary

- Members expressed concern about the harm caused to civilians and the environmental impact of the Aerospace & Defence sector.

- At the same time, members acknowledged that the sector contributes to UK defence and local employment.

- Members also took into account the financial returns of investment in the sector.

- Weighing up these issues, members expressed a preference for the Fund continuing to invest in the A&D sector, although 42% preferred that the Fund ceased investing in the sector.

The Head of Pensions drew the attention of the Committee to the following regulatory points.

- The Committee should note the UK government's Fit for the Future proposals for the LGPS. Under the proposals, individual LGPS funds will retain the right to set their investment strategy, with asset allocation limited to choices across 9 asset classes which the investment pool decides how to implement.

- Beyond the 9 asset classes, Fit for the Future proposals allow Avon Pension Fund to define 'investment preferences' – e.g. responsible investment aims, exclusions including A&D. However, the decision on whether and how to implement such preferences will rest with the pool.

- Specifically, the proposals state that "to enable the pool to invest at scale, it is important that pools are not expected to create bespoke arrangements for each Administering Authority (AA) …. The government does not intend to prescribe a single solution but does not expect to see bespoke arrangements for each AA."

- Therefore, the Committee should be aware that any decision to exclude A&D companies may not be implemented in practice, e.g. if LPPI decides that such exclusions are incompatible with wider UK government policy or lack sufficient demand across its whole body of 9 LGPS funds.

Councillor John Leach asked why moral issues were not included in the survey.

The Chair replied that the survey did contain a number of explanatory paragraphs.

Councillor Fi Hance commented that she was disappointed by the survey results and personally did not support investment in Aerospace & Defence. However, she could not set aside the legal parameters for which the Committee could make a decision and would therefore be voting for the status quo to remain invested.

Shona Jemphrey said that she felt that more influence should have been given to the views of younger respondents as they will have longer to live with the possible consequences of the decision made.

Councillor Robert Payne said that no clear desire to divest has been shown despite 74% of respondents being concerned that products made by A&D companies may be used to harm civilians. He added that these views should be shared with the new pool.

Councillor Joanna Wright suggested whether a further recommendation could be considered which would address future pool investment.

Councillor John Leach stated that he had no confidence in the results of the survey and would vote against any proposal to confirm the decision made by the Committee in March.

Pauline Gordon said that the views of younger people were more in their support for divestment, and so, with an aging population, she would support a further recommendation and that the matter should be looked at again in future years.

The Chair proposed the following wording for an additional recommendation.

The Committee notes the strength of the views expressed and agrees to communicate them to the new LPPI pool to inform their investment policies.

Councillor Joanna Wright seconded the recommendation proposed by the Chair.

The Head of Pensions commented that he would expect to poll Fund members on topics of concern at least every two or three years, to inform the Fund's investment strategies.

Jackie Peel stated that she had confidence in the integrity of the Committee, the process and results of the survey and the legal advice received. She said she would support confirmation of the previous decision and the additional recommendation proposed by the Chair.

The Chair proposed that the Committee:

i) Note the expert legal opinion, projected financial costs, survey results, and upcoming regulatory changes.

ii) Having regard to the above factors and other relevant information, confirm its previous decision, in principle, to remain invested in A&D companies and to continue to apply the Fund's policies on responsible investment and exclusions.

iii) Notes the strength of the views expressed and agrees to communicate them to the new LPPI pool to inform their investment policies.

Councillor Wright seconded the motion.

The Committee voted: 8 for the recommendations proposed, 2 against, 0 abstentions.

39 INVESTMENTS POOLING

The Committee, having been satisfied that the public interest would be better served by not disclosing relevant information, **RESOLVED**, in accordance with the provisions of the Section 100(A)(4) of the Local Government Act 1972 that the public should be excluded from the meeting for this item of business, because of the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act as amended.

40 REVIEW OF INVESTMENT STRATEGY & PERFORMANCE

The Investments Manager introduced the report to the Committee and highlighted the following areas.

- The Fund's assets stood at £6,184m on 30 September 2025, delivering a net return of 3.0% over the quarter. This was 1.0% behind the return for the strategic benchmark.

