

Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	20 November 2025	
TITLE:	Avon Pension Fund Annual Report to Council	
WARD:	All	
AN OPEN PUBLIC ITEM		
<b>List of attachments to this report:</b> Appendix 1 – The Avon Pension Fund Committee’s Annual Report to Council 2024/25 Appendix 2 – Local Pension Board – Annual Report 2024/25 Appendix 3 – Terms of Reference for Committee & Investment Panel		

## **1 THE ISSUE**

- 1.1 The Avon Pension Fund Committee discharges the responsibilities of the Council in its role as the administering authority of the Avon Pension Fund in accordance with the Local Government Pension Scheme Regulations 2013 (as amended).
- 1.2 The Committee reports annually to Council on the work it has undertaken in the previous twelve months and reference is also made in the report to the future work programme. This report is for the 12 months to 31 March 2025.
- 1.3 As background to this report members should be aware that Bath & North East Somerset Council has a dual interest in the Avon Pension Fund, firstly as administering authority and secondly as one of the employing bodies. This report focuses entirely on the Council’s role as administering authority.

## **2 RECOMMENDATION**

**The Council is asked;**

- 2.1 To note the Committee’s Annual Report to Council
- 2.2 To note the Pension Board’s Annual Report

### **3 THE REPORT**

- 3.1 The Annual Report for 2024/25 is attached as Appendix 1 to this report. The document is primarily for the Council's purposes. However, it will be circulated to the employing bodies within the Fund to improve transparency about the Committee's activities and the decisions taken.
- 3.2 The Public Service Pensions Act 2013 required the Council to establish a local pension board to assist the administering authority with the effective and efficient management and administration of the scheme. The Avon Pension Fund's Pension Board has published its annual report for 2024/25 which is included as Appendix 2.

### **4 FUTURE ACTIVITIES**

- 4.1 Brunel Pension Partnership now manages over 90% of the Fund's assets (including all listed securities) in line with government guidance for pooling. However, in April the government rejected Brunel's proposal for the future of pooling. It directed the Fund, along with the other LGPS funds in the Brunel pool, to join another pool. There were then extensive discussions with other possible pools but due to government guidance only one option emerged as available. Therefore the Fund has now informed MHCLG that it is in discussions with Local Pension Partnership Investments (LPPI). This pool currently comprises the London Pensions Fund Authority (LPFA) and the Lancashire & Berkshire funds.
- 4.2 The Committee has been challenged by a number of stakeholders about its investment policies, in relation to the conflicts in the Levant. In March the Committee agreed to maintain its existing policy of not investing in firms which fail to comply with Principle 2 of the UN Global Compact (this excludes makers of cluster & anti-personnel munitions) but not to disinvest further.
- 4.3 It also agreed to undertake a survey of its members; this took place in September 2025. The survey results showed that 47% of members surveyed were in favour of remaining invested with 42% preferring to divest. The committee will discuss the survey results and other factors such as legal advice and make its final decision at the next formal meeting on 12<sup>th</sup> December.

### **5 STATUTORY CONSIDERATIONS**

- 5.1 The Council is required to put in place arrangements for the effective discharge of its business

### **6 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 6.1 The costs of administering the Avon Pension Fund are recharged to the employing bodies through the employer contribution rates which are set by the actuary every three years as part of the valuation.

### **7 RISK MANAGEMENT**

- 7.1 As set out in the annual report, there are regular reviews of the Fund's risk register.

### **8 EQUALITIES**

- 8.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

## 9 CLIMATE CHANGE

9.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and is addressing this through its strategic asset allocation to Paris Aligned Global Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

## 10 OTHER OPTIONS CONSIDERED

10.1 None

## 11 CONSULTATION

11.1 The Pension Fund Committee delegated the drafting of the Annual Report to Council to Officers and the Chair (subject to informal consultation with Committee members prior to the Chair approving the report).

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<b>Background papers</b>	<i>Pension Fund Committee papers</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	