

Avon
Pension
Fund



Annual Report

2024/25



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Foreword 2024/25

I am pleased to present the Annual Report for 2024/25. The past year has been one of strong performance in our core operations. This report provides a comprehensive overview of the achievements and challenges during the last year.

Global markets were broadly favourable during 2024. Equities increased in value by 15% driven by US equities, while UK government bonds recovered as interest rate expectations declined. We enter 2025 in a robust financial position.

Following our 2023 investment strategy review and subsequent investments with local impact, the Fund has appointed new asset managers focused on renewable infrastructure, affordable housing, and small business funding. The Fund continues to exceed its climate targets including progress towards Net Zero by 2045.

We have also seen significant improvements in service quality. As part of our support for employers, we launched a new employer website in December 2024 with an online portal and e-forms to simplify data submissions and change requests.

Investments

The value of the Fund's assets was £5.8 billion at 31 March 2025. During the year we continued our investments in our Local Impact Portfolio and, by the end of the financial year, we had invested £41 million of the target £175 million.

We continue to make progress towards achieving Net Zero 2045 set in 2023/24, with the overriding objective to deliver real world impact on carbon emissions and enabling transition to a low carbon economy. Over the last 5 years the Carbon Footprint of the listed equity portfolio has decreased by 71% relative to the baseline year of 2019/20 and the corporate bond portfolio footprint has decreased by 65%. This is due to a number of factors including a decrease in carbon emissions from the companies we invest in.

Brunel Pension Partnership now manage over 90% of our assets including all listed securities, in line with government guidance for pooling.

Throughout the year, we have actively engaged with stakeholders about our investment policies. At our December 2024 and March 2025 Committee meetings, we received petitions and statements regarding our investments in aerospace and defence (A&D). In March the Committee voted in principle to remain invested in these sectors and committed to surveying members to better understand their views.

Funding and contributions

Higher bond yields reduced the present value of future liabilities, which was the main driver in the funding level rising to 102%. The next triennial valuation struck at 31 March 2025 is in progress and will set employer contribution rates for the 3 years from April 2026. The average employer contribution rate is 18.6% of salaries¹ which we anticipate will be lower for most employers following the 2025 valuation. The funding strategy is prudent,

¹ 18.6% is the rate for future pension accruals. The majority of employers also pay 1-2% to cover the deficit accumulated in respect of previously accrued pensions.

with the aim of keeping employer contribution rates stable over time.

During the year we paid out £250 million in pension benefits and received £251 million in contributions from employers and active members.

Administration

Cost efficiency is important for the Fund and national data shows that we incur lower unit costs than the average LGPS fund. However, increasing complexity and growth in employer numbers has made service delivery challenging. As a result, the administration function restructured in August 2024 to improve service through greater digitalisation.

The fund has agreed a new administration software package, to ensure digital delivery of services including cloud-based hosting, data connection with the UK-wide Pensions Dashboard, the member website, and improved data cleansing. A new project to tighten controls across administration kicked off in 2025, which is reviewing all key processes to ensure the most efficient and secure controls are in place.

A project during 2024/25 resulted in a material reduction in backlogs, leading to an improved service experience for members. 90% of service requests are now addressed within required timeframes. The McCloud Project to implement the remedy is on track to be completed by the August 2025 deadline.

Governance

The Scheme Advisory Board's (SAB) Good Governance Project, making changes to LGPS governance, now forms part of the Government's 'Fit for the Future' Consultation. The Fund had already adopted the guidelines and its governance and training policies are consistent with SAB recommendations.

At the end of March 2024, The Pension Regulator released its General Code of Practice, consolidating 10 separate Codes. During the year, the Fund reviewed the new Code and an action plan to meet compliance with new requirements is being implemented in 2025.

Future activity and thanks

The government rejected Brunel's future pooling proposal after year-end. In 2025/26 we, along with other LGPS funds in the Brunel pool, will explore new arrangements and the process to join a new pool. The survey of member views on A&D investments will take place in September 2025. The Committee will revisit its decision on A&D investments later in 2025, in the light of the survey results, alongside legal and financial considerations.

I would like to thank all staff of Avon Pension Fund for providing very good service in the face of difficult challenges, and the Pensions Committee and Board for their wholehearted support for the Fund. I would like to thank Councillor Paul Crossley for his leadership of the Committee for the two years to May 2025, and Councillor Shaun Stephenson-McGall for his valuable work as Vice-Chair and leadership of the Investment Panel.

Councillor Toby Simon

Chairman, Avon Pension Fund Committee

1. Overall Fund Management (as at 31 March 2025)

Scheme Management and Advisors

The administering authority of the [Avon Pension Fund](#) (the Fund) is [Bath and North East Somerset Council](#).

Table 1.1: Senior Council Officers

Name	Title
Christopher Kinsella	Interim Executive Director Resources (with S151 designation)
Simon Parker	Executive Director of Resources
Jeff Wring	Director of Financial Services, Assurance & Pensions
Nick Dixon	Head of Pensions
Liz Woodyard	Group Manager – Funding, Investment and Risk
Claire Newbery	Pensions Operations Manager
Michael Hewitt	Head of Legal and Democratic Services

Table 1.2: Members of the Avon Pension Fund Committee

The Council delegates responsibility for administration of the Fund to the [Avon Pension Fund Committee](#) (the Committee). The structure of the Committee is set out in the below table.

Title	Area of Representation	Joined/Left
Councillor Paul Crossley	Bath and North East Somerset Council	(Chair until 22 May 2025)
Councillor Shaun Stephenson-McGall (Vice-Chair)	Bath and North East Somerset Council	
Councillor Chris Dando	Bath and North East Somerset Council	
Councillor Joanna Wright	Bath and North East Somerset Council	

Title	Area of Representation	Joined/Left
Councillor Toby Simon	Bath and North East Somerset Council	(Chair from 22 May 2025) ²
Councillor Steve Pearce	Bristol City Council	Left in May 2024
Councillor Fi Hance	Bristol City Council	Joined in June 2024
Councillor Tom Renhard (Reserve Member)	Bristol City Council	Joined in June 2024
Councillor Robert Payne	North Somerset Council	
Councillor Mike Drew	South Gloucestershire Council	
Charles Gerrish	Academies	
William Liew	Higher and Further Education	
Pauline Gordon	Independent Member	
John Finch	Independent Member	
Jackie Peel	Independent Member	
Wendy Weston	GMB Union	
Kate Kelliher	Town and Parish Councils	Left in March 2025

Table 1.3: Members of the Local Pension Board

The [Local Pension Board](#) assists the Council to secure compliance with regulations, legislation and requirements. The structure of the Local Pension Board is set out in the table below.

Title	Type of Representative	Term
Nick Weaver	Independent Chair	
Steve Harman	Employer	
Stuart Anstead	Employer	
Tony Whitlock	Employer	Left in May 2024
Helen Ball	Member	

² The position of Committee Chair changed post-March 2025 but this has been highlighted for clarity and consistency.

Title	Type of Representative	Term
Alison Wyatt	Member	
Jon Evans	Employer	Started in October 2024

Figure 1.1: External Partners



Table 1.4: External partners

Company Name	Company Type	Website
BlackRock	Investment Manager	https://www.blackrock.com/uk
IFM Investors	Investment Manager	https://www.ifminvestors.com/
Schroders	Investment Manager	https://www.schroders.com/en/global/individual/
Schroders Capital	Investment Manager	https://www.schroderscapital.com/en/global/professional/

Company Name	Company Type	Website
J.P. Morgan Asset Management	Investment Manager	https://www.jpmorgan.com/global
Partners Group	Investment Manager	https://www.partnersgroup.com/en
Brunel Pension Partnership	Investment Manager	https://www.brunelpensionpartnership.org/
Record Financial Group	Investment Manager	https://recordfg.com/
Octopus Capital	Investment Manager	https://octopus-capital.com/
Mercer	Actuary & Consultant	https://www.mercer.com/en-gb/
Osborne Clarke	Legal Advisor	https://www.osborneclarke.com/
NatWest	Banker	https://www.natwest.com/
Legal & General	AVC Provider	https://www.legalandgeneral.com/
Grant Thornton	External Auditor	https://www.grantthornton.co.uk/
State Street	Global Custodian	https://www.statestreet.com/us/en/asset-manager

Risk management

The Avon Pension Fund Committee must ensure robust risk management is in place, to enable compliance with regulations and manage risks faced by the Fund. The Investment Panel (the Panel) strengthens risk management regarding investment issues.

The Fund's approach to risk management is to mitigate risks rather than eliminate them as set out in the Fund's Risk Management Policy. Risk is identified and managed as follows:

The Risk Register

This identifies risks which could have material impact on the Fund in terms of service, financial impact, reputation, or compliance. It sets out the risks pre and post mitigating actions which have been implemented.

The Fund identifies and evaluates risks and implements controls to mitigate them. The register is reviewed by the management team and reported to the Committee and Pension Board (the Board) quarterly. Risks are also reviewed when there has been a material change. Risks fall into the following categories, owned by the relevant member of the Fund's management team:

Table 1.5: Risk management

Category of Risk	Risk Owner
Administration	Pensions Operations Manager
Regulatory	Technical and Compliance Advisor
Governance	Governance and Risk Advisor
Employers (Funding)	Funding and Valuation Manager
Employers (Data)	Employer Services Manager
Investments	Investments Manager
Finance	Finance Manager, Pensions & Investments

The Head of Pensions is responsible for overseeing the work of risk owners and ultimately agreeing any changes to the risk register whilst the Governance and Risk Advisor ensures the risk register is accurately updated, with reports prepared for the Committee and the Board.

The Committee is responsible for ensuring risks are effectively managed. It reviews the risk register at each quarterly meeting. The Panel focuses on investment risks and makes recommendations to the Committee and risk owners. The Board has an independent oversight role, to ensure the overall risk framework is robust and compliant with regulations.

Internal controls and processes are in place to manage administration, financial and other operational risks. The Council's Internal Audit Team annually assesses the Fund's

processes to provide independent assurance that adequate controls are in place. The findings of all internal audits are reported to the Committee.

During the year, Internal Audit completed six audits which were finalised as per the below summary:

- Pensions Payroll – Level 4, Substantial Assurance
- Scheme of Delegation – Level 3, Reasonable Assurance
- Year End Processes – Level 3, Reasonable Assurance
- Annual Benefit Statements – Level 3, Reasonable Assurance
- Governance of Local Impact Investments – Level 4, Substantial Assurance
- Pensions Increases – Level 3, Reasonable Assurance

All internal audits are finalised with a detailed action plan agreed with the relevant manager. Actions are diligently monitored throughout the year.

The Internal Control Report of the investment managers and custodian are reviewed annually to ensure their operational control environment is adequate, the results of which are reported to Committee. Where the Fund invests in a pooled investment fund, the audited accounts of the fund are also reviewed annually.

The Fund's Risk Register can be found in the [March 2025 Committee Report Pack](#) and a summary of the top ten risks can be found below.

1. Governance – loss of IT, including cyber-attack and loss of power

Like most organisations, the risk of a cyber-attack is high. It remains our highest risk and the impact would be critical. Fund operations could potentially be impacted with consequences of late payments to members, loss of data and delayed administration, just to name a few.

The Fund adheres to the Council's Cyber Security Policy and is protected by the Council's security defences. Officers are required to take the Council's cyber security training module annually and this is supplemented with training and workshops delivered by the Governance and Information Governance Teams along with weekly email reminders.

A Business Continuity Plan is in place primarily to deal with 'disaster recovery' and includes contingency measures in the event of a cyber-attack or general loss of power, which would affect the whole Fund and its operational and administrative systems. The plan identifies critical activities whose failure would lead to an unacceptable loss of service and member records. It sets out measures to minimise the risk of disruption to service and specifies what 'triggers' the contingency measures coming into effect. The disaster recovery process is tested and updated annually.

2. Administration - poor service levels below agreed standards

The main risk relates to the inability of the Fund to deliver service to agreed standards, e.g. not paying pension benefits accurately. Such failure could lead to adverse member outcomes and potentially action from the Pensions Regulator.

To mitigate these risks, the Fund has multiple actions in place. The Fund tracks service quality weekly through robust performance statistics, which inform actions and priorities for

the following week. Key performance indicators (KPIs) and complaints are monitored regularly and actions taken where necessary. There is a focus on staff recruitment, retention, and training to ensure that the right capacity and skills are in place to administer the Fund and serve members. Administration processes have undertaken a thorough review and are being strengthened through end-to-end redesign, embedding of proportionate controls and plans to digitise services to improve operational efficiency.

3. Governance – failure to manage personal data per regulations

Failure to secure member data in accordance with data protection regulations is a significant risk, e.g. if individual member records were shared with unauthorised external parties.

The Fund's Privacy Notice and Data Retention Policy are published on the Fund website, then reviewed and amended at least annually. In addition, a Record of Processing Activities (ROPA) is maintained internally and reviewed annually or following process changes. The published Memorandum of Understanding clearly sets out the data sharing arrangements and expectations regarding data use by the Fund's employers.

The Fund has robust processes in place to manage Freedom of Information Requests (FOI) and Subject Access Requests (SAR) in a timely manner and works with the Council's Data Protection Officer to ensure responses comply with data protection legislation. Data breaches are recognised, reported, and remedial actions are implemented in line with the Information Commissioner's Office (ICO) guidance.

Regular data protection and cyber security training is completed by all officers using Bath and North East Somerset Council's online e-learning and refresher courses. This is supplemented by further internal training in the form of presentations, workshops and reminder emails.

Data protection is a core consideration when implementing business change and projects are monitored by the Governance Team in this respect. Data Protection Impact Assessments and Data Processing Agreements are implemented for all relevant projects.

4. Investments – failure to achieve decarbonisation targets

There is a risk that the Fund fails to meet its 2045 net zero target or interim targets agreed by the Committee, such as by 2030 divesting from high emission companies not aligning to net zero.

The Fund's climate exposure is assessed annually with climate risk analysis embedded into strategic decision making. Brunel's comprehensive Climate Change Policy and approach to investing underpins each portfolio.

5. Investments – failure to earn investment returns as per funding strategy

Investments by their very nature expose the Fund to varying degrees of risk, including market, interest rate, foreign currency, and liquidity risks. Accepting investment risk is essential to drive attractive long-term returns, indeed reducing investment risk too low can lead to poorer returns and higher employer contributions.

The investment decision-making process, supported by expert independent advice, is designed to ensure appropriate investment risk compatible with the Fund's long term investment objectives. The Investment Strategy Statement sets out the investment strategy and how investment risks are considered and managed. The Statement of Accounts includes a disclosure on Financial Risk Management with particular reference to the investment strategy.

The Fund also considers environmental, social and governance (ESG) issues including the risk of climate change. Such risks are managed through asset diversification, pooling of assets, and fund manager selection. The Investment Strategy is reviewed periodically after the triennial valuation with the next formal review in 2025/26.

In between strategic reviews, the Committee and Panel monitor the performance of the investment strategy, providing flexibility to alter the strategy if required.

The provision of expert advice is a key element of the risk management process. The Fund has appointed investment consultants to provide strategic investment advice as well as advising on managers' performance and risk management.

6. Employers – failure to comply with regulatory responsibilities, regulations or Funding Strategy Statement

Potential insolvency of scheme employers, leaving outstanding liabilities in the Fund, is a significant financial risk. A further risk is potential lack of compliance with regulatory responsibilities. Late payment of contributions and incorrect or missing data submissions can mean that contribution rates are incorrectly calculated, for example.

The Funding Strategy Statement sets out the Fund's funding strategy, policies and employer obligations. It is reviewed at least every three years as it forms the basis for the actuarial valuation.

Regulations require all bodies that wish to be admitted to the Fund to be guaranteed by a scheme employer(s) or to provide a bond to protect the Fund in the event of insolvency. The Fund monitors the financial sustainability of scheme employers and takes this into account when setting contribution rates. Policies on employer financial stability are set out in the Funding Strategy Statement and Investment Strategy Statement.

Significant internal resources are spent on data cleansing to ensure there is good quality of data. Processes for management of employers is set out in the Administration Strategy and Memorandum of Understanding. Employers are engaged in regular training and key performance indicators are recorded, monitored and compared with The Pension Regulator's (TPR) standards.

7. Investments – failure of objective/service delivery (Brunel Pension Partnership)

The Fund is a member of Brunel Pension Partnership (Brunel), a Financial Conduct Authority (FCA) authorised company which pools and manages its investment assets. Strategic decisions such as asset allocation remain with the Committee; Brunel implements the Fund's strategy.

Key risks with Brunel are that it selects asset managers which persistently under-perform, that funds are not properly controlled, and that its service to the Fund does not meet agreed standards.

The investment management process is outsourced to investment managers, mainly Brunel and the global custodian. This arrangement provides a clear segregation of duties, with the in-house Investments team closely monitoring performance and compliance with regulations. In addition, the audited internal control reports for each of the investment managers are reviewed annually. Brunel's control environment is monitored by the Fund and other LGPS funds participating in the pool.

