

Bath & North East Somerset Council	
MEETING:	LOCAL PENSION BOARD OF AVON PENSION FUND
MEETING DATE:	3 December 2025
TITLE:	1. Investment Update – member survey on Aerospace & Defence
WARD:	ALL
AN OPEN PUBLIC ITEM	
List of attachments to this report: Appendix 1 – Member Survey 2025	

1 THE ISSUE

- 1.1 During 2024-25, some Fund members expressed deep concern about armed conflicts, especially those in the Middle East, and Avon Pension Fund's indirect association with such conflict through its investments in Aerospace & Defence (A&D) companies.
- 1.2 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 A&D companies should play any role in the Funds' investments.
- 1.3 As A&D divestment would be a non-financial decision, it would require evidence that a 'broad consensus' 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.

2 RECOMMENDATION

- 2.1 That the committee:
 - 2.1.1 notes the methodology and survey results and that the Pension Committee, as the strategic decision making body of the Fund, will make its final decision on Aerospace & Defence investments at its next meeting on 12 December 2025.

3 THE REPORT

4 SURVEY METHODOLOGY

- 4.1 The survey was conducted online only.
- 4.2 This is 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 profile¹ of members for whom APF holds email addresses and the total membership.
- 4.3 The survey was designed to be short and simple – taking no more than 5 minutes to complete. Brevity is a critical lever for engagement and maximising survey completion rates.
- 4.4 From c.100,000 unique members, 31,000 members had given permissions to be contacted by email. The Fund contacted 26,360 members via email, from which it received 2,500 responses, a 9.5% response rate which is very high vs similar surveys, yielding a statistically significant confidence level exceeding 98%.

5 SURVEY RESULTS

- 5.1 Members express concern about harm caused to civilians and the environmental impact of the A&D sector.
- 5.2 At the same time members also show majority support for A&D companies contributing to UK defence and local employment.
- 5.3 In aggregate the APF membership is split on the A&D issue.
- 5.4 47% of members express a preference for continuing to invest in A&D, though 42% would prefer the Fund to cease investing in the sector. 11% are unsure.
- 5.5 Interestingly older members and males tend to prefer continuing investment in the sector, whereas females and younger members offer a very different profile and prefer ceasing investment in the sector.

6 STATUTORY CONSIDERATIONS

4.1 Bath and North East Somerset Council, in its role as administering authority, has executive responsibility for the Avon Pension Fund. The Council delegates its responsibility for administering the Fund to the Avon Pension Fund Committee which is the formal decision-making body for the Fund.

4.2 The Pension Board has an advisory role in assisting the administering authority by making recommendations about compliance, process and governance. The Board does not have a decision-making role.

7 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 7.1 None for the pension board to consider.

¹ Specifically gender and age

8 RISK MANAGEMENT

- 8.1 An effective governance structure, defining clear responsibilities, and ensuring that the decision making body has an adequate level of knowledge and access to expert advice, is a key aspect of the risk management process

9 EQUALITIES STATEMENT

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

10 CLIMATE CHANGE

- 10.1 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 regularly monitored and reviewed by the Pensions Committee.

11 OTHER OPTIONS CONSIDERED

- 11.1 None.

12 CONSULTATION

- 12.1 The Report and its contents have been discussed with the Head of Pensions representing the Avon Pension Fund and the Director of Financial Services, Assurance & Pensions representing the administering authority.

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Background papers	None
Please contact the report author if you need to access this report in an alternative format.	