- The Fund has a 5% strategic allocation to local impact investments across 3 core themes: renewable infrastructure, affordable housing and SME funding. At 30 September 2025 3% (£180m) had been committed to underlying managers and c. £63m deployed. As the portfolio is still in its build up phase performance is not yet meaningful, however pace of capital deployment and the developing pipeline of opportunities is meeting expectations.

Steve Turner, Mercer addressed the Committee and highlighted the following points from Appendix 1.

- In the third quarter, financial markets were driven by the resilience of economic growth with equities continuing to rally and bond returns mixed.

- While some developed market central banks continued cutting rates, policymakers warned that the outlook warranted a cautious approach on the back of potential risks emerging from tariffs and trade. In the third quarter, the US Federal Reserve reduced its policy rate by 0.25%, amid tensions between President Donald Trump and members of the central bank.

- The Global Sustainable Equity portfolio delivered a return of 5.7% over the quarter, which was behind the 9.7% return for the MSCI ACWI benchmark index. Half of the relative underperformance was attributable to the funds underweight to large IT names such as NVIDA and Apple.

- The Fund is in a relatively strong position to navigate a potential downturn in equity markets given its equity protection strategy.

- The Investment Strategy Statement is undergoing a review to ensure alignment with Fit for the Future proposals and transition to LPPI. He added that investment advice would be provided by the new pool going forward.

The Chair said that he expected the Investment Strategy Statement to be debated by the Committee at their meeting in March 2026.

Councillor Joanna Wright asked if the Committee should continue to receive regular updates on climate risk and associated modelling.

Steve Turner replied that it remains an important issue to consider and that the Actuary would offer advice as part of any review.

Councillor Wright asked about the Fund's investment exposure to AI (Artificial Intelligence).

Steve Turner replied that most investments will have some degree of exposure to AI, particularly those within the Magnificent 7. He added that these currently retain their healthy levels of earnings, but the Fund should consider that against the overall risk / exposure level.

The Committee **RESOLVED** to note the information set out in the report and appendices.

41 PENSION FUND ADMINISTRATION - PERFORMANCE REPORT

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

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

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

- 13,000 members have registered to use it.

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.

Jackie Peel referred to the Service Performance Plan and asked what the feeling was regarding the current trajectory entering Q4.

The Pensions Operations Manager replied that there were a number of key projects planned for 2026, but said she was confident that the current progress level would be maintained.

The Chair, on behalf of the Committee, wished to offer thanks to all members of the team for their continued hard work.

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

42 LEGISLATION UPDATE

The Technical and Compliance Manager introduced the report to the Committee 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 technical 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.

She said that there are concerns as to the cost and amount of work involved in implementing a new Councillor & Mayors Scheme with an effective date of April 2026. It was doubtful due to the short timescales whether there would be any guidance or calculations available.

The Chair asked if Heywood would be able to deliver a software solution.

The Technical and Compliance Manager replied that the next software release had already been planned for February. It was unlikely that a further one could be scheduled before the regulation became effective. Heywood confirmed that as a minimum, LGPS funds could record new membership, but no other functionality would be ready.

Shona Jemphrey asked what impact these changes were likely to have on staff and their workload.

The Pensions Operation Manager replied that with regard to the Access and Fairness Consultation the work involving Survivor Benefits and Death Grants would need to be carried out the most experienced members of staff, so a drain on resource. She added that the Oasis Direction will instigate a data transfer which will be a substantial process to manage.

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

43 RISK MANAGEMENT REVIEW

The Governance & Risk Advisor introduced the report to the Committee 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. This is intended to be completed by March 2026.

- NR06 – Loss of IT including cyber attack – the Fund has successfully connected to the Pensions Dashboard. While the Fund has carried out a Data Protection Impact Assessment (DPIA) and the Pensions Dashboard Programme has designed and implemented a robust security framework, the launch of Pensions Dashboard could present a fresh opportunity for scammers to target pension scheme members. Additional communications to members planned.

Jackie Peel asked if the Committee should meet for specific session on potential cyber issues.