8. Investments – structural reform to LGPS/Pooling

A government consultation in late 2024 signposted the need for greater consolidation of the LGPS asset pools, with the intention of legislating in 2025 via a Pensions Bill.

There are limited mitigating actions to government mandated changes to the structure of pooling or the management of the Fund's assets. This creates a risk of an increase in workload for funds and pools alike and the potential for staff retention issues particularly within the pool company during a period of uncertainty.

9. Governance – governance of Fund not in accordance with APF policies and inadequate controls

If the Fund is not governed adequately in line with existing policies, regulations and controls, it is at risk of fines, disciplinary issues and reputational damage.

Fund policies are reviewed and approved by the Committee according to a schedule or when material changes are made. Some policies are shared with the Council but the Fund operates its own policies and procedures where they are pensions specific.

The Fund has also reviewed its compliance with the Pension Regulator's General Code of Practice published in March 2024 and put in place an action plan to reach full compliance by March 2026.

The Council's Internal Audit Team carries out an annual plan of activity to provide independent assurance to the Fund's senior officers and members that governance, risk management and the related framework of internal controls are sufficient to deliver the Fund's objectives.

10. Regulatory – changes to regulations

The Local Government Pension Scheme (LGPS) experiences regular regulatory changes, for example the implementation of the McCloud judgement and the abolition of the lifetime allowance and resulting pension tax changes. The obligation to implement such changes within tight timeframes imposes strain on resource and can have knock-on effects for general administration.

The Fund monitors regulatory changes through the Local Government Association and professional advisers. Officers also regularly attend working groups with other funds and hosted events with professional pension bodies. And the overall administration plan of the Fund integrates regulatory change work with other priorities.

2. Governance and Training

Avon Pension Fund Committee

As administering authority, Bath and North East Somerset Council (the Council), has legal responsibility for the Avon Pension Fund (the Fund) as set out in the Local Government Pension Scheme (LGPS) Regulations.

The Council delegates responsibility to the Avon Pension Fund Committee (the Committee) as the formal decision-making body. The Committee's role is strategic, making the big decisions in areas such as climate objectives, the annual budget, and target service standards. The Committee also sets the Fund's policy framework and monitors implementation and compliance vs that framework.

The Committee met formally each quarter during 2024/25. In addition, two workshops were held to discuss The Pension Regulator's new General Code of Practice and the interim Fund valuation. Hymans Robertson delivered the workshop for the General Code of Practice and the Fund's Actuary Mercer helped officers to discuss the interim valuation. Terms of Reference for the Committee and Investment Panel, agreed by the Council, are available on our website: www.avonpensionfund.org.uk/about-fund/how-avon-pension-fund-works

Governance of Brunel Pension Partnership is managed by a sub-group of the Committee overseeing this important relationship. It met as needed during the year to discuss specific shareholder and client matters. The Committee Chair represents the Fund on the Brunel Oversight Board and as the Shareholder Representative.

Table 2.1: Avon Pension Fund Committee structure

Committee Structure	
14 voting members	• 5 elected members from Bath and North East Somerset Council • 1 elected member from Bristol City Council • 1 elected member from North Somerset Council • 1 elected member from South Gloucestershire Council • 3 independent members • 1 nominated member from higher/further education bodies • 1 nominated member from the academy bodies • 1 nominated member from the trade unions
3 non-voting members	• 1 nominated member from the town and parish councils • 2 nominated members from the trade unions

Investment Panel

The Committee delegates authority to the Investment Panel for specific investment decisions and assessing performance. The Panel consists of up to six voting members from the Committee. The Panel met formally four times during 2024/25.

The Committee is supported by several external advisers; Mercer advise on actuarial and investment matters and Osborne Clarke provide legal advice. The Committee, officers, external advisers, and Brunel all operate in accordance with relevant regulations namely the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Management & Investment of Funds) Regulations 2016, CIPFA Codes and the Pensions Regulator's Code of Practice.

Table 2.2: Committee member attendance

Member	June 2024	September 2024	December 2024	March 2025
Paul Crossley	Yes	Yes	Yes	Yes
Chris Dando	Yes	Yes	Yes	Yes
John Finch	Yes	Yes	Yes	Yes
Pauline Gordon	No	Yes	Yes	Yes
William Liew	Yes	No	Yes	Yes
Fi Hance	Yes	No	Yes	Yes
Shaun Stephenson-McGall	No	Yes	No	No
Wendy Weston	Yes	Yes	Yes	Yes
Jackie Peel	Yes	Yes	Yes	Yes
Charles Gerrish	No	No	Yes	Yes
Joanna Wright	No	Yes	Yes	Yes
Toby Simon	Yes	Yes	Yes	Yes
Robert Payne	Yes	Yes	Yes	Yes
Mike Drew	Yes	Yes	Yes	Yes
Kate Kelliher	Yes	No	Yes	Yes

Table 2.3: Investment Panel member attendance

Member	June 2024	September 2024	November 2024	February 2025
Paul Crossley	No	Yes	Yes	Yes
Chris Dando	Yes	No	Yes	Yes
John Finch	No	Yes	No	Yes
Pauline Gordon	Yes	Yes	Yes	Yes
Shaun Stephenson-McGall	Yes	No	Yes	Yes
Jackie Peel	Yes	Yes	Yes	No

Local Pension Board (LPB)

The LPB was established in 2015 following the Public Sector Pension Act 2013 and Local Government Pension Scheme (Governance) Regulations 2015. The LPB assists the administering authority secure compliance with LGPS regulations and requirements of the Pensions Regulator (TPR) and ensures efficient and effective governance and administration of the Fund.

The Board met formally four times during 2024/25. Pension board members also attended the workshops on The Pension Regulator's General Code of Practice and the interim Fund valuation alongside Committee members. Terms of Reference for the LPB are set out on the website: www.avonpensionfund.org.uk/about-fund/how-avon-pension-fund-works

Table 2.4: Local Pension Board member attendance

Member	June 2024	September 2024	December 2024	March 2025
Nick Weaver	Yes	Yes	Yes	Yes
Steve Harman	No	Yes	Yes	No
Alison Wyatt	Yes	Yes	Yes	Yes
Helen Ball	Yes	No	Yes	Yes
Stuart Anstead	Yes	No	No	No
Jon Evans			Yes	Yes

Training

The administering authority recognises the importance of training across Committee members, the Local Pension Board, and for officers making decisions in the Fund. Training is provided to ensure they all possess an appropriate level of knowledge, skill and understanding to carry out their duties. Specifically, the administering authority must ensure that:

- Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor implementation
- Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest

The Fund has a formal training policy based on CIPFA's (Chartered Institute of Public Finance and Accounting) Knowledge and Skills Framework for LGPS funds, used to assess training needs and prepare the annual training plan.

The Fund has adopted Hymans Robertson's LGPS Online Learning Academy, following additional knowledge and skills requirements introduced in the Scheme Advisory Board's (SAB) Good Governance Review. Completion of modules is mandatory for Committee and Board members. Training is also recommended for senior officers and a training plan has been agreed to complete specific modules in preparation for upcoming meeting agenda items.

Committee training

Committee training is delivered in a variety of formats, reflecting strategic breadth of the Committee's responsibilities and differing levels of knowledge. Much of the training is delivered through detailed reports, workshops, and discussion.

Committee members and officers are also encouraged to attend seminars and conferences to broaden their understanding of LGPS issues such as investments. New Committee members are encouraged to attend the Fundamentals Training Course offered by the LGA and induction sessions delivered by officers. New members must complete The Pension Regulator's (TPR) online toolkit and Hymans Robertson's LGPS learning academy. Officers' annual performance reviews identify training needs as well as monitoring individual performance vs objectives.

Table 2.5: Committee training

Training is given to Committee members to support knowledge of the various areas and functions of the Fund including governance, employers, funding and investments.

Various topics within these areas are covered including (but not limited to):

- legal responsibilities of the Fund and its employers
- regulations that govern Fund processes
- how the investment and administration strategies are set and monitored
- risk identification and management
- investment performance monitoring

Training is delivered by both external and internal training courses, conferences, Hymans Robertson's LGPS Online Academy and workshops. Members are able to further increase their knowledge through access to various reports and presentations, including audit reports, final accounts and formal meeting reports.

Local Pension Board Training

There is a plan in place for all members to complete the Hymans LGPS Online Training modules. All members also complete the TPR Public Sector Pension Toolkit. Committee and Board members attended the following events during the year.

Table 2:6: External training events for the Committee and Board

External Training	Attendees
Brunel Investor Day	Fi Hance, Jackie Peel, Joanna Wright, Paul Crossley
Local Government Association Governance Conference	Nick Weaver, Tom Renhard

Governance Compliance Statement

The Fund must publish a Governance Compliance Statement demonstrating the extent to which the Fund complies with best practice in pension fund governance. The Fund's latest statement was approved in June 2024. The statement shows a high level of compliance with best practice and is summarised below. <https://www.avonpensionfund.org.uk/about-fund/how-avon-pension-fund-works>

Table 2.7: Summary of the Governance Compliance Statement

Principle	Compliance Status	Comment
Governance structure	Compliant	- The decision-making structure is defined. - It includes the Committee, Investment Panel, Pension Board and the Fund's representation on Brunel's Oversight Board.
Representation	Partial compliance	- There is broad representation of employers and scheme members on the Committee. - Though admitted bodies are not represented as it is difficult to have meaningful representation from such a diverse group. - Full details are set out in the Fund's Representation Policy.
Selection/role of lay members	Compliant	Roles and responsibilities of all members are set out in a job description.
Voting	Compliant	- There is a clear policy on voting rights - Such rights have been extended to employer and member representatives.

Principle	Compliance Status	Comment
Training/Facility time/Expenses	Compliant	• There is a clear training policy. • The Fund pays training costs for members. • The training plan reflects Committee needs and a training log is maintained.
Meetings	Compliant	• Formal meetings are held quarterly. • Lay members are included in the formal arrangements.
Access	Compliant	• All members have equal access to meeting papers and advice.
Scope	Compliant	• Terms of reference include all aspects of investments, funding, administration, etc.
Publicity	Compliant	• All statutory documents are publicly available.

Conflicts of interest

Conflicts of interest are managed through the Fund's conflicts of interest policy. This policy sets out how the Council identifies, manages, and mitigates potential conflicts which may arise in carrying out its role as administering authority for the Fund.

The Council recognises that its dual roles as an employer participating in the Fund and the body legally tasked with its management can produce the potential for conflicts of interest. And those involved in managing or advising the Fund may find that they face competing incentives, financial or otherwise, as a result of their professional or personal circumstances.

Members of the committee who are a representative of an employer or stakeholder group may also have conflicts of interest between their role as Committee member and the view or stance of the employer/ stakeholder group they represent.

It is important, therefore, that these potential conflicts are managed in order to ensure that no actual or perceived conflict of interest arises and that all the Fund's employers and scheme members are treated fairly and equitably.

All members are required to declare any conflicts of interest at the start of each Committee and Board meeting. This is a standing agenda item.

3. Financial performance

Table 3.1 Employer contribution rates Year Ended 31 March 2025

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Principal Councils and Service Providers							
Avon Fire & Rescue Service	252	17.9	£600,530	£0	17.9	£543,844	£1,105,830
Bath & North East Somerset Council	3,361	18.7	£6,168,745	£1,658,845	18.7	£5,560,057	£1,584,560
Bristol City Council	8,657	18.3	£16,073,195	£0	18.3	£14,818,655	£13,925,810
North Somerset Council	1,891	18.5	£3,702,154	£1,836,240	18.5	£3,436,598	£1,685,780
South Gloucestershire Council	4,862	18.9	£7,386,500	-£113,800	18.9	£7,398,511	£1,557,010
West of England Combined Authority	369	15.3	£1,138,772	£130,500	15.3	£884,318	£124,800
Further & Higher Education Establishments							
Bath College	231	18.2	£314,824	£91,600	18.2	£295,521	£87,600
Bath Spa University	1,258	17.5	£1,595,859	£670,075	17.5	£1,382,285	£640,530
City of Bristol College	445	18.0	£582,830	£167,700	18.0	£510,276	£160,300
Offender Learning Services (part of Weston College)	31	20.9	£53,730	£37,000	20.9	£50,516	£35,400
South Gloucestershire & Stroud College	558	17.9	£686,277	£278,196	17.9	£677,508	£268,112
St. Brendan's Sixth Form College	120	18.2	£169,250	£43,200	18.2	£168,058	£41,300
University of the West of England	2,419	17.6	£4,621,528	£4,290,030	17.6	£4,653,254	£2,050,660
Weston College	310	15.9	£560,349	£233,400	15.9	£516,648	£223,100
Academies and Schools							
Abbeywood Community School	75	18.7	£94,208	£58,200	18.7	£87,704	£55,600
Abbot Alphege Academy	1	17.7	£4,889	£1,000	17.7	£8,634	£1,000
All Saints East Clevedon C of E Primary	23	19.3	£8,428	£3,910	19.3	£8,444	£3,720

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
School							
Ashcombe Primary School	77	18.9	£49,829	£63,950	18.9	£48,372	£61,110
Ashton Gate Primary School	84	19.5	£34,276	£9,200	-	-	-
Ashton Park School	82	18.6	£65,736	£51,040	18.6	£61,698	£49,900
Ashton Vale Primary School	21	18.6	£12,577	£7,140	18.6	£11,825	£7,000
Avanti Gardens School	16	15.9	£14,727	£700	15.9	£14,066	£800
Backwell C of E Junior School	10	20.7	£9,535	£10,360	20.7	£9,490	£9,880
Backwell School	111	18.8	£98,845	£140,071	18.8	£100,525	£133,760
Badock's Wood E-ACT Academy	19	18.0	£18,637	£13,450	18.0	£17,991	£12,900
Bannerman Road Community Academy	45	17.2	£35,620	£0	17.2	£33,084	£65,670
Banwell Primary School	19	19.2	£11,724	£8,900	19.2	£12,450	£8,510
Barrs Court Primary School	47	19.7	£17,728	£1,500	-	-	-
Barton Hill Academy	21	17.2	£27,291	£307	17.2	£26,415	£94,160
Bathampton Primary School	14	21.3	£9,197	£15,160	21.3	£8,110	£14,464
Batheaston Church School	38	21.7	£12,386	£38,720	21.7	£10,839	£37,046
Bathford Church School	23	20.8	£9,992	£9,390	20.8	£10,711	£8,997
Bathwick St Mary Church School	39	18.8	£17,301	£16,620	18.8	£15,233	£15,934
Becket Primary School	23	21.3	£19,121	£26,890	21.3	£17,400	£25,720
Bedminster Down School	52	19.3	£68,604	£26,200	19.3	£59,591	£25,030
Beechen Cliff School	72	19.5	£74,938	£65,500	19.5	£73,856	£62,600
Begbrook Primary Academy	54	18.6	£37,222	£25,320	18.6	£40,608	£24,250
Birdwell Primary School	44	18.9	£33,982	£31,600	18.9	£34,594	£30,200
Bishop Sutton Primary School	23	21.6	£12,789	£9,290	21.6	£12,604	£8,900
Blackhorse Primary School	73	19.5	£49,929	£4,205	19.5	£33,627	£2,400
Blagdon Primary School	14	20.1	£7,298	£6,550	20.1	£6,166	£6,260
Blaise High School	61	18.1	£79,986	£20,901	18.1	£73,869	£19,900
Bournville Primary School	111	19.2	£79,002	£133,660	19.2	£81,723	£127,790

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Bowsland Green Primary School	25	19.5	£15,798	£1,467	19.5	£9,866	£800
Bradley Stoke Community School	87	18.7	£87,887	£103,664	18.7	£80,954	£98,800
Bridge Farm Primary School	67	19.3	£45,221	£13,780	19.3	£42,950	£13,200
Bridge Learning Campus	91	17.4	£103,833	£91,030	17.4	£112,478	£87,020
Bristol Cathedral School Trust	161	17.0	£180,033	£24,440	17.0	£158,832	£23,370
Bristol Free School	90	17.5	£77,004	£0	17.5	£64,124	£36,710
Broadlands Academy	33	17.4	£31,989	£33,800	17.4	£34,255	£32,300
Broadoak Academy	70	18.2	£69,063	£0	18.2	£61,718	£175,710
Broadway Infants School	31	19.7	£14,380	£1,300	-	-	-
Brook Academy	19	20.0	£19,820	£0	20.0	£16,250	£0
Burrington CofE Primary School	17	17.7	£7,828	£2,930	17.7	£6,817	£2,840
Cabot Learning Federation	394	16.8	£599,997	£0	16.8	£523,629	£227,370
Cabot Primary School	27	18.2	£28,537	£7,900	18.2	£13,402	£3,800
Cadbury Heath Primary School	32	19.5	£15,851	£1,662	19.5	£10,984	£900
Callicroft Primary School	31	18.7	£23,992	£29,800	18.7	£23,607	£22,550
Cameley CEVC Primary School	32	18.6	£17,253	£7,100	18.6	£16,397	£6,800
Castle Batch Primary School Academy	119	18.2	£75,354	£0	18.2	£137,000	£67,540
Castle Primary School (Keynsham)	40	20.4	£30,754	£13,700	20.4	£27,085	£13,100
Chandag Primary School	50	19.3	£24,564	£10,360	19.3	£22,581	£9,880
Charborough Road Primary School	40	18.7	£26,138	£12,100	18.7	£26,883	£11,600
Charfield Primary School	18	19.5	£14,027	£4,400	19.5	£12,378	£4,200
Charlton Wood Primary Academy	15	17.8	£22,653	£1,760	17.2	£21,849	£1,700
Cheddar Grove Primary School	36	19.3	£27,762	£20,240	19.3	£29,126	£19,360
Cherry Gardens Primary School	31	19.5	£13,786	£1,076	-	-	-
Chestnut Park Primary School	15	19.3	£9,265	-£100	19.3	£9,165	-£100
Chew Magna Primary School	25	19.2	£6,714	£1,300	19.2	£6,255	£1,200
Chew Stoke Church School	29	21.1	£16,313	-£12,356	20.2	£14,171	-£10,200

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Chew Valley School	62	19.9	£70,216	£59,740	19.9	£69,234	£57,100
Chipping Sodbury School	51	19.8	£54,503	£8,358	19.8	£55,679	£8,558
Christ Church C of E Primary School (Clifton, Bristol)	15	18.5	£16,467	£16,600	18.0	£16,091	£15,900
Christ Church C of E Primary School (WSM)	29	22.6	£17,717	£18,970	22.6	£17,803	£18,090
Churchill Academy	130	19.4	£84,505	£130,340	19.4	£93,563	£124,570
Churchill C of E Primary School	33	19.2	£12,584	£10,170	19.2	£14,197	£9,680
City Academy	137	17.5	£142,937	£26,010	17.5	£122,126	£24,840
Clevedon Learning Trust (Central Functions)	0	0.0	£0	£0	0.0	£0	£0
Clevedon School	69	19.3	£74,262	£72,840	19.3	£83,888	£69,620
Clutton Primary School	19	19.5	£9,496	£7,600	19.5	£8,719	£7,300
Combe Down C of E Primary School	40	20.2	£24,254	£32,900	20.2	£27,723	£30,800
Compass Point South Street Primary School	43	18.6	£39,194	£18,970	18.6	£33,295	£18,500
Corpus Christi Catholic Primary School	41	18.0	£31,738	£13,600	18.0	£24,875	£13,000
Cotham Gardens Primary School	35	17.8	£28,912	£23,500	17.1	£26,658	£22,500
Cotham School	124	17.4	£151,358	£126,620	17.4	£138,968	£121,050
Court de Wyck Church School	13	18.9	£9,779	£10,850	18.9	£8,951	£10,356
Crockerne C of E Primary School	40	22.7	£25,098	£25,810	22.7	£25,588	£24,640
CST Trinity Academy	107	14.2	£69,780	£11,747	14.2	£52,333	£9,780
Culverhill School	82	20.8	£102,004	£23,100	20.8	£78,790	£22,100
Digitech Studio School	36	18.1	£24,513	£3,910	18.1	£17,779	£3,720
Downend School	53	19.5	£61,030	£590	19.5	£58,043	£590
Dundry C of E Primary School	14	19.5	£6,977	-£2,200	19.5	£6,581	-£2,100
E-ACT (Central Functions)	20	18.0	£64,576	£1,192	18.0	£61,418	£1,100
East Harptree Primary School	9	18.0	£4,641	£3,720	18.0	£4,760	£3,520
Easton C of E Academy	56	19.3	£43,719	£65,867	17.6	£33,165	£57,743
Elmlea Infant School	25	20.3	£17,348	£8,600	20.3	£14,969	£8,200
Elmlea Junior School	22	20.9	£24,152	£25,500	20.9	£23,060	£24,400

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Emersons Green Primary School	38	19.5	£28,908	£2,151	19.5	£15,691	£1,200
Evergreen Primary Academy	19	19.0	£16,535	£14,370	19.0	£12,965	£13,790
Excalibur Academies Trust (Central Functions)	18	18.6	£32,244	-£7,200	18.6	£32,241	-£6,900
Extend Learning Academies Network (Central Functions)	27	19.2	£40,637	£0	19.2	£30,377	£0
Fairfield High School	100	18.2	£101,589	£130,933	18.2	£61,796	£63,267
Fairlawn Primary School	17	17.2	£13,661	£0	17.2	£12,630	£3,550
Farmborough Church Primary School	34	20.9	£11,981	£9,100	20.9	£11,115	£8,700
Farrington Gurney C of E Primary School	13	19.5	£9,403	£7,100	19.5	£8,764	£6,800
Filton Avenue Primary School	58	17.7	£57,038	£69,030	17.7	£55,598	£66,000
Filton Hill Primary School	14	18.7	£10,227	£10,873	18.7	£9,217	£10,100
Fishponds C of E Academy	43	18.0	£34,416	£31,700	17.6	£30,286	£27,775
Flax Bourton C of E Primary School	21	21.2	£12,346	£9,290	21.2	£12,334	£8,900
Fonthill Primary School	30	17.8	£24,458	£13,490	17.2	£21,142	£13,200
Fosse Way School	166	17.6	£183,077	£138,000	17.6	£166,107	£131,900
Four Acres Academy	51	19.3	£46,033	£51,040	19.3	£54,405	£48,790
Freshford Church School	29	20.1	£10,528	£3,752	20.1	£9,223	£3,319
Frome Vale Academy	16	19.5	£14,877	£10,850	19.5	£12,402	£10,360
Gillingstool Primary School	26	19.7	£14,127	£1,300	-	-	-
Golden Valley Primary School	64	19.5	£29,291	£15,840	19.5	£29,705	£15,160
Gordano School	183	19.5	£217,272	£185,870	19.5	£176,214	£177,660
Greenfield E-ACT Primary Academy	24	18.0	£23,288	£30,783	18.0	£26,650	£29,500
Grove Junior School	37	23.6	£13,831	£9,880	23.6	£13,546	£9,480
Hanham Abbots Junior School	53	19.5	£38,803	£1,369	19.5	£13,705	£800
Hanham Woods Academy	59	18.4	£60,847	£50,450	18.4	£54,780	£48,200
Hannah More Infant School	32	22.4	£10,512	£11,340	22.4	£11,055	£10,850
Hans Price Academy	96	17.6	£108,289	£0	17.6	£94,170	£222,980

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Hareclive E-ACT Academy	21	18.0	£25,578	£41,650	18.0	£28,822	£40,000
Hayesfield Girls School	76	19.5	£76,064	£46,700	19.5	£74,602	£44,600
Haywood Village Academy	54	18.4	£37,369	£3,420	18.4	£35,505	£3,230
Headley Park Primary School	36	18.5	£34,336	£33,913	18.5	£32,558	£30,310
Henbury Court Primary Academy	35	17.8	£34,402	£53,680	17.2	£33,067	£52,500
Henleaze Infants School	32	18.6	£15,216	£6,102	-	-	-
Henleaze Junior School	22	21.2	£24,067	£26,422	21.2	£20,888	£20,100
Heron's Moor Academy	51	20.2	£30,212	£27,380	20.2	£31,101	£26,200
High Down Infant School	57	20.5	£16,362	£36,760	20.5	£17,015	£35,100
High Down Junior School	55	20.1	£21,617	£27,480	20.1	£21,307	£26,300
High Littleton C of E Primary School	20	19.5	£12,545	£10,500	19.5	£13,699	£10,000
Hotwells Primary School	19	21.2	£11,832	£23,248	21.2	£10,736	£22,780
Hutton C of E Primary School	32	19.3	£14,665	£14,180	19.3	£13,865	£13,590
IKB Academy	6	19.3	£8,320	£4,500	19.3	£6,974	£4,300
Iminster Avenue E-ACT Academy	31	18.0	£24,089	£10,558	18.0	£25,060	£10,100
Kings Forest Primary School	67	19.5	£46,221	£3,716	19.5	£27,239	£2,100
Kings Oak Academy	72	19.0	£61,367	£0	19.0	£58,858	£150,490
Kingshill Church School	21	21.5	£10,293	£17,500	21.5	£11,874	£16,714
Knowle DGE Academy	61	19.5	£78,660	£87,367	19.5	£90,393	£22,333
Lansdown Park Academy	12	17.8	£19,738	£25,810	17.8	£26,335	£25,200
Lime Hills Academy	16	20.0	£12,948	£0	20.0	£11,528	£0
Little Mead Primary Academy	54	17.8	£40,033	£36,280	17.2	£39,500	£35,500
Locking Primary School	45	19.2	£37,144	£20,440	19.2	£25,415	£19,560
Longvernal Primary School	33	19.5	£16,980	£12,100	19.5	£15,283	£11,600
Luckwell Primary School	17	18.6	£7,081	£8,410	18.6	£8,356	£8,200
Lyde Green Primary School	44	19.5	£36,067	£1,470	19.5	£33,453	£1,370
Mangotsfield C of E Primary School	62	19.5	£40,101	£3,422	19.5	£21,557	£3,600

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Mangotsfield School	88	19.5	£145,445	£32,360	19.5	£132,078	£30,900
Marksbury C of E Primary School	10	20.6	£8,300	£5,300	20.6	£6,527	£5,100
Marlwood School	28	19.5	£29,447	£47,620	19.5	£24,172	£45,560
Mary Elton Primary School	38	19.3	£21,931	£32,070	19.3	£24,117	£30,700
May Park Primary School	52	18.2	£55,667	£21,233	18.2	£30,079	£10,267
Mead Vale Community Primary School	40	19.2	£22,371	£46,250	19.2	£20,516	£44,190
Meadowbrook Primary School	15	18.7	£16,218	£36,800	18.7	£16,345	£35,200
Mendip Green Primary School	97	19.2	£55,222	£73,720	19.2	£57,054	£70,500
Merchants' Academy	111	17.2	£103,768	£252	17.2	£89,469	-£18,500
Midsomer Norton Primary School	44	19.5	£27,009	£20,500	19.5	£24,952	£19,600
Midsomer Norton Schools Partnership	225	19.5	£322,707	£204,600	19.5	£271,464	£195,600
Milton Park Primary School	60	19.2	£33,299	£41,460	19.2	£29,229	£39,600
Minerva Primary Academy	30	18.7	£27,634	£4,990	18.7	£24,889	£4,790
Montpelier High School	42	17.2	£35,783	£0	17.2	£37,942	-£41,010
Moorlands Infant School	32	19.0	£20,227	£10,700	19.0	£17,950	£10,200
Moorlands Junior School	19	18.4	£18,928	£14,900	18.4	£17,985	£14,200
Mulberry Park Educate Together Primary	25	16.8	£20,123	-£390	16.8	£16,117	-£390
Nailsea School	85	20.3	£91,449	£54,800	20.3	£82,984	£52,400
New Siblands School	143	18.5	£99,024	£26,508	18.5	£91,245	£29,792
North Star 180°	48	19.3	£33,155	£35,880	19.3	£36,464	£34,320
North Star 240°	35	18.7	£64,303	£0	18.7	£33,123	£66,230
North Star 265°	0	20.0	£0	£0	-	-	-
North Star 82°	24	16.8	£32,639	£0	16.8	£28,652	£58,940
Northleaze C of E Primary School	34	20.1	£11,644	£11,150	20.1	£11,800	£10,660
Norton Hill Primary School	22	19.5	£17,966	-£1,000	19.5	£20,737	-£1,000
Notton House Academy	71	19.5	£93,143	£129,158	19.5	£90,463	£33,042
Nova Primary School	51	18.3	£4,611	£1,600	-	-	-

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Oasis Academy Bank Leaze	22	17.6	£16,319	£20,930	17.6	£15,159	£20,040
Oasis Academy Brightstowe	53	17.6	£77,719	£20,441	17.6	£66,909	£19,560
Oasis Academy Brislington	78	17.6	£88,034	£140,936	17.6	£80,383	£134,740
Oasis Academy Connaught	36	17.6	£30,312	£21,908	17.6	£33,251	£20,920
Oasis Academy Daventry Road	18	17.6	£19,097	£0	17.6	£5,984	£0
Oasis Academy John Williams	82	17.6	£97,617	-£9,584	17.6	£89,853	-£9,190
Oasis Academy Long Cross	65	17.6	£61,663	£73,060	17.6	£57,414	£69,810
Oasis Academy Marksbury Road	28	17.6	£48,180	£3,228	17.6	£42,860	£3,130
Oasis Academy New Oak	41	17.6	£39,247	£53,401	17.6	£32,763	£51,040
Oasis Academy Temple Quarter	12	17.6	£11,560	£0	17.6	£3,817	£0
Oldfield Park Infant School	31	20.2	£15,292	£29,800	20.2	£15,523	£27,870
Oldfield Park Junior School	33	20.2	£20,670	£19,200	20.2	£21,156	£17,990
Oldfield School	77	17.3	£77,512	£0	17.3	£73,141	£75,100
Oldmixon Primary School	26	19.2	£28,458	£35,490	19.2	£26,725	£33,930
Olympus Academy Trust (Central Functions)	41	18.7	£117,149	£13,900	18.7	£110,403	£13,300
Orchard School Bristol	44	19.1	£59,632	£44,126	19.1	£58,859	£42,140
Palladian Academy Trust (Central Functions)	25	20.2	£51,578	£0	20.2	£50,935	£0
Parklands Educate Together Primary	40	16.8	£30,251	£1,960	16.8	£25,418	£1,860
Parkwall Primary School	22	19.7	£9,105	£700	-	-	-
Parson Street Primary School	37	18.8	£32,576	-£4,500	18.8	£37,217	£0
Patchway Community School	48	18.7	£62,382	£36,584	18.7	£51,931	£35,200
Paulton Infant School	30	18.0	£15,052	£7,500	18.0	£17,277	£7,200
Peasedown St John Primary School	60	19.5	£34,637	£26,300	19.5	£36,283	£25,100
Pensford Primary School	17	17.3	£6,990	£2,100	17.3	£8,164	£2,000
Perry Court E-ACT Academy	39	18.0	£34,625	£22,217	18.0	£32,004	£21,300
Portishead Primary School	55	19.3	£33,062	£42,830	19.3	£30,807	£40,970
Priory Community School Academy	171	18.2	£188,006	£0	18.2	£136,804	£643,890

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Ralph Allen School	105	20.2	£87,167	£68,600	20.2	£94,774	£64,140
Rangeworthy CEVC Primary School	7	12.6	£2,945	£0	-	-	-
Raysfield Primary School	44	19.7	£29,819	£2,500	-	-	-
Redfield Edge Primary School	26	19.7	£12,288	£1,100	-	-	-
Redfield Educate Together Primary Academy	36	16.8	£38,845	£24,050	16.8	£35,173	£22,980
Redland Green School	97	18.6	£95,543	£126,305	18.6	£94,927	£121,800
Roundhill Primary School	31	22.3	£24,868	£32,400	22.3	£27,923	£31,000
Saltford C of E Primary School	70	19.3	£28,007	£23,470	19.3	£28,010	£22,390
Samuel White's Infant School	31	19.5	£10,683	£1,369	19.5	£7,032	£800
Sandford Primary School	22	22.8	£11,926	£10,600	22.8	£12,378	£10,100
Severn Beach Primary School	15	19.5	£8,931	£6,060	19.5	£7,700	£5,770
SGS Pegasus School	39	12.5	£49,291	£0	12.5	£38,857	£1,100
Shoscombe Church School	22	19.5	£11,891	£6,900	19.5	£11,305	£6,600
Sir Bernard Lovell Academy	66	19.3	£66,262	£80,180	19.3	£65,360	£76,660
Snowdon Village	32	16.3	£57,204	£13,000	16.3	£54,045	£12,420
Somerdale Educate Together Primary Academy	24	16.8	£19,326	£3,030	16.8	£17,278	£2,930
Somerset Studio School	10	19.5	£8,690	-£100	19.5	£8,908	-£100
Soundwell College	58	19.5	£62,070	-£2,792	19.5	£54,682	-£708
St Andrews C of E Primary School	25	19.7	£14,222	£9,510	19.7	£13,288	£8,900
St Andrew's Church School	38	18.3	£21,769	£26,690	18.3	£20,809	£25,510
St Anne's Church Academy	101	18.2	£54,959	£0	18.2	£53,398	£147,500
St Barnabas C of E Primary School	45	19.5	£19,853	£1,662	19.5	£11,996	£900
St Bede's Catholic College	104	19.4	£80,521	£71,670	18.8	£68,600	£68,540
St Bernard's Catholic Primary School	25	23.1	£16,290	£5,770	23.1	£15,332	£5,480
St Bonaventure's Catholic Primary School	59	18.5	£8,562	£3,500	-	-	-
St Francis Catholic Primary School	20	20.9	£7,578	£7,240	20.9	£5,376	£6,940

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
St Georges Church School	18	19.0	£12,412	£20,730	19.0	£16,780	£19,842
St John The Evangelist Church School	19	22.6	£11,647	£14,180	22.6	£12,160	£13,585
St John's C of E Primary School (Keynsham)	17	19.3	£10,828	£15,160	19.3	£11,113	£14,470
St John's C of E Primary School (MSN) (Ann Harris)	39	19.5	£30,245	£28,000	19.5	£34,452	£26,800
St Joseph's Catholic Primary School	35	20.6	£4,479	£2,900	-	-	-
St Julian's C of E Primary School	14	19.5	£10,072	£7,300	19.5	£9,615	£7,000
St Katherine's School	45	19.5	£56,512	£56,238	19.5	£51,485	£55,930
St Mark's C of E School (Bath)	31	19.5	£27,711	£9,100	19.5	£25,656	£8,700
St Mark's Ecumenical Anglican/Methodist Primary School	60	20.3	£26,299	£40,190	20.3	£25,563	£38,415
St Martin's C of E Primary School	44	20.0	£30,974	£56,510	20.0	£31,947	£54,070
St Martin's Garden Primary School	32	20.2	£24,841	£30,800	20.2	£24,579	£28,750
St Mary Redcliffe C of E Primary School	43	18.1	£32,169	£25,465	17.6	£28,787	£24,108
St Marys C of E Primary School (Timsbury)	22	19.5	£12,377	£4,400	19.5	£11,486	£4,200
St Marys C of E Primary School (Writhlington)	22	20.4	£13,066	£5,800	20.4	£12,886	£5,500
St Mary's C of E VA Primary School	12	18.2	£4,807	£6,450	18.2	£5,160	£6,160
St Matthias Academy	25	19.5	£30,372	£25,242	19.5	£27,081	£6,458
St Michael's C of E Primary School, Winterbourne	20	19.7	£9,218	£800	-	-	-
St Michael's C of E Junior Church School	20	21.3	£16,417	£13,790	21.3	£17,202	£13,195
St Nicholas Chantry CEVC Primary School	39	19.3	£19,784	£28,360	19.3	£21,027	£27,080
St Nicholas Church School	27	18.0	£22,360	£13,000	18.0	£19,636	£12,415
St Nicholas of Tolentine Catholic School	21	20.5	£15,006	£18,480	19.1	£12,856	£17,700
St Patrick's Primary School	28	19.2	£17,732	£20,400	18.5	£16,232	£17,875
St Peter's C of E Primary School	48	18.5	£43,538	£46,050	18.5	£40,186	£44,000

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
St Philip's C of E Primary School, Bath	28	20.2	£17,835	£35,228	20.2	£17,256	£32,760
St Saviours Infant Church School	20	19.4	£11,269	£19,460	19.4	£10,972	£18,573
St Saviours Junior Church School	14	18.4	£9,103	£8,310	18.4	£8,337	£7,917
St Stephen's C of E Junior School	36	19.7	£23,645	£1,900	-	-	-
St Stephen's Primary Church School	38	19.0	£18,280	£17,700	19.0	£18,385	£16,913
St Teresa's Catholic Primary School, Bristol	32	20.5	£22,917	£20,530	20.5	£21,868	£19,650
St Ursula's E-ACT Primary Academy	39	18.0	£39,097	£16,804	18.0	£33,467	£15,100
St Werburghs Primary School	42	19.4	£34,619	£17,132	19.4	£31,373	£15,840
Stanbridge Primary School	45	19.5	£25,898	£2,053	19.5	£15,958	£1,200
Stanton Drew Primary School	9	19.7	£3,247	£3,620	19.7	£3,243	£3,420
Staple Hill Primary School	53	19.5	£25,019	£1,956	19.5	£14,432	£1,100
Stoke Bishop C of E Primary School	42	18.7	£29,898	£30,310	18.7	£28,999	£28,940
Stoke Lodge Primary School	14	18.7	£12,167	£32,900	18.7	£12,060	£31,500
Stoke Park Primary School	29	16.2	£22,199	£11,730	16.2	£19,338	£11,240
Summerhill Academy	26	17.4	£20,153	£16,330	17.4	£19,813	£15,640
Swainswick Church School	10	18.7	£4,304	£2,050	18.7	£4,797	£1,959
The Castle School	63	19.5	£71,223	£60,531	19.5	£68,064	£57,690
The Dolphin School	16	17.2	£13,737	£71	17.2	£16,083	£35,780
The Kingfisher School	21	17.2	£15,043	£0	17.2	£13,662	£41,940
The Leaf Trust (Central Functions)	15	19.5	£12,706	£0	-	-	-
The Meadows Primary School	19	19.3	£11,041	£4,400	19.3	£10,467	£4,200
The Park Primary School	44	19.7	£25,113	£2,100	-	-	-
The Ridge Junior School	24	19.7	£12,973	£1,100	-	-	-
The Sky Academy	36	19.4	£47,241	£94,160	19.4	£47,318	£84,425
The Tynings Primary School	40	19.5	£26,436	£2,151	19.5	£14,752	£1,200
Three Ways School	167	16.8	£155,213	£145,800	16.8	£146,103	£136,300
Tickenham C of E Primary School	16	19.3	£5,768	£4,500	19.3	£5,492	£4,300

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Tortworth Primary School	7	19.5	£7,073	£300	19.5	£3,590	£0
Trinity Anglican Methodist Primary School	40	18.3	£25,069	£37,676	18.3	£23,864	£36,166
Trinity Church School	22	19.5	£17,770	£13,400	19.5	£15,533	£12,800
Trust in Learning (Academies) (Central Functions)	25	18.8	£70,373	£11,340	18.8	£62,991	£10,850
Two Bridges Academy	36	20.0	£15,910	£0	-	-	-
Two Mile Hill Primary School	70	19.5	£31,058	£11,100	-	-	-
Two Rivers C of E Primary School	16	19.3	£8,303	-£290	19.3	£6,314	-£290
Tyndale Primary School	21	18.1	£17,943	£2,100	18.1	£17,622	£2,000
Ubley Primary School	13	21.3	£6,612	£4,990	21.3	£4,958	£4,790
Uphill Village Academy	41	19.5	£25,566	£18,770	19.5	£24,559	£17,990
Venturers' Academy	94	17.2	£118,149	£236	17.2	£112,312	£19,620
Venturers' Trust (Central Functions)	15	17.2	£56,293	£0	17.2	£77,422	£41,010
Victoria Park Primary School	42	19.9	£31,234	£34,810	19.9	£30,826	£33,240
Walliscote Primary School	38	19.2	£24,611	£35,490	19.2	£24,154	£33,930
Wallscourt Farm Academy	42	16.5	£32,401	£5,380	16.5	£28,312	£5,180
Wansdyke Primary School	22	19.3	£14,527	£13,200	19.3	£13,434	£12,610
Waycroft Academy	52	19.5	£44,208	£56,320	19.5	£48,705	£55,100
Wellsway School	177	19.3	£268,749	£92,110	19.3	£227,431	£88,100
Welton Primary School	27	19.5	£14,003	£6,600	19.5	£14,430	£6,300
West Leigh Infant School	9	22.0	£7,278	£11,640	22.0	£8,016	£11,150
West Town Lane Academy	82	18.4	£60,018	£47,000	18.4	£55,413	£44,900
Westbury Park Primary School	34	19.6	£28,903	£21,400	19.6	£26,429	£20,500
Westbury-on-Trym C of E Academy	43	20.0	£29,239	£24,800	20.0	£26,494	£23,700
Westfield Primary School	54	19.5	£32,741	£27,100	19.5	£31,307	£25,900
Weston All Saints C of E Primary School	73	19.9	£38,389	£42,600	19.9	£41,795	£40,700
Wheatfield Primary School	55	19.5	£32,370	£2,151	19.5	£18,335	£1,200
Whitchurch Primary School	27	18.7	£13,775	£4,010	18.7	£16,843	£3,810

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Wicklea Academy	23	17.0	£18,294	£17,600	17.0	£17,734	£17,200
Widcombe C of E Junior School	27	20.2	£11,112	£27,617	20.2	£9,626	£25,810
Widcombe Infant School	17	20.2	£11,110	£19,500	20.2	£12,680	£18,190
Windwhistle Primary School	55	19.2	£37,428	£68,440	19.2	£41,129	£65,410
Winford C of E Primary School	21	20.2	£11,069	£12,710	20.2	£11,292	£12,120
Winscombe Primary School	25	22.1	£15,815	£12,100	22.1	£15,379	£11,600
Winterbourne International Academy	83	18.7	£92,064	-£47,128	18.7	£78,124	-£45,100
Winterstoke Hundred Academy	53	18.6	£53,120	£3,720	18.6	£35,119	£3,520
Woodlands Academy	25	14.7	£17,627	£15,840	14.7	£16,599	£15,500
Woodlands Primary School	56	18.1	£36,705	-£4,600	18.1	£37,664	-£4,400
Worle Community School Academy	116	18.2	£104,608	£0	18.2	£91,731	£300,330
Worle Village Primary School	24	19.2	£13,649	£20,040	19.2	£14,277	£19,160
Worlebury St Paul's Church School	24	19.3	£13,710	£9,200	19.3	£12,405	£0
Wraxall C of E VA Primary School	15	22.6	£3,583	£2,250	22.6	£3,385	£2,150
Wroughton C of E Primary School	29	19.5	£10,899	£6,160	19.5	£10,895	£5,870
Writhlington School	81	19.5	£66,358	£145,300	19.5	£67,626	£138,900
Yate Academy	54	18.1	£70,520	£5,300	18.1	£77,618	£5,100
Yatton C of E Junior School	46	21.1	£18,627	£13,490	21.1	£20,874	£12,910
Yatton Infant School	35	21.0	£16,055	£20,530	21.0	£16,782	£19,650
Yeo Moor Primary School	43	19.3	£25,587	£24,540	19.3	£25,408	£23,470
Designating Bodies							
Aequus Developments Limited	4	18.7	£29,831	-£11,900	18.7	£35,362	-£11,400
Almondsbury Parish Council	6	27.0	£7,453	£1,200	25.6	£6,976	£1,100
Backwell Parish Council	3	24.9	£1,718	-£800	24.9	£2,592	-£800
Bitton Parish Council	1	18.9	£2,813	£0	18.9	£2,612	£0
Bradley Stoke Town Council	13	21.2	£23,314	-£6,600	21.2	£20,440	-£6,300

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Bristol Waste Company	89	23.1	£141,127	£35,900	23.1	£160,404	£34,300
Charter Trustees of the City of Bath	2	20.7	£4,245	-£5,000	20.7	£4,077	-£4,800
Churchill Parish Council	1	21.3	£2,017	£0	21.3	£1,824	£0
Clevedon Town Council	6	24.3	£5,614	£100	23.0	£4,150	£300
Congresbury Parish Council	3	20.1	£3,763	£700	20.1	£3,630	£500
Dodington Parish Council	6	19.4	£7,936	£500	19.4	£7,707	£490
Downend and Bromley Heath Parish Council	2	22.6	£3,252	£3,910	22.6	£3,715	£3,720
Emersons Green Town Council	5	26.2	£8,665	£900	26.2	£3,444	£800
Filton Town Council	6	19.7	£9,919	-£12,100	19.7	£9,614	-£11,600
Frampton Cotterell Parish Council	9	19.6	£11,185	£4,010	17.9	£9,837	£3,810
Futura Commercial Services Limited	104	17.0	£56,256	-£2,400	17.0	£51,573	£0
Hanham Abbots Parish Council	1	21.3	£1,305	-£67	21.3	£1,411	£100
Hanham Parish Council	1	25.6	£1,142	-£1,600	25.6	£1,166	-£1,500
Keynsham Town Council	16	21.1	£24,174	-£5,500	20.0	£23,434	-£5,300
Kingswood Town Council	2	22.2	£5,285	£0	-	-	-
Midsomer Norton Town Council	5	20.5	£6,756	£9,700	20.5	£4,718	£9,300
Nailsea Town Council	9	16.7	£17,784	-£400	16.7	£15,018	-£400
Oldland Parish Council	3	22.2	£6,938	£7,700	21.7	£6,555	£7,400
Patchway Town Council	7	18.4	£12,274	-£6,900	18.4	£10,067	-£6,600
Paulton Parish Council	7	21.1	£7,908	-£900	21.1	£9,983	-£1,392
Peasedown St John Parish Council	5	20.7	£6,683	£0	19.7	£5,749	£14,950
Pill & Easton in Gordano Parish Council	1	24.0	£1,631	-£405	24.0	£1,789	-£500
Portishead Town Council	9	19.6	£17,406	£0	19.6	£15,396	£0
Radstock Town Council	7	20.6	£7,173	£0	20.0	£4,832	£23,820
Saltford Parish Council	1	16.2	£1,795	£100	16.2	£1,670	£100
Sodbury Parish Council	3	19.5	£8,857	£300	19.5	£8,150	£300

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Staple Hill & Mangotsfield Parish Council	1	21.6	£2,363	£0	21.6	£0	£0
Stoke Gifford Parish Council	6	18.6	£12,680	-£3,600	18.6	£12,213	-£3,400
Stoke Lodge & the Common Parish Council	3	19.0	£1,996	£0	17.4	£1,894	£0
Stoke Park & Cheswick Parish Council	1	27.6	£776	£0	-	-	-
Thornbury Town Council	14	15.4	£20,191	-£21,900	15.4	£19,117	-£20,900
Westerleigh Parish Council	2	14.6	£1,603	-£2,600	14.6	£1,526	-£2,500
Westfield Parish Council	3	22.0	£3,040	£0	22.0	£2,802	£0
Weston Super Mare Town Council	38	17.0	£61,066	£18,380	17.0	£56,816	£18,000
Whitchurch Parish Council	1	24.5	£1,242	-£500	23.4	£1,210	-£500
Wraxall and Failand Parish Council	0	25.0	£87	£0	-	-	-
Wroughton Parish Council	2	25.1	£2,717	£0	25.1	£1,463	£0
Yate Town Council	42	17.5	£58,991	-£4,700	17.5	£52,158	-£4,500
Yatton Parish Council	6	23.7	£7,564	£2,000	23.7	£7,344	£1,900
Community Admission Bodies							
Adoption West	36	18.0	£64,864	-£9,500	18.0	£60,700	-£9,100
Ashley House Hostel	12	39.9	£26,956	£52,400	35.2	£24,973	£49,900
Bristol Music Trust	6	21.7	£16,476	-£41,600	21.7	£19,565	-£39,800
Clifton Suspension Bridge Trust	4	40.2	£11,292	£12,200	40.2	£11,920	£11,342
Merlin Housing Society Ltd (New staff since 2007)	22	41.1	£44,907	£1,006,800	41.1	£53,697	£973,783
Merlin Housing Society Ltd (SG)	17	38.9	£40,267	£170,700	38.9	£46,641	£147,790
Play Station Nursery Ltd - Barley Close (SGC)	1	24.8	£1,142	-£200	24.8	£926	-£200
Sirona Care & Health (Telecare Service)	1	26.0	£1,489	-£300	26.0	£1,390	-£275
The Care Quality Commission	2	24.6	£8,362	-£13	24.6	£9,574	£0
The Park Community Trust Ltd	3	22.5	£5,094	-£18,051	22.5	£5,795	-£17,500
University of Bath (CAB)	569	20.7	£918,234	£0	20.7	£977,715	£561,240

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Visit West Limited	4	21.4	£16,636	-£5,050	21.4	£16,074	£0
West of England Music Limited	43	21.3	£36,562	£0	21.3	£0	£0
Writhlington Trust	6	38.9	£20,785	£22,710	38.9	£19,667	£21,630
Transferee Admission Bodies							
ABM Catering Limited - Athelstan Trust (Chipping Sodbury)	3	21.8	£1,552	£0	21.8	£2,665	£0
ABM Catering Limited - Christchurch Infant & Junior School	2	25.0	£1,557	£0	25.0	£1,292	£0
ABM Catering Limited - Cotham School	1	22.6	£1,485	£0	22.6	£0	£0
ABM Catering Limited - Raysfield School (Mosaic Partnership Trust)	1	23.2	£297	£0	23.2	£0	£0
ABM Catering Limited - South Gloucestershire Council (Bromley Heath Cluster)	10	22.1	£5,792	£0	22.1	£4,083	£0
ABM Catering Limited - St John's Catholic Primary School	2	18.5	£1,232	£0	-	-	-
ABM Catering Limited – St Mary's School, Bath	2	22.1	£1,517	£0	22.1	£318	£0
Active Community Engagement Ltd	1	27.3	£957	-£3,933	27.3	£890	-£4,420
Active Nation UK Limited	9	20.0	£8,954	£933	20.0	£10,376	£0
Agilisys Limited	14	23.1	£29,598	-£103,998	23.1	£30,103	-£105,720
Agilisys Limited 2015	23	20.7	£31,923	-£115,805	20.7	£35,981	-£128,629
Alliance in Partnership Limited - Henleaze Junior Academy	1	24.9	£1,399	£0	24.9	£1,021	£0
Alliance in Partnership Limited - Mosaic Partnership Trust	12	23.2	£9,396	£0	23.2	£7,884	£0
Alliance in Partnership Limited - Redfield Edge Primary School	2	23.2	£1,306	£0	23.2	£0	£0

