

<b>Bath &amp; North East Somerset Council</b>	
MEETING:	<b>AVON PENSION FUND COMMITTEE</b>
MEETING DATE:	<b>27 March 2026</b>
TITLE:	<b>Governance Update</b>
WARD:	<b>ALL</b>
<b>AN OPEN PUBLIC ITEM</b>	
<p>List of attachments to this report:</p> <p>Appendix 1 – Committee Workplan</p> <p>Appendix 2 – Training Programme</p> <p>Appendix 3 – TPR GCOP Action Plan 2025</p> <p>Appendix 4 – TPR GCOP Action Plan 2026</p> <p>Appendix 5 &amp; 5a – Risk Register</p> <p>Appendix 6 &amp; 6a,6b,6c – Internal Audit Annual Review</p>	

## **1. THE ISSUE**

- 1.1. Attached to this report is:
- 1.2. The workplan for the Committee is attached as Appendix 1 and the provisional training programme is included as Appendix 2.
- 1.3. The Fund's action plan to meet compliance with The Pension Regulator's (TPR) General Code of Practice is attached as appendices 3 and 4.
- 1.4. The Fund's risk register is attached as appendix 5.
- 1.5. Internal Audit's annual review is attached as appendix 6.

## **2. RECOMMENDATIONS**

### **The Committee is asked to;**

- 2.1. Note the Committee workplan & training programme
- 2.2. Note the TPR's General Code of Practice action plan
- 2.3. Note the risk register
- 2.4. Notes Internal Audit's annual review

## **3. THE REPORT**

### **3.1. Committee Workplan**

3.1.1. The workplan for the Committee for the year ahead is attached as Appendix 1. The purpose of the workplan is to provide members with an indication of their future workload and the associated timetable. The plan is subject to change to reflect either a change in priorities or opportunities / issues arising from the markets/regulations.

### **3.2. Training Programme**

3.2.1. The provisional training programme for 2026 is also included as Appendix 2, so that members are aware of intended training sessions and workshops. The plan will be updated quarterly.

### **3.3. Hymans LGPS Online Learning Academy (LOLA)**

3.3.1. In order to meet the additional knowledge and skills requirements of SAB's Good Governance Review the Fund has introduced Hymans LGPS Online Learning Academy (LOLA).

3.3.2. Committee members have agreed to complete all training modules within twelve months of becoming a Committee member and repeat the completion of the modules every three years.

3.3.3. The training is split into a number of modules covering the CIPFA Knowledge & Skills Framework.

3.4. The modules are set out below:

- Committee Role & Pensions Legislation
- Pensions Governance
- Pensions Administration
- Pensions Accounting and Audit Standards
- Procurement & relationship Management
- Investment Performance & Risk Management
- Financial Markets & Products
- Actuarial Methods, Standards & Practices
- Current Issues

The schedule for completion of the modules is contained within the training programme (Appendix 2)

### **3.5. TPR General Code of Practice (GCOP)**

3.5.1. In March 2024 The Pensions Regulator (TPR) combined various codes of practice into a single General Code of Practice which is applicable to most public and private occupational pension schemes, including the LGPS.

3.5.2. The Fund conducted an assessment against the requirements of the code and presented an action plan to the Committee in March 2025, with the aim of reaching compliance with the code over the next year.

3.5.3. Appendix 3 sets out the updated action plan with progress up to March 2026.

3.5.4. Appendix 4 is the Fund's new plan for 2026 setting out a few actions which were not able to be completed in 2025.

3.5.5. The full GCOP can be found by visiting TPR website  
<https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice>

### **3.6. Risk Management Review**

- 3.6.1. The risk register and framework is attached as appendix 5 and 5a. The quarterly review has taken place with the following changes made to risks and scores for this quarter:
- 3.6.2. NR01 – Poor service levels below agreed standards – the likelihood of this risk has been reduced from likely to possible to reflect the fact that the administration is in a much better position, with backlogs reduced, KPIs consistently met and recruitment and retention stable.
- 3.6.3. NR02 – Regulatory changes – the pre mitigant score has been reviewed and the likelihood amended from likely to almost certain. The post mitigant likelihood is also almost certain as although the mitigants are managing the impacts the amount of change still make it likely that member outcomes could be impacted.
- 3.6.4. NR19 – Move to new asset pool – the latest position reflects more certainty now that the move to LPPI has been confirmed, with legal agreements nearly finalised. The likelihood has been reduced from almost certain to likely as the consequences of the impacts identified are now less likely.
- 3.6.5. NR12 – Failure to achieve decarbonisation targets – this risk has been reworded so the emphasis is on interim targets. The pre mitigant score has been updated to high and likely moving to medium and possible post mitigant actions.
- 3.6.6. NR11 – Brunel fails to deliver client objectives – this risk has been reworded to reflect the move to LPPI, although the actual risks remain the same.
- 3.6.7. NR04 – Governance of Fund – the SAB Good Governance Review has been updated to Fit for Future. Following advice from Internal Audit the risk associated with fraud has been added to this risk and a counter fraud risk assessment will take place during the year.
- 3.6.8. NR16 – Cashflow profile is maturing - the cash buffer has been further increased from £25m to £30m to meet increasing monthly outflows
- 3.6.9. The changes mean that 'red' risks have reduced from 4 to 2. Our current top 2 risks are:
- NR06 – the loss of IT including cyber attack and loss of power.
- NR02 – Regulatory Changes

### **3.7. Internal Audit's Annual Review**

Internal Audit presented their findings to the Pension Board on 11<sup>th</sup> March. The Pension Board meeting report is attached as appendix 6, 6a, 6b & 6c.

#### **4. FUTURE MEETING DATES**

4.1. Pension Committee meetings as currently scheduled:

<b>2026</b>
27 March
26 June
18 September
11 December

4.2. The provisional dates for the Investment panel meetings are:

<b>2026</b>
25 Feb 2026
02 Jun 2026
04 Sept 2026
26 Nov 2026

#### **5. STATUTORY CONSIDERATIONS**

5.1. 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.

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

6.1. There are no direct implications related to the Committee in connection with this report

#### **7. RISK MANAGEMENT**

7.1. 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.

#### **8. EQUALITIES STATEMENT**

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 addresses 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 Council's Director of Assurance, Risk & Pensions has had the opportunity to input to this report and has cleared it for publication.

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