The Chair proposed that a Teams briefing be arranged for the Committee and Pension Board members to discuss the matter in more detail.

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

44 GOVERNANCE UPDATE

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

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.

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.

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 were held on 3rd December. The two remaining Employer Representative vacancies have now been filled.

Good Governance Regulations

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

Future Meeting Dates

- It was noted that some dates for the Committee had been amended since the publication of the report. The dates for 2026 are as follows:
    - 27 Mar 2026
    - 26 Jun 2026
    - 18 Sep 2026
    - 11 Dec 2026

The Committee **RESOLVED** to:

i) Approve the breaches policy
ii) Note the Committee workplan & training programme
iii) Note the service plan monitoring
iv) Note the TPR's General Code of Practice action plan
v) Note the breaches log

The meeting ended at 12.36 pm

Chair(person) .....

Date Confirmed and Signed .....

Prepared by Democratic Services

Avon Pension Fund Committee – Friday 12th December 2025

Public Questions

Question 1

The APF member survey shows that **70% of respondents expressed concern about humanitarian impacts**, yet only **47%** supported continuing investment in the Aerospace & Defence sector, while **42%** supported ceasing investment and **11%** were unsure. This is not evidence of a clear mandate, especially given the narrow margin and the fact that younger members and women –who make up the majority of the Fund were far more likely to support divestment.
How does the Committee justify presenting this outcome as a mandate for continuing investments in arms companies?

The report does not present the survey results as a mandate for continuing investments in arms companies.

The legal perspective is that an investment (or divestment) decision like this, as a non-financial decision, requires "… a high proportion of those members with a view (to) support the proposed policy (not necessarily near-unanimous, but not just a bare majority either)", i.e. divestment requires majority support. The status quo position does not require the same test.

The eventual decision will remain a matter for Pension Committee members.

Question 2

The survey report presents statistics but provides no explanation of the scientific method used to design or test the survey questions. There is no information on piloting, validation, neutrality checks, or how potential question bias was assessed. Independent analysis shows several statements in the survey were presented as factual claims without supporting evidence, which risks influencing how members responded.
What scientific or quality-assurance process did the Committee use to develop and test these questions, and why was this not disclosed? How will the Committee ensure future consultations follow recognised standards for neutrality and transparency?

The survey design followed market research best practice, The questionnaire adhered to tried and tested design principles, to ensure questions covered competing issues without leading the respondents. Furthermore, answers were requested on a 5-point scale to reflect different strengths of opinion including those who were unsure.

It was also important to keep the questionnaire short, to engage the audience, maximise response rates, and critically to encourage all members to complete the survey, not just those with strong opinions. Where contextual information was shared, we ensured this included different aspects of Aerospace & Defence, e.g. defence of the UK, harm to civilian populations, adverse environmental impacts.

Before its launch, the survey was piloted with c.100 employees. This surfaced the need for various text improvements and changes to the email introduction. The survey was modified based on the pilot and was then shared with members of the Pension Committee. They posed significant challenges to some of the contextual information and questions, which were improved accordingly. The Committee's views led to important changes and the survey was published with their support.

Regarding the survey summary report, as the design and piloting process was standard practice for survey research, in this context it was felt that the report discussed the research methodology with appropriate granularity.

Question 3 – Conflict of Interest

William Liew, UWE's Finance Director, sits on the APF Committee while UWE receives MoD-funded research, yet no conflict of interest was declared when voting to maintain these investments. This raises serious concerns about impartiality and the integrity of the decision-making process.
What steps will the Committee take to formally investigate and address undeclared conflicts of interest, and how will it ensure that decisions about investing public money are made independently, transparently, and without influence from institutions benefiting from defence-sector funding?

All Committee members must follow the applicable Fund and Council policies, which include declaring any relevant interests before participating in decisions.

It is a matter for Mr Liew to consider whether he has a Conflict of Interest. The Pensions Committee cannot exclude Mr Liew from participating in the debate or decision making. It would be for the Council's Standards Committee to investigate and address any undeclared conflict of interest, if a complaint were made.