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Alliance in Partnership Limited - The Park Primary School	3	23.7	£1,857	£0	23.7	£1,602	£0
Alliance in Partnership Limited - Westbury on Trym C of E Academy	1	21.1	£1,205	£0	21.1	£596	£0
Apex Prime Care West Ltd	2	24.6	£2,033	-£2,400	24.6	£2,008	-£1,150
Aramark Limited - City of Bristol College	1	31.0	£493	£0	-	-	-
Aspens Services Limited - Bristol City Council PFI Contracts	6	25.1	£5,039	-£1,500	25.1	£4,828	-£1,400
Aspens Services Limited - Cabot Learning Federation	11	23.0	£11,048	£5,400	23.0	£7,938	£5,080
Aspens Services Limited - Castle Primary School (Keynsham)	2	23.2	£1,356	-£100	23.2	£1,158	-£100
Aspens Services Limited - Culverhill School	1	19.3	£457	£100	19.3	£716	£100
Aspens Services Limited - E-ACT	3	24.1	£2,909	-£800	24.1	£3,054	-£800
Aspens Services Limited - Elmlea School Trust	1	27.5	£1,380	£0	27.5	£1,124	£290
Aspens Services Limited - Extend Learning Academies Network	1	25.7	£1,071	-£100	25.7	£973	-£200
Aspens Services Limited - Kaleidoscope MAT	4	23.0	£2,958	£17	23.0	£2,691	£100
Aspens Services Limited - Lift Schools	3	21.8	£6,028	-£1,600	21.8	£4,349	-£1,500
Aspens Services Limited - Lighthouse Schools Partnership	7	24.2	£5,336	£0	24.2	£6,635	£0
Aspens Services Limited - Palladian Academy Trust	4	22.6	£4,928	£0	-	-	-
Aspens Services Limited - St Anne's Church Academy (Priory Learning Trust)	2	24.9	£2,265	£0	24.9	£1,379	£0
Aspens Services Limited - Warmley Park Primary School	2	23.3	£1,668	-£100	23.3	£1,470	-£100

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Ategi limited	1	23.3	£769	-£200	23.3	£736	-£200
Atlas FM Payroll Ltd - South Gloucestershire & Stroud College	2	25.8	£3,377	£157	-	-	-
BAM Construction UK Ltd	4	28.2	£6,055	-£12,874	28.2	£5,717	-£12,400
Cater Link Limited - Castle School Education Trust	7	24.3	£6,740	£0	24.3	£6,467	£0
Churchill Contract Services Ltd - Futura Learning Partnership	7	25.0	£3,531	£0	-	-	-
Circadian Trust	42	21.7	£75,273	£25,810	21.7	£75,147	£24,640
City Leap Energy Partnership Limited	1	18.2	£6,808	£0	18.2	£43,469	£0
CleanTEC Services Limited - E-ACT	0	22.8	£986	£0	-	-	-
Clever Chefs Limited - BAM Construction	2	22.5	£2,593	£0	22.5	£3,177	£0
Compass Contract Services (UK) Ltd - Bath and Wells MAT	7	23.1	£5,583	£17	23.1	£9,473	£0
Compass Contract Services (UK) Ltd - Beacon Rise Primary School	1	24.0	£1,170	£0	-	-	-
Compass Contract Services (UK) Ltd - Bristol City Council	18	24.2	£15,093	£0	24.2	£13,750	£0
Compass Contract Services (UK) Ltd - North Star Academy Trust	2	25.0	£1,612	£0	25.0	£1,906	£0
Compass Contract Services (UK) Ltd - St Mary's C of E Primary School, Writhlington	2	23.9	£593	£0	23.9	£470	£0
Compass Contract Services (UK) Ltd - St Patrick's Catholic Primary School (BCCfw)	1	24.5	£524	£0	24.5	£328	£0
Compass Contract Services (UK) Ltd - St Werburgh's Primary School (BCCfw)	1	27.0	£1,034	£0	27.0	£774	£0
Coombs Catering Partnership - Gillingstool Primary School (Mosaic Partnership Trust)	1	20.4	£431	£0	20.4	£0	£0
Coombs Catering Partnership - Mosaic Partnership Trust	5	20.4	£3,659	£0	20.4	£2,700	£0

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Coombs Catering Partnership - New Siblands School	1	23.2	£1,193	£0	23.2	£900	£0
Creative Youth Network - South Gloucestershire Council Youth Service	1	22.6	£363	-£200	22.6	£346	-£200
Direct Cleaning Services (South West) Limited - Lighthouse Schools Partnership	4	22.3	£1,867	£202	22.3	£1,919	£200
Direct Cleaning Services (South West) Limited - New Siblands School (Enable Trust)	2	20.0	£1,287	£0	20.0	£668	£0
Direct Cleaning Services (South West) Limited - Palladian MAT	6	21.5	£3,943	-£3,900	21.5	£3,961	-£3,700
Direct Cleaning Services (South West) Limited - South Gloucestershire Council	9	22.7	£4,340	£0	22.7	£2,992	£0
Direct Cleaning Services (South West) Limited - St Gregory's Catholic College	1	19.3	£874	£0	19.3	£573	£0
Direct Cleaning Services (South West) Limited - Twerton Infant School	1	19.3	£157	£0	-	-	-
Dolce Ltd - Mangotsfield C of E Primary School	3	24.1	£2,115	£0	24.1	£1,937	£200
Dolce Ltd - St Mary's School, Yate (SGC)	2	24.8	£1,602	£0	24.8	£179	£0
Edwards and Ward Ltd - Paulton Infant School	1	25.4	£858	-£367	25.4	£866	-£400
Edwards and Ward Ltd - Rangeworthy School	1	20.9	£151	£0	20.9	£0	£0
Edwards and Ward Ltd - South Gloucestershire Council	13	20.9	£8,779	£59	20.9	£5,571	£0
Edwards and Ward Ltd - St Keyna Primary School	1	26.2	£800	-£92	26.2	£775	-£100
Elite Sports UK Limited (E.S.D.C UK Ltd)	3	24.3	£4,217	£0	24.3	£5,023	£0

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Foundation for Active Community Engagement (FACE) - South Gloucestershire Council Youth Service	1	17.5	£89	£0	17.5	£89	£0
Future Stars Coaching Limited - High Down Schools	5	26.7	£1,921	£3,700	26.7	£2,082	£0
Greenwich Leisure Ltd - Bath & North East Somerset Council	12	19.4	£22,529	-£13,709	19.4	£21,516	-£13,300
HCRG Care Services Limited	11	23.4	£19,612	£0	-	-	-
Imperial Cleaning Services (South West) Limited - The Tynings Primary School	2	27.5	£1,450	£3	27.5	£0	£0
Innovate Services Ltd - Cathedral Schools Trust	5	27.3	£5,291	-£1,300	27.3	£3,864	-£1,600
Innovate Services Ltd - Excalibur Academies Trust	1	26.3	£753	-£4,182	26.3	£2,697	-£4,433
KGB Cleaning (South West) Ltd - Cabot Learning Federation	28	22.9	£5,453	£12	22.9	£4,706	£0
KGB Cleaning (South West) Ltd - Cathedral Schools Trust	4	26.1	£1,853	-£700	26.1	£1,119	£0
KGB Cleaning (South West) Ltd - Midsomer Norton Schools Partnership	1	21.1	£554	£130	21.1	£368	£0
KGB Cleaning (South West) Ltd - Olympus Academy Trust	5	23.5	£2,443	£0	23.5	£1,450	£0
Kindred - Bath & Wells MAT (St George's Church School)	1	24.2	£492	-£32	-	-	-
Liberata UK Limited	10	22.3	£18,600	-£66,548	22.3	£18,820	-£66,125
Mentoring Plus Bath & North East Somerset	1	25.4	£3,390	-£1,600	25.4	£3,579	£0
Miquill Catering - St Anne's Primary School	5	22.2	£1,349	£0	-	-	-
OCS Group UK Limited - Olympus Academy Trust	5	23.0	£4,244	£0	-	-	-

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Portway Sports Centre Limited	1	25.8	£2,176	£0	25.8	£0	£0
Prestige Cleaning & Maintenance Limited	2	26.9	£2,181	-£1,200	26.9	£1,904	-£1,100
Purgo Supply Services Ltd - Castle School Education Trust	3	25.7	£2,121	£100	25.7	£1,274	£100
Purgo Supply Services Ltd - Excalibur Academies Trust	2	26.3	£1,080	-£100	-	-	--
Purgo Supply Services Ltd - Lighthouse Schools Partnership	1	21.0	£1,863	£0	21.0	£2,253	£0
Ridge Crest Cleaning Ltd - Bristol City Council	1	23.3	£746	-£2,017	23.3	£677	-£1,900
Sansum Solutions Group Limited - Extend Learning Academies Network	8	24.1	£2,653	£936	24.1	£5,346	£0
Sansum Solutions Group Limited - St Bede's Catholic College	8	22.5	£5,008	-£0	22.5	£10,592	£0
Sansum Solutions Group Limited - Westhaven School	0	26.0	£245	£0	-	-	-
Shine Wraparound Care Ltd - Olympus Academy Trust	8	22.9	£4,109	£0	22.9	£3,447	£0
Skanska Rashleigh Weatherfoil Ltd	2	27.5	£4,054	-£4,800	27.5	£3,352	-£4,217
SLM Community Leisure Trust	34	21.6	£45,444	£112	21.6	£51,533	£0
SLM Fitness & Health Ltd	4	21.1	£4,495	£0	21.1	£4,497	£0
Sodexo Ltd - Lighthouse Schools Partnership	4	22.8	£3,199	-£2,000	22.8	£2,944	-£1,900
Sodexo Ltd - Oasis Community Learning	4	26.8	£2,747	£0	26.8	£1,467	£0
Solo Service Group Limited - Bristol City Council	9	27.3	£3,081	£0	-	-	-
Solo Service Group Limited - Excalibur Trust	2	24.7	£761	£0	-	-	-
The Brandon Trust	6	24.5	£8,349	-£8,100	24.5	£8,919	£0
Weston Support Services - Ashcombe	1	24.5	£807	£0	24.5	£868	£0

Employer	2024/25 active membership	2024/25 % of pay	2024/25 employee contributions	2024/25 plus deficit or (surplus)	2023/24 % of pay	2023/24 employee contributions	2023/24 Plus deficit or (surplus)
Primary School							
Weston Support Services Ltd - North Somerset Council Campus School	1	24.5	£163	£0	24.5	£83	£0
Xerox (UK) Limited	2	22.9	£4,306	£0	22.9	£5,360	£0
Youth Connect South West	3	21.6	£13,847	-£11,700	21.6	£19,977	-£9,583

Table 3.2: Summary revenue fund account

Year Ended 31 March	2025	2024	2023	2022	2021
Revenue Account	£m	£m	£m	£m	£m
Income					
Net Contributions	251.0	251.2	202.8	185.7	211.2
Investment Income	61.2	68.4	61.9	25.7	21.0
Net Cash Transfer	-2.5	-3.1	0.5	4.5	3.6
Total	309.7	316.5	265.2	215.9	235.8
Expenditure					
Pension & Benefits	250.6	229.4	197.8	192.4	183.2
Investment Management Expenses	22.3	19.2	19.7	32.2	19.4
Administration Costs	7.6	6.5	5.6	4.7	4.3
Total	280.5	255.1	223.1	229.3	206.9
Surplus for the Year	29.2	61.4	42.1	-13.4	28.9
Revaluation of Investments	-68.5	375.0	-474.9	526.7	808.0
Change in Fund Value	-39.3	436.4	-432.8	513.3	836.9
Total Fund Value	5786.3	5825.6	5389.2	5822.0	5308.7

Investment management Expenses and the Revaluation of Investments have been restated to include transaction costs in compliance with the CIPFA's Accounting for Local Government Pension Scheme Costs.

Table 3.3: Analysis of investment income accrued during the reporting period (£m)

Property	15.7
Diversified Strategies	14.3
Private Debt	15.0
Infrastructure	4.7
Derivatives	2.4
Cash	9.1
	61.2

Table 3.4: Budget v outturn report on the costs to the Fund

	Budget 2025/26 £'000	Budget 2024/25 £'000	Actual 24/25 £'000	Budget 2023/24 £'000	Actual 23/24 £'000
Administrative Costs					
Management Costs	4,475	4,009	3,332	3,363	2,696
Administration and Processing	1,528	1,284	933	1,134	1,102
Service from Adminstrating Body	519	516	450	507	466
Fees and income	(160)	(149)	(173)	(420)	(291)
	6,362	5,660	4,542	4,584	3,973
Investment Management Expenses					
Fund Manager Base Fees	21,698	19,553	19,046	19,467	18,110
Custody & Transaction costs	50	50	43	46	45
	21,748	19,603	19,089	19,513	18,155
Oversight & Governance costs					
Management Costs	1,181	1,320	1,247	982	1,068
Specialist advice and Governance	2,454	1,963	1,824	1,617	1,651
Actuarial recharges	(181)	(273)	(163)	(273)	(327)
Audit fees	108	95	138	57	112
	3,562	3,105	3,046	2,383	2,504
	31,672	28,368	26,677	26,480	24,632

Figures above do not include investment transaction costs which are deducted at source, transition costs or performance fees that relate to previous years. Budget figures include any adjustments made during the year.

Table 3.5: Fund cash flow

			FULL YEAR 2024/25	
			Forecast per Service Plan	Out-turn
			£'000	£'000
Outflows				
Benefits	Pensions		(205,458)	(204,301)
	Lump sums		(39,341)	(39,332)
Administration costs			(13,625)	(12,561)
Total Outflows			(258,424)	(256,194)
Inflows				
Deficit recovery			4,912	5,425
Deficit recovery - paid in advance			9,426	12,307
Future service Contributions			140,596	160,843
Future service Contributions - paid in advance			62,889	66,074
Total Contributions			217,823	244,649
Net Cash Flow (excluding Investment Income and Transfers)			(40,601)	(11,545)
Net Transfers In & Out (budgeted zero)			-	(1,955)
Investment income received as cash			40,700	12,230
Net Cash In-Flow (Out-Flow)			99	(1,270)

Table 3.6: Timeliness analysis of contributions payments

	£'000
Total Contributions due in year	250,953
Total contributions received late by:	£'000
1 day	-
2 days	-
3 days	-
Over 3 days	70.5
	70.5
Percentage of contributions received late	0.03%

Regulations permit the Fund to charge interest on contributions that are paid over one month late at 1% above base rate. No such interest was charged during the year.

Table 3.7: Pension overpayments by financial year

	Overpayments invoiced £'000s	Annual Payroll £'000s	% of payroll
2020/21	94	155,356	0.06%
2021/22	146	159,686	0.09%
2022/23	125	168,770	0.07%
2023/24	269	189,839	0.14%
2024/25	30	207,455	0.01%

The table shows an analysis of the pension benefits overpaid compared to the total retirement pensions paid for the year. Pension overpayments mainly relate to overpayment of pensioners between the date of their death and notification.

Fraud prevention

The Avon Pension Fund participates in the government's National Fraud Initiative run by the Cabinet Office. The exercise matches electronic data within and between public and private sector bodies to prevent and detect fraud.

Data matching involves comparing computer records held by one body against other computer records held by the same or another body to see how far they match. This is usually personal information. Computerised data matching allows potentially fraudulent claims and payments to be identified.

Other anti-fraud controls in place include Mortality Screening and the use of tracing services to find members that we do not currently hold an up-to date address for.

4. Fund account, statement and notes



PENSION FUND ACCOUNTS 2024/25

Fund Account

For the Year Ended 31 March 2025

	Notes	2024/25 £'000	2023/24 £'000
Dealings with members, employers and others directly involved in the fund			
Contributions Receivable	4	(250,877)	(251,239)
Transfers In		(17,577)	(14,320)
		(268,454)	(265,559)
Benefits Payable	5	250,293	229,436
Payments to and on account of Leavers	6	20,062	17,473
		270,355	246,909
Net (additions) / withdrawals from dealings with members		1,901	(18,650)
Management Expenses	7	29,799	25,718
Net (additions)/withdrawals including fund management expenses		31,700	7,068
Returns on Investments			
Investment Income	8	(61,263)	(68,383)
Profits and losses on disposal of investments and change in value of investments	9	68,519	(375,006)
Net Returns on Investments		7,256	(443,389)
Net (Increase)/Decrease in the net assets available for benefits during the year		38,956	(436,321)
Opening Net Assets of the Fund		5,825,531	5,389,210
Closing Net Assets of the Fund		5,786,575	5,825,531

Net Assets Statement at 31 March 2025

	Notes	31 March 2025 £'000	%	31 March 2024 £'000	%
INVESTMENT ASSETS					
Property Pooled Investment Vehicles		674,285	11.7	680,454	11.7
Non-Property Pooled Investment Vehicles		4,903,436	84.7	4,950,627	85.0
Cash Deposits		183,012	3.2	162,500	2.8
Derivative Contracts (Foreign Exchange hedge) - Gross Asset	9 & 10	21,512	0.4	17,309	0.3
Derivative Contracts: FTSE Futures - Gross Asset	9	-	-	688	-
Other Investment Balances		1,407	-	7,428	0.2
Total Investment Assets		5,783,652		5,819,006	
Long-Term Investments		750	-	722	-
INVESTMENT LIABILITIES					
Derivative Contracts (Foreign Exchange Hedge) - Gross Liability	9 & 10	(8,259)	(0.1)	(4,674)	(0.4)
Derivative Contracts: FTSE Futures - Gross Liability	9 & 10	(1,113)	-	-	-
Other Investment Balances		(369)	-	(9)	-
Total Investment Liabilities		(9,741)		(4,683)	
TOTAL NET INVESTMENTS	10	5,774,661		5,815,045	
Long Term Debtors	12a	240	-	257	-
Net Current Assets					
Current Assets	12	20,534	0.4	18,776	0.3
Current Liabilities	12	(8,860)	(0.2)	(8,547)	(0.2)
Net assets of the scheme available to fund benefits at the period end		5,786,575	100.1	5,825,531	100.0

An analysis of Non-Property Pooled Investment Vehicles is included within note 10 to the accounts

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after 31 March 2025. The actuarial present value of these liabilities is disclosed in note 15.

Notes to Accounts - Year Ended 31 March 2025

1 INTRODUCTION & STATEMENT OF ACCOUNTING POLICIES

1.1 Description of Fund

The Fund is administered by Bath & North East Somerset Council under arrangements made following the abolition of the former Avon County Council on 31 March 1996.

The scheme is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

Membership of the Fund is open to pensionable employees of scheduled bodies in the former Avon County area, together with employees of eligible designating and admission bodies. A list of employers with contributing scheme members can be found in note 25.

Employers' contributions are payable at the rate specified for each employing authority by the Fund's actuary. The employees' contribution rate is payable in accordance with the Local Government Pension Scheme Regulations 2013 (as amended).

Introduction to the Statement of Accounts

1.2 This statement comprises the Statement of Accounts for the Avon Pension Fund (the Fund). The accounts cover the financial year from 1 April 2024 to 31 March 2025.

1.3 These accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting ('Code of Practice') in the United Kingdom 2024/25 based on International Financial Reporting Standards as published by the Chartered Institute of Public Finance and Accountancy. The accounts have been prepared on an accruals basis, except for certain transfer values as described at 'Statement of Accounting Policies' – item 1.22. They do not take account of liabilities to pay pensions and other benefits in the future.

1.4 Actuarial Valuations

As required by the Local Government Pension Scheme Regulations 2013 (as amended) an actuarial valuation of the Fund was carried out as at 31 March 2022. The key elements of the funding policy are as follows:

- Ensure sufficient funds are available to meet all benefits as they fall due for payment
- Recover any shortfall in assets relative to the value of accrued liabilities over a reasonable timeframe
- Keep employer contributions as stable as possible and at reasonable cost whilst achieving and maintaining fund solvency, taking into account the risk appetite of the administering authority and scheme employers
- Maximise the return from investments within acceptable risk parameters

The market value of the Fund's assets at the valuation date was £5,822m. The Actuary estimated that the value of the Fund was sufficient to meet 96% of its expected future liabilities of £6,060m in respect of service completed to 31 March 2022, with a deficit of £238m.

1.5 At the 2022 valuation the average deficit recovery period for the Fund overall was set at 12 years.

1.6 The 2022 actuarial valuation was carried out using the projected unit actuarial method. The main assumptions used to set employers' contributions, are set out in the table below:

	Future Service Liabilities (Primary Contribution Rate)	Past Service Liabilities (Secondary Contribution Rate)
Rate of return on investments (discount rate)	5.1% per annum	4.60% per annum
Rate of pay increases (long term)	4.6% per annum	4.6% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	3.1% per annum	3.1% per annum

1.7 The 2022 triennial valuation was completed during 2022/23 using market prices and membership data as at 31 March 2022. This valuation set the employer contribution rates for future service and deficit recovery payments (expressed as a monetary amount payable annually) with effect from 1 April 2023. The discount rate used in the 2022 valuation is based on CPI plus a real investment return of 1.5% p.a. for past service (the secondary contribution rate) and CPI plus 2.0% p.a. for future service (the primary contribution rate). The discount rate for the lower risk investment strategy was 2.55% per annum.

1.8 The Actuary has estimated that the funding level is 102% as at 31 March 2025 based on the 2022 valuation assumptions. The funding level calculation is based on a CPI Plus Discount basis (which is a different approach from valuing liabilities as prescribed by IAS 26).

PENSION FUND ACCOUNTS 2024/25

- 1.9 The 2022 valuation includes the estimated cost of McCloud Judgement, based on the proposed remedy. The estimated cost is an increase in the past service liabilities at the valuation date of £70m. This represents 1.2% of total past service liabilities and is included in the liability figure and secondary contribution rate stated above.

The McCloud Regulations became effective on 1 October 2023. The bulk of the estimated cost of the additional liabilities arising due to the McCloud remedy was already factored into the actuarial valuations at 31 March 2022 in line with guidance previously issued centrally. Whilst the allowance made will not reflect the final implemented position precisely, for most employers, it is expected to substantially cover the cost of the additional McCloud liabilities. Overall, the differences to come through at the 31 March 2025 valuations are not expected to be material, although individual employer impacts will vary.

- 1.10 **Note 15** to the accounts shows the actuarial present value of promised retirement benefits for the purposes of IAS 26 using the assumptions and methodology of IAS 19. The discount rate referenced for IAS19 is the Corporate Bond yield. The discount rate used for the Actuarial Valuation references the Fund's investment strategy.
- 1.11 The Fund's Funding Strategy Statement can be found on the Fund's website avonpensionfund.org.uk (search Funding Strategy Statement) and is summarised within the Fund's Annual Report. The purpose of the Funding Strategy Statement is to set out a clear and transparent funding strategy that will identify how each employer's pension liabilities are to be met going forward.

Investment Strategy Statement

- 1.12 The Fund's Investment Strategy Statement (ISS) as required by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 can be found on the Fund's website avonpensionfund.org.uk (search Investment Strategy Statement) and is summarised within the Fund's Annual Report. The ISS is updated following strategic reviews.
- 1.13 The Fund's assets are currently managed externally by investment managers appointed and monitored by the Fund. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require funds to pool their investments assets. The Fund is a member of Brunel Pension Partnership which has established an FCA regulated company, Brunel Pension Partnership Limited (Brunel), to manage the assets of the pool. Each of the 10 LGPS funds in the pool is a shareholder owning an equal share of the company.

All the Fund's listed and liquid assets have transferred to Brunel with only illiquid legacy mandates and the local impact portfolio being directly managed by the Fund. For the assets that have transferred, Brunel is responsible for appointing and monitoring managers and other investment related operational aspects of the Fund.

- 1.14 **Proposed Government reforms to the Local Government Pension Scheme Pooling Arrangements in England and Wales.**

In 2024 the Government consulted on the future of the LGPS with an aim to establish larger pools of professionally managed capital, offering best value to its members and communities. Each pool put forward proposals of how it might achieve the criteria set out by the government, focusing on the benefits of scale, long-term resilience, and value for money, with consideration given to the opportunity for closer collaboration across the scheme and the merger of pools.

Brunel's proposal put forward by the company and its clients was rejected by the government as it did not meet the Government's vision for the future of the LGPS. As a result the Avon Pension Fund must now decide how best to meet the government's criteria, through joining another pool. The government has set a deadline of 30 September 2025 for the Fund to reach an in-principle decision for our future pooling arrangements.

Whilst the Fund is disappointed by this decision, it is currently working with the Brunel Pension Partnership and partner funds to fully assess options in meeting the Governments proposals. Considerable uncertainties remain on how any new arrangements will be adopted and on the future of the Brunel Pension Partnership Ltd. The fund's 10% shareholding in Brunel Pension Partnership Ltd is valued at £0.75m in the balance sheet. Although not considered material to the accounts, uncertainty on the long-term future of the Brunel Pension Partnership exists, until it becomes clearer on how the new Government arrangements will be implemented. Future transition costs are also unclear until a decision is made as to the new arrangements. The Fund recognises and has considered these risks and has decided not to make any adjustment to the financial statements but will continue to review as more clarity on the way forward develops.

- 1.15 The Fund has implemented three investment strategies to manage specific risks within the asset portfolio. These strategies are held within a Qualified Investment Fund (QIF) called Risk Management Strategy managed by Blackrock.
- (i) A Liability Driven Investment strategy provides a hedge against changes in the value of the pension liabilities within the asset portfolio. This strategy consists of bonds and derivatives such as gilt repurchase agreements and interest and inflation swaps, structured to achieve the desired hedge profile.
 - (ii) An Equity Protection Strategy to protect the funding position against significant falls in equity markets. The strategy uses Over the Counter Equity Option Index Swaps.
 - (iii) A Low Risk Investment Strategy where the assets (mainly corporate bonds) better match the liability profile of the employers within the strategy. These employers include those that have exited the Fund and those that have chosen a less risky investment strategy to explicitly manage investment

Statement of Accounting Policies

Basis of Preparation

- 1.16 Except where otherwise stated, the accounts have been prepared on an accruals basis, i.e. income and expenditure is recognised as it is earned or incurred, not as it is received or paid. The accounts have been prepared on a going concern basis.

Investments

- 1.17 Investments are shown in the accounts at fair value, which has been determined as follows:
- i) Quoted Securities have been valued at 31 March 2025 by the Fund's custodian using the market bid-price or 'last trade' on the final day of the accounting period.
 - ii) Unquoted investments. The fair value of investments for which market prices are not readily available is determined as follows:
 - Pooled vehicles for property, unutilised insurance policies and other managed funds are valued at the net asset value advised by the investment manager
 - Limited partnerships. Fair value is based on the net asset value ascertained from periodic valuations provided by the partnership
 - Pooled investment vehicles are valued at the closing bid price where bid and offer prices are published; or if a single net asset value, at the closing single price.Where audited valuations are not available at the accounting date, unaudited valuations as at 31 March 2025 or audited valuations lagged by a quarter adjusted for known cash flows are used. All valuations are subject to the custodian's and fund managers internal controls. Valuations are also subject to an external audit.
 - iii) Fixed interest securities are recorded at net market value based on their current yields and exclude interest earned but not paid over at the year end, which is included separately within investment debtors.
 - iv) Foreign currency transactions are recorded at the prevailing spot rate at the date of transaction. Investments held in foreign currencies are shown at market value translated into sterling at the exchange rates ruling as at 31 March 2025.
 - v) Derivative contracts are included in the Net Asset Statement at their fair market value, which is the unrealised profit or loss at the current bid or offer market quoted price of the contract. The amounts included in the change in market value are the realised gains or losses on closed futures contracts and the unrealised gains or losses on open futures contracts.
 - vi) Forward foreign exchange contracts outstanding at the year-end are stated at fair value which is determined as the gain or loss that would arise if the outstanding contract was matched at the year end with an equal and opposite contract. Foreign currency transactions are recorded at the prevailing rate at the date of transaction.
 - vii) The only Long Term Investment is shares in Brunel Pension Partnership Ltd. Its fair value is based on the value of equity in Brunel Pension Partnership Ltd accounts.
 - viii) Acquisition costs of investments (e.g. stamp duty and commissions) are treated as part of the investment cost.
 - ix) Investment debtors and creditors at the year-end are included in investment assets in accordance with the CIPFA code of practice on local authority accounting.
 - x) The Fund's surplus cash is managed separately from the surplus cash of Bath and North East Somerset Council (B&NES) and is treated as an investment asset.

Contributions

- 1.18 Contributions represent those amounts receivable from the employing bodies in respect of their own and their pensionable employees' contributions. Employers' contributions are determined by the Actuary on the basis of triennial valuations of the Fund's assets and liabilities and take into account the Funding Strategy Statement set by the administering authority. The rates applying in 2024/25 relate to the 2022 valuation and the employer contribution rates range from 12.5% to 41.1%. Employees' contributions have been included at the rates prescribed by the Local Government Pension Scheme Regulations 2013 (as amended). The employee contribution rates range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2025. The deficit contribution is expressed as a cash sum, and ranges from £0 to £4.3 millions.
- 1.19 Normal contributions both from members and the employer are accounted for on an accruals basis in the payroll period to which they relate. Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

Benefits, Refunds of Contributions and Cash Transfer Values

- 1.20 From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is up-rated annually in line with the Consumer Prices Index.
- 1.21 Benefits payable and refunds of contributions have been brought into the accounts as they fall due.
- 1.22 Cash Transfer Values are those sums paid to or received from other pension schemes and relate to previous periods of pensionable employment. Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged. Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement. Accruals are only made when it is certain that a transfer is to take place.
- 1.23 Charges for splitting pensions on divorce are either invoiced to members or, on request, paid out of future benefits. In the case of payment from future benefits the charge against benefits and income to the Fund are both made in the current year. The charges are index linked to pension's increases to ensure that the Fund receives the full value.

Investment Income

- 1.24 Dividends and interest have been accounted for on an accruals basis, based on figures provided by the custodian. Some of the income on pooled investments is accumulated and reflected in the valuation of the units and some (mainly property) is distributed.

Investment Management & Administration

- 1.25 The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 permit Bath & North East Somerset Council to charge administration costs to the Fund. A proportion of relevant Council costs has been charged to the Fund on the basis of time spent on Pension Fund business.
- 1.26 The fees charged by the Fund's external investment managers reflect their differing mandates. Fees are linked to the market value of the Fund's investments and therefore may increase or reduce as the value of the assets change. Management fees are recognised in the year in which the management services are provided. A provision has been made for performance fees that have been incurred but are subject to phased payments or are not to be paid until the realisation of the related investments. These remain subject to change as a consequence of future performance. Fees are also payable to the Fund's global custodian and other advisors.

Taxation

- 1.27 The Fund is not liable to UK income tax, on income derived from investments, under Section 186 of the Finance Act 2004, nor is it liable to capital gains tax under section 271 Taxation of Chargeable Gains Act 1992. As Bath & North East Somerset Council is the administering authority for the Fund, VAT input tax is recoverable on all Fund activities including expenditure on investment expenses. For taxation of overseas investment income please see note 3 iv. in the Notes to the Accounts.

Assumptions made about the future and other major sources of estimation uncertainty

1.28 The Statement of Accounts contains estimated figures that are based on assumptions made about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However because balances cannot be determined with certainty actual results could be materially different from the assumptions and estimates. Estimates are used in the valuation of unquoted investments and in the actuarial valuation for the purposes of IAS 26 (note 15) in which the actuarial calculation of the liability is subject to the professional judgement of the Scheme Actuary. The Fund's investments are stated at fair value. The subjectivity of the inputs used in making an assessment of fair value is explained in note 24.

The items in the financial statements for which there is a significant risk of material adjustment the following year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Unlisted Assets	The Hedge Fund (£15m), Infrastructure (£746m), Private Debt (£252m) and closed-ended Property Funds (£121m) investments are not publicly listed and as such there is a degree of estimation involved in their valuation. Where possible the valuation techniques use observable or transaction based inputs; however there is reliance on non-observable inputs which increases the degree of uncertainty.	A +/-10% change in the valuations of the Property Limited Partnerships, Hedge Fund and Infrastructure assets included in the accounts for these portfolios would result in an increase or reduction of +/- £113m in total Fund assets. Note 24 shows the sensitivity of these assets to changes in value in more detail.
Actuarial present value of promised retirement benefits (Note 15)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Mercer, a firm of consulting actuaries, is engaged to provide the authority with expert advice about the assumptions to be applied. The estimated total value of the Fund's promised retirement benefits as at 31 March 2025 is £5,612 million.	The effects on the actuarial present value of promised retirement benefits (the Fund's liabilities) of changes in individual assumptions can be measured. For instance, based on the 2022 actuarial valuation results: • a 0.25% per annum reduction in the real investment return assumption would increase deficit by £261m (to £499m) • a 0.25% per annum increase in the assumed pensionable salary growth would increase the deficit by £32m (to £270m) • a 0.25% per annum increase in the long term improvement rate in life expectancy would increase the deficit by £45m (to £283m)

Events After the Balance Sheet Date

1.29 The Statement of Accounts is adjusted to reflect events that occur after the end of the reporting period that provide evidence of conditions that existed at the end of the reporting period, should they occur. The Statement of Accounts is not adjusted to reflect events that are indicative of conditions that arose after the reporting period, but where material, disclosure is made in the notes of the nature and estimated financial effect of such events.

Financial Instruments

1.30 Financial Assets and Liabilities are recognised on the Balance Sheet when the Fund becomes a party to the contractual provisions of a financial instrument and are measured at fair value or amortised cost.

Going Concern

1.31 These accounts have been prepared on a going concern basis. The concept of going concern assumes that the Pension Fund will continue in operation for the foreseeable future.

Critical Judgements in Applying Accounting Policies

1.33 It has not been necessary to make any material critical judgements in applying accounting policies about complex transactions or those involving estimation uncertainty about future events during 2024/25.

PENSION FUND ACCOUNTS 2024/25

2 MEMBERSHIP

Membership of the Fund at the year-end was as follows:-

	31 March 2025	31 March 2024
Employed Members	41,658	41,642
Pensioners	41,009	39,605
Members entitled to Deferred Benefits	45,439	44,653
Undecided Leavers	14,064	14,147
TOTAL	142,170	140,047

The numbers of members have been extracted from the underlying membership records in the live system as at 31 March 2025, including the comparative figures

3 TAXATION

(i) Value Added Tax

The Fund's administering authority Bath & North East Somerset Council is reimbursed VAT by HM Revenue and Customs and the accounts are shown exclusive of VAT.

(ii) Income Tax

The Fund is a wholly exempt fund and some UK income tax is recoverable from HM Revenue and Customs. Where tax can be reclaimed, investment income in the accounts is shown gross of UK tax.

(iii) Capital Gains Tax

No capital gains tax is chargeable.

(iv) Taxation of Overseas Investment Income

Where the Fund receives interest on overseas government interest bonds portfolios which is gross, a variety of arrangements apply to the taxation of interest on corporate bonds and dividends on overseas equities.

4 CONTRIBUTIONS RECEIVABLE

Contributions receivable are analysed below:-

	2024/25 £'000	2023/24 £'000
Employers' normal contributions		
Scheduled Bodies	144,957	134,202
Administering Authority	17,121	15,272
Admission Bodies	7,207	7,715
	<u>169,285</u>	<u>157,189</u>
Employers' deficit Funding		
Scheduled Bodies	14,741	30,846
Administering Authority	1,653	1,585
Admission Bodies	1,105	5,528
	<u>17,499</u>	<u>37,959</u>
Total Employer's normal & deficit funding	186,784	195,148
Employers' contributions - Augmentation		
Scheduled Bodies	4,293	950
Administering Authority	515	115
Admission Bodies	74	6
	<u>4,882</u>	<u>1,071</u>
Members' normal contributions		
Scheduled Bodies	50,287	46,906
Administering Authority	6,095	5,494
Admission Bodies	1,977	2,141
	<u>58,359</u>	<u>54,541</u>
Members' contributions toward additional benefits		
Scheduled Bodies	706	407
Administering Authority	105	62
Admission Bodies	41	10
	<u>852</u>	<u>479</u>
Total	250,877	251,239

The decrease in Employers' deficit funding between 2023/24 and 2024/25 is due to employers paying their deficits three years in advance in 2023/24.

The Members' contributions towards additional benefits above represent members' purchase of added years or additional benefits under the Scheme. Augmentation contributions are paid by employers to meet the cost of early retirements.

A further facility is provided whereby members can make Additional Voluntary Contributions, on a money purchase basis, which are invested in insurance policies with Legal & General, Utmost Life & Pensions or Aviva on behalf of the individual members concerned. These contributions are not part of the Pension Fund and are not therefore reflected in the Fund's accounts. A statement of the value of these investments is given in note 18.

PENSION FUND ACCOUNTS 2024/25

5 BENEFITS PAYABLE

Analysis of Gross Benefits Payable by Type:-

	2024/25 £'000	2023/24 £'000
Retirement Pensions	207,455	189,839
Commutation of Pensions and Lump Sum Retirement Benefits	39,194	34,485
Lump Sum Death Benefits	3,644	5,112
	<u>250,293</u>	<u>229,436</u>

Analysis of Gross Benefits Payable by Employing Body:-

	2024/25 £'000	2023/24 £'000
Scheduled & Designating Bodies	203,609	184,380
Administering Authority	25,983	25,538
Admission Bodies	20,701	19,518
	<u>250,293</u>	<u>229,436</u>

6 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

Leavers

	2024/25 £'000	2023/24 £'000
Refunds to members leaving service	956	618
Individual Cash Transfer Values to other schemes	18,504	16,855
Group Transfers	602	0
	<u>20,062</u>	<u>17,473</u>

A group transfer took place between Restart Employment and Skills Limited (Weston College) to Greater Manchester Pension Fund as at 1st July 2024.
The value of the transfer will be established in 2025/26.

PENSION FUND ACCOUNTS 2024/25

7 MANAGEMENT EXPENSES

Costs incurred in the management and administration of the Fund are set out below.

	2024/25	2023/24
	£'000	£'000
Administrative Costs	4,542	3,973
Oversight & Governance Costs	2,970	2,504
Investment Management Expenses	22,287	19,241
	29,799	25,718
Further Analysis of Management Expenses:-		
Administrative Costs		
Management Costs	3,327	2,696
Administration and Processing	938	1,102
Service from Administrating Body	450	466
Fees and Income	(173)	(291)
	4,542	3,973
Oversight & Governance Costs		
Management costs	1,247	1,068
Specialist advice and Governance	1,824	1,651
Actuarial recharges	(239)	(327)
Audit Fees	138	112
	2,970	2,504
Investment Management Expenses (Note 7a)		
	22,287	19,241
	29,799	25,718

Management costs in Oversight & Governance Costs include investments, actuarial and accounting staff costs. Audit fees include; the £0.106m external audit fee (2023/24 £0.095m), £0.019m scale fee variation for 22/23 (charged to the Fund in 24/25), £0.005m relating to IAS 19 Assurances for 23/24 and £0.008m relating to IAS 19 Assurances for 24/25. Internal audit costs are included within Specialist advice and Governance.

7a INVESTMENTS MANAGEMENT EXPENSES

2024/25	Total	Management Fees	Performance related fees	Transaction costs
	£000	£000	£000	£000
Equity	0	0	0	0
Pooled Property	2,156	2,163	(7)	0
Private Infrastructure & Secured Income	3,500	3,500	0	0
Derivatives	481	481	0	0
Pooled Investments *	16,105	12,900	3,200	5
	22,242	19,044	3,193	5
Custody Fees	45			
Total	22,287			
2023/24	Total	Management Fees	Performance related fees	Transaction costs
	£000	£000	£000	£000
Equity	0	0	0	0
Pooled Property	2,013	2,209	(196)	0
Private Infrastructure & Secured Income	3,260	3,260	0	0
Derivatives	430	430	0	0
Pooled Investments *	13,493	12,210	1,271	12
	19,196	18,109	1,075	12
Custody Fees	45			
Total	19,241			

* Included within Pooled Investments is £1.889m (£1.645m in 23/24) paid to Brunel Pension Partnership for core investment services.

Fund Manager Performance Fees include fees that have been accrued but are subject to phased payment or not due to be paid until the realisation of the related assets. Unpaid fees remain subject to variation as a result of future performance. Total fund manager fees include management charges for pooled investments that are settled directly within the pooled vehicles in accordance with the investment management agreement.

The performance fees included in 24/25 represent a decrease in the provision for pooled property of £0.583m and a payment in year of £0.576m. For Pooled investments there is a payment in year of £2.025m and an increase in provision of £1.175m. The current total provision for performance fees is included in note 12 Current Asset and Liabilities.

Of the £22.3m of investment management fees, £13.7m relates to the fees paid to the underlying managers of the portfolios managed by Brunel. Fees were relatively stable year on year due to the muted performance of assets. No material asset allocation changes were made during the period.

PENSION FUND ACCOUNTS 2024/25

8 INVESTMENT INCOME

	2024/25 £'000	2023/24 £'000
Dividends from equities	17	30
Income from pooled Property Investments	15,689	13,560
Income from other pooled investment vehicles	36,408	47,170
Interest on cash deposits	9,149	7,623
Other Income	-	-
TOTAL	61,263	68,383

Brunel operates a securities lending programme for its clients for select portfolios with their custodian, where eligible securities are lent to third parties in exchange for fees paid. The third parties provide collateral which is held for the duration of the loan(s). The income from this programme is not distributed but accumulates within the relevant Brunel pooled fund. At the year end based on its holding in the Brunel Global High Alpha Portfolio, the Fund had £23.1m stock on loan, secured by collateral of £24.5m. During the year the Fund's share of stock lending income in this portfolio was £0.08m. The Fund does not operate a securities lending programme outside of the Brunel portfolios.

PENSION FUND ACCOUNTS 2024/25

9 CHANGE IN TOTAL NET ASSETS

Change in Market Value of Investments	Value at 31/03/24 £'000	Purchases at Cost £'000	Sales Proceeds £'000	Change in Market Value £'000	Value at 31/03/25 £'000
Bonds	-				-
Equities	-				-
Long Term Investments	722	-	-	28	750
Pooled Investments-					
- Property	680,454	22,604	(25,344)	(3,429)	674,285
- Non Property	4,950,627	141,207	(68,225)	(120,173)	4,903,436
Derivatives					
- Foreign Exchange Hedge	12,635	26,517	(58,994)	33,095	13,253
- FTSE Futures	688	1,159	(6,055)	3,095	(1,113)
Sub Total	5,645,126	191,487	(158,618)	(87,384)	5,590,611
Other Investment Balances:					
- Cash Deposits	162,500				183,012
- Amount receivable for sales	6,333				364
- Payable for purchases	(9)				(369)
- Investment Debtors & Creditors	1,095				1,043
Total Investment Assets	5,815,045			(87,384)	5,774,661

Reconciliation to Fund Account:

	£'000
Change in market value of Investment Assets	(87,384)
Net Purchases & Sales	32,869
Movement in other Investment Balances	14,131
Movement in Long Term Debtors	(17)
Movement in Current Assets	1,445
Less Net Revenue of Fund	(29,563)

Profits and losses on disposal of investments and change in value of investments **(68,519)**

The **Change in Market Value** of investments comprises all gains and losses on Fund investments during the year, whether realised or unrealised.

The **Change in Market Value** for cash deposits represents net gains on foreign currency deposits and foreign exchange transactions during the year.

Derivatives. The purchases and sales of derivatives are shown at the values of the realised profits and losses of the net derivatives transactions.

The Net Revenue of Fund equals the Net Withdrawals / additions including fund management expenses (£31.7m) plus Investment income (£-61.263m) as shown in the Fund account.

Change in Total Net Assets 2023/24

Change in Market Value of Investments	Value at 31/03/23 £'000	Purchases at Cost * £'000	Sales Proceeds * £'000	Change in Market Value £'000	Value at 31/03/24 £'000
Bonds	-				-
Equities	-				-
Long Term Investments	707	-	-	15	722
Pooled Investments-					
- Property	612,977	161,088	(29,147)	(64,464)	680,454
- Non Property	4,624,767	720,480	(790,801)	396,181	4,950,627
Derivatives					
- Foreign Exchange Hedge	16,796	36,526	(78,937)	38,250	12,635
- FTSE Futures	361	499	(1,503)	1,331	688
Sub Total	5,255,608	918,593	(900,388)	371,313	5,645,126
Other Investment Balances:					
- Cash Deposits	113,597				162,500
- Amount receivable for sales	11,888				6,333
- Payable for purchases	(282)				(9)
- Investment Debtors & Creditors	844				1,095
Total Investment Assets	5,381,655			371,313	5,815,045

Reconciliation to Fund Account:

	£'000
Change in market value of Investment Assets	371,313
Net Purchases & Sales	18,205
Movement in Other Investment Balances	43,872
Movement in Long Term Debtors	(15)
Movement in Current Assets	2,946
Less Net Revenue of Fund	(61,315)

Profits and losses on disposal of investments and change in value of investments **375,006**

* Purchases and sales for other investment balances have been removed from this note so that it is consistent with the CIPFA Example Accounts.

PENSION FUND ACCOUNTS 2024/25

10 INVESTMENT ASSETS

Further analysis of the market value of investments as set out in the Net Assets Statement is given below:-

	31 March 2025 £'000	31 March 2024 £'000
Non-Property Pooled Investment Vehicles		
Global Equity	1,840,916	1,818,719
Risk Management Strategy	1,295,182	1,522,335
Diversified Growth Funds	385,269	373,169
Infrastructure	745,623	674,975
Multi Asset Credit	369,145	340,487
Hedge Funds	15,206	17,575
Private Debt	252,095	203,367
	<u>4,903,436</u>	<u>4,950,627</u>
Other Investments		
Pooled Property Investments	674,285	680,454
Derivative contracts		
• Foreign Exchange Hedge	21,512	17,309
• Derivative contracts: FTSE Futures	0	688
	<u>695,797</u>	<u>698,451</u>
Cash deposits	183,012	162,500
Investment Income due	1,043	1,095
Amounts receivable for sales	364	6,333
Total Investment Assets	<u>5,783,652</u>	<u>5,819,006</u>
Long Term Investments		
Equities	<u>750</u>	<u>722</u>
Investment Liabilities		
Derivative contracts		
• Foreign Exchange Hedge	(8,259)	(4,674)
• Derivative contracts: FTSE Futures	(1,113)	-
Amounts payable for purchases	(369)	(9)
Total Investment Liabilities	<u>(9,741)</u>	<u>(4,683)</u>
Total Net Investments	<u><u>5,774,661</u></u>	<u><u>5,815,045</u></u>

During the year remaining capital was called to complete the 9% strategic allocation to Secured Income and further capital was drawn into the Fund's local impact portfolio, funding investments in affordable housing and renewable energy. Underweight positions in private markets combined with positive listed equity performance resulted in an overweight position to listed equities which the Fund rebalanced by reducing equity exposure with the BlackRock Risk Management vehicle. Proceeds were used to bolster the Fund's collateral position and fund ongoing private markets capital calls.

The Long term investment of £0.750m represents Avon Pension Fund's share of the Brunel Pension Partnership. This share represents 10% of the Total Equity, as per Brunel's Statement of Financial Position, as at 30th September 2024.

PENSION FUND ACCOUNTS 2024/25

DERIVATIVES ANALYSIS

Open Forward Currency Contracts

Settlement	Currency Bought	Local Value 000	Currency Sold	Local Value 000	Asset Value £'000	Liability Value £'000
Up to one month	EUR	42,334	GBP	35,488	5	(8)
Up to one month	JPY	2,696,900	GBP	14,048	15	(46)
Up to one month	USD	142,633	GBP	110,401	331	(221)
Up to one month	GBP	14,484	JPY	2,696,900	471	(4)
Up to one month	GBP	35,693	EUR	42,334	210	(1)
Up to one month	GBP	112,497	USD	142,633	2,098	(112)
One to six months	EUR	9,168	GBP	7,728	6	(19)
One to six months	JPY	976,300	GBP	5,158	15	(64)
One to six months	USD	125,984	GBP	97,829	352	(558)
One to six months	GBP	166,702	EUR	198,028	333	(501)
One to six months	GBP	61,469	JPY	11,596,300	759	(147)
One to six months	GBP	535,612	USD	685,879	6,487	(2,359)
Six to twelve months	GBP	32,005	EUR	37,772	-	(4)
Six to twelve months	GBP	11,267	JPY	2,124,000	9	-
Six to twelve months	GBP	579,468	USD	738,454	10,292	(3,590)
Six to twelve months	USD	66,580	GBP	51,869	129	(371)
Six to twelve months	EUR	-	GBP	-	-	-
Six to twelve months	JPY	-	GBP	-	-	-
More than twelve months	GBP	86,688	USD	111,979	-	(253)
Total					21,512	(8,259)
Net forward currency contracts at 31st March 2025						13,253
Open forward currency contracts at 31 March 2024					17,309	(4,674)
Net forward currency contracts at 31st March 2024						12,635

Exchange Traded Derivatives held at 31 March 2025:-			
Contract Type	Expiration	Book Cost £'000	Unrealised Gain/(Loss) £'000
FTSE equity futures	June 2025	71,485	-1,113
Exchange Traded Derivatives held at 31 March 2024:-			
FTSE equity futures	June 2024	33,629	688

A derivative is a financial contract between two parties, the value of which is determined by the underlying asset. Investment in derivatives may only be made if they contribute to a reduction of risks and facilitate efficient portfolio management.

The UK Equity futures contracts are held to facilitate efficient portfolio management for a passively managed investment where the costs of investing directly in UK equities would be significant.

Forward "over the counter" foreign exchange contracts are held to reduce the impact of fluctuations in the exchange rate between sterling and the other currency.

PENSION FUND ACCOUNTS 2024/25

Investment Assets by Manager

The proportion of the market value of investment assets managed by each external manager and in house Treasury Management at the end of the financial year was:-

	31 March 2025		31 March 2024	
	£'000	%	£'000	%
Investments managed by Brunel Pension Partnership:				
BlackRock Risk Management Strategy	1,295,199	22.3	1,522,352	26.1
Brunel Renewables Portfolio	235,618	4.1	206,889	3.6
Brunel Secured Income Portfolio	620,690	10.7	600,319	10.3
Brunel Multi Asset Credit	369,145	6.4	340,487	5.9
Brunel Global Sustainable Equity	648,956	11.2	666,871	11.5
Brunel Paris Aligned Developed Equity	441,806	7.7	427,700	7.4
Brunel Diversified Returns Fund	385,269	6.7	373,169	6.4
Brunel UK Property	188,821	3.3	178,154	3.1
Brunel Global High Alpha Equity	726,463	12.6	720,796	12.4
Brunel Private Debt	252,095	4.4	203,367	3.5
Avon Transition Fund	5	-	5	-
	5,164,067	89.4	5,240,109	90.2
Investments managed outside Brunel Pension Partnership:				
Blackrock	23,701	0.4	3,354	0.1
Record	85,350	1.5	46,603	0.8
Partners Group	89,333	1.5	104,225	1.8
TT International	308	-	311	-
IFM Investors	246,967	4.3	228,645	3.9
Schroder Investment Management	13,228	0.2	13,750	0.2
Avon Local Impact Fund	42,243	0.7	35,085	0.6
JP Morgan	15,206	0.3	23,907	0.4
Custodian Cash	64,539	1.1	87,300	1.5
Long Term Investment	750	-	722	-
Treasury Management	28,969	0.5	31,034	0.5
	610,594	10.5	574,936	9.8
TOTAL INVESTMENT ASSETS	5,774,661	99.9	5,815,045	100.0

11 SINGLE INVESTMENTS OVER 5% OF THE FUND

The following investments represent more than 5% of the net assets of the fund.

Investments	Value at 31st March 2025		Value at 31st March 2024	% of Net Asset
	£'000	% of Net Asset	£'000	
BlackRock Risk Management Strategy	1,295,199	22.38%	1,522,352	26.13%
Brunel Global High Alpha Equity	726,463	12.55%	720,796	12.37%
Brunel Global Sustainable Equity	648,956	11.21%	666,871	11.45%
Brunel Paris Aligned Developed Equity	441,806	7.64%	427,700	7.34%
Brunel Diversified Returns Fund	385,269	6.66%	373,169	6.41%

PENSION FUND ACCOUNTS 2024/25

12 CURRENT ASSETS AND CURRENT LIABILITIES

Provision has been made in the accounts for debtors and creditors known to be outstanding at 31 March 2025.

Debtors and creditors included in the accounts are analysed below:-

	31 March 2025 £'000	31 March 2024 £'000
CURRENT ASSETS		
Contributions Receivable		
- Employers	13,846	12,970
- Members	4,807	4,462
Discretionary Early Retirement Costs	480	81
Other Debtors	1,401	1,263
	<u>20,534</u>	<u>18,776</u>
CURRENT LIABILITIES		
Management Fees	(994)	(468)
Provision for Performance Fees	(2,560)	(1,968)
Lump Sum Retirement Benefits	(2,714)	(2,866)
Contributions received in advance	-	-
Other Creditors	(2,592)	(3,245)
	<u>(8,860)</u>	<u>(8,547)</u>
NET CURRENT ASSETS	<u>11,674</u>	<u>10,229</u>

The provision for Performance Fees includes fees that have been incurred but are subject to phased payment or not due to be paid until the realisation of the related assets. They remain subject to variation as a result of future performance.

12a LONG TERM DEBTORS

Provision has been made in the accounts for long term debtors known to be outstanding at 31 March 2025.

	31 March 2025 £'000	31 March 2024 £'000
Reimbursement of lifetime tax allowances	<u>240</u>	<u>257</u>

The Lifetime tax allowance was introduced in 2006. It limits the amount of pension that can be paid without an extra charge. Responsibility for payment rests with the pensioner. Avon Pension Fund offer to pay the tax upfront and are reimbursed from pension deductions over time. This creates a long term debtor in the accounts. The LTA has been removed with effect from 6/4/23 and will be abolished altogether from 6/4/24.

13 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 March 2025. (31 March 2024 £Nil)

14 EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after 31 March 2025 that require any adjustment to these accounts.

PENSION FUND ACCOUNTS 2024/25

15 ACTUARIAL PRESENT VALUE OF PROMISED RETIREMENT BENEFITS FOR THE PURPOSE OF IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes.

The movement in the value of the Fund's promised retirement benefits for IAS 26 is as follows:

	Liabilities
Start of period	£6,296m
Interest	£304m
Net benefits accrued/paid over the period*	(£34m)
Actuarial losses / (gains) - see below	(£954m)
End of period	£5,612m

*this includes any increase in liabilities arising as a result of early retirements

Key factors leading to actuarial gains above year are:

- Change in financial assumptions: Corporate bond yields increased over the year, with a corresponding increase in discount rate from 4.9% p.a. to 5.8% p.a. The long-term assumed CPI is slightly lower at the end of year than it was at the start of year. In combination, these factors lead to a significant reduction in liabilities (c£932m reduction).
- Change in demographic assumptions: As noted in appendix B, the mortality assumptions have been updated to reflect the latest mortality tables and future life expectancy improvement model. This acts to slightly reduce the liabilities (c£14m reduction).
- Pension increases / inflation experience: The figures allow for the impact of actual CPI experienced over the year compared to the start of period assumption (experience to September 2024 fed into the April 2025 pension increase of 1.7%, and actual inflation from that point will feed into the 2026 increase). As inflation over the year was a little lower than the long-term assumption, this slightly decreases the liabilities (c£8m reduction).

Appendix A - additional considerations

The "McCloud judgment": The figures above allow for the impact of the judgment based on the proposed remedy.

GMP indexation: The above figures allow for the provision of full CPI pension increases on GMP benefits for members who reach State Pension Age after 6 April 2016.

Market volatility and tariffs There was significant volatility in markets shortly after the accounting date, in part due to the announcements on tariffs coming from the USA. The period-end figures reflect market conditions as at the accounting date, but do not allow for any subsequent experience.

Virgin Media Court Case: Our current understanding is that, while HM Treasury are still assessing the implications, they do not believe the case is relevant to public service pension schemes. Given this, and the unknown impact on benefits even if it were to be required, we have not made any allowance for the Virgin Media judgment.

Appendix B – financial and demographic assumptions

To assess the liability value of the benefits, we have used the following assumptions as at 31 March 2025 (the 31 March 2024 assumptions are included for comparison):

Financial Assumptions	31st March 2025	31st March 2024
Rate of return on investments (discount rate)	5.8% per annum	4.9% per annum
Rate of CPI Inflation / CARE benefit revaluation	2.6% per annum	2.7% per annum
Rate of pay increases*	4.1% per annum*	4.2% per annum*
Rate of increases in pensions in payment (in excess of GMP) / Deferred revaluation	2.7% per annum	2.8% per annum

Post retirement mortality assumptions (normal health)	31 March 2025 (M/F)	31 March 2024 (M/F)
Base mortality table	SAPS 4 / SAPS 4 middle	SAPS 3 / SAPS 3 middle
Future improvements	CMI 23 1.5%	CMI 22 1.5%
Additional parameters	S=7, A=0 W20=W21=0%, W22=W23=15%	S=7, A=0 W20=W21=0%, W22=25%
<i>Non-retired members (current age 45):</i>		
Weightings	99% / 92%	100% / 94%
Life expectancies at age 65		
<i>Retired members (current age 65):</i>	23.2 / 26.1	23.3 / 25.8
Weightings	94% / 94%	95% / 94%
Life expectancies at age 65	22.0 / 24.1	22.0 / 24.1

The base tables are set based on the most recent mortality analysis for the Fund (undertaken as part of the 2022 actuarial valuation). The future improvements allow for a best estimate long-term improvement rate of 1.5%, and have been updated to allow for the latest base tables available (the "S4" series of tables and CMI 2023 at the end of period), with a reweighting to maintain consistency with the underlying mortality analysis.

Other demographic assumptions

The other demographic assumptions are the same as those used for 2022 actuarial funding valuation – full details are set out in the formal report on the actuarial valuation dated March 2023.

PENSION FUND ACCOUNTS 2024/25

15a VALUE OF PROMISED RETIREMENT LIABILITIES

	31 March 2025 £m	31 March 2024 £m
Value of Net Assets per NAS	5,787	5,826
Present Value of promised retirement benefits	(5,612)	(6,296)
IAS 26 Surplus/(Deficit) in the Fund	175	(470)

Liabilities have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022

16 TRANSFERS IN

During the year there were no group transfers into the fund.

17 AGENCY SERVICES

The Fund makes payments with regard to added year benefits awarded by the Employer to Local Government Pension Scheme members, including related pension increases. The Fund also pays a small number of other pension supplements. These are not funded by the Fund and are recharged in full. They are not included in the Fund Account.

	2024/25 £'000	2023/24 £'000
Benefits Paid and Recharged	5,896	5,797

The Fund also administered £5.1m pension payments on behalf of the Teachers' pension scheme (£25.5m in 2023/24). They are not included in the Fund Account. The Teachers' employers also pay for the cost of providing this service. On 1st February 2024 administration of the Fire Service was transferred to West Yorkshire Pension Fund.

18 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVC's)

Scheme members may make Additional Voluntary Contributions that are invested in insurance policies. From January 2023 the main provider moved from Aviva to Legal & General. There are members still with Aviva or Utmost Life & Pensions due to their type of investments, however.

The total value of the assets invested and contributions paid, on a money purchase basis, with these AVC providers was:-

	Contributions paid 2024/25 £000	Market value 31 March 2025 £000	Contributions paid 2023/24 £000	Market value 31 March 2024 £000
Legal & General	1,393	6,331	925	5,596
Aviva	0	163	0	185
Utmost Life & Pensions	0	16	0	15
	1,393	6,510	925	5,796

AVC contributions are not included in the Fund's financial statements as they do not come under the requirements of Regulation 4(1)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016 regarding regulation 69(1)(a) of the Local Government Pension Scheme Regulations 2013.

PENSION FUND ACCOUNTS 2024/25

19 RELATED PARTIES

Committee Member Related:-

In 2024/25 £48,248 was charged to the Fund in respect of Allowances paid to the voting Members of the Avon Pension Fund Committee (£39,745 in 2023/24). Five voting members and one non-voting member of the Avon Pension Fund Committee (including one B&NES Councillor Member) were members of the Local Government Pension Scheme during the financial year 2024/2025. (Seven voting members and one non-voting member in 2023/2024, including two B&NES Councillor Members).

Independent Member Related:-

Three Independent Members were paid allowances of £14,364, £17,388 and £15,025 respectively during the year for their work in relation to the Pension Fund Committee and the Investment Panel. All three Members were paid in respect of the full year. They are entitled to claim reasonable expenses which are included in the above allowances. The Independent Members are not eligible to join the Local Government Pension Scheme.

Employer Related:-

During the year 2024/25 the Fund paid B&NES Council £536,075 for administrative services (£532,108 in 2023/24). Various Employers paid the Fund a total of £139,226 for pension related services including pension's payroll and compiling data for submission to the actuary (£267,116 in 2023/24).

Pension Board Related:-

In 2024/25 £8,895 was charged to the Fund in respect of Allowances and expenses paid to the Members of the Pension Board (£8,488 in 2023/24). Five members of the Pension Board were members of the LGPS during 2024/2025 (five members in 2023/2024).

Brunel Pension Partnership Limited

Brunel Pensions Partnership Limited (BPP Ltd. Company number 10429110) was formed on the 14th October 2016 and oversees the investment of pension fund assets for Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire Funds.

Each of the 10 administering authorities, including Bath & North East Somerset Council own 10% of BPP Ltd. In 2024/25 the Pension Fund paid BPP £1,888,622 (2023/24 £1,645,376).

As part of our investment in BPP Ltd. we provided regulatory capital. This will be subject to regular review by the regulator that could result in additional calls for capital.

20 KEY MANAGEMENT REMUNERATION

The key management personnel of the Fund are those persons having the authority and responsibility for planning, directing and controlling the activities of the Fund, including the oversight of these activities. The key management personnel of the Fund are the Head of Pensions and the Director of Financial Services, Assurances and Pensions. It does not include the Executive Director - Resources (S151).

The Director of Financial Services, Assurances and Pensions was appointed as Interim S151 from 1st April 2025 to 31st December 2025. In this capacity he has approved these accounts. He will be included again in this note next year.

	31 March 2025 £'000	31 March 2024 £'000
Proportion of salary Recharged to Avon Pension Fund	135	131
Proportion of employers contributions recharged to Avon Pension Fund	30	29
	<u>165</u>	<u>160</u>

PENSION FUND ACCOUNTS 2024/25

21 OUTSTANDING COMMITMENTS

As at 31 March 2025 the Fund had outstanding commitments relating to investments in Property, Infrastructure, Private Debt and Local Impact funds that will be drawn down in tranches by the Investment Managers, totalling £340.7m (31 March 2024 £453.3m)

22 FINANCIAL INSTRUMENTS

The net assets of the Fund are made up of the following categories of Financial Instruments:

	Fair Value through Profit and Loss	Assets at amortised cost	Financial liabilities at amortised cost
2024/25	£'000	£'000	£'000
Financial Assets			
Long Term Investment	750	-	-
Pooled Investments (Non-Property)	4,903,436	-	-
Pooled Property Investments	674,285	-	-
Derivative contracts Futures	-	-	-
Derivative Contracts FX Hedge	21,512	-	-
Derivative Contracts Equity Options	-	-	-
Cash	166,283	16,729	-
Other investment balances	-	1,407	-
Debtors	-	20,774	-
Total Financial Assets	5,766,266	38,910	-
Financial Liabilities			
Other investment balances	-	-	(369)
Derivative contracts Futures	(1,113)	-	-
Derivative Contracts FX Hedge	(8,259)	-	-
Creditors	-	-	(8,860)
Total Financial Liabilities	(9,372)	-	(9,229)
Total Net Assets	5,756,894	38,910	(9,229)
	Fair Value through Profit and Loss	Assets at amortised cost	Financial liabilities at amortised cost
2023/24	£'000	£'000	£'000
Financial Assets			
Long Term Investment	722	-	-
Pooled Investments (Non-Property)	4,950,627	-	-
Pooled Property Investments	680,454	-	-
Derivative contracts Futures	688	-	-
Derivative Contracts FX Hedge	17,309	-	-
Derivative Contracts Equity Options	-	-	-
Cash	150,587	11,913	-
Other investment balances	-	7,428	-
Debtors	-	19,033	-
Total Financial Assets	5,800,387	38,374	-
Financial Liabilities			
Other investment balances	-	-	(9)
Derivative contracts Futures	-	-	-
Derivative Contracts FX Hedge	(4,674)	-	-
Creditors	-	-	(8,547)
Total Financial Liabilities	(4,674)	-	(8,556)
Total Net Assets	5,795,713	38,374	(8,556)

As all investments are disclosed at fair value (apart from cash held at amortised cost), carrying value and fair value are therefore the same.

Net gains and losses on Financial Instruments

	31st March 2025 £'000	31st March 2024 £'000
Financial assets		
Fair value through profit & loss	36,218	435,777
Amortised Cost - realised gains on derecognition of assets		
Amortised cost - unrealised gains	18,865	3,693
Financial Liabilities		
Fair value through profit & loss	(123,602)	(64,464)
Amortised Cost - realised losses on derecognition of assets		
Amortised cost - unrealised losses		
	(68,519)	375,006

23 NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The primary objective of the Avon Pension Fund is to generate positive real investment return above the rate of inflation for a given level of risk to meet the liabilities as they fall due over time. The aim of the investment strategy and management structure is to minimise the risk of a reduction in the value of the assets and maximise the opportunity for asset gains across the portfolio of assets.

The Fund achieves this objective by investing across a diverse range of assets such as equities, bonds, property and other alternative investments in order to reduce exposure to a variety of financial risks including market risk (price, interest rate and currency risk), credit risk and liquidity risk.

Responsibility for the Fund's risk management strategy rests with the pension fund committee. Risk management policies are established to identify and analyse the risks faced by the Fund. Policies are reviewed regularly to reflect changes in activity and in market conditions.

As at 31 March 2025 Brunel Pension Partnership (Brunel) manages £5.16 billion of the Fund's assets while the remaining assets are managed by other external Investment Managers. Managers are required to invest in accordance with the terms of the agreed investment guidelines that set out the relevant benchmark, performance target, asset allocation ranges and any restrictions. The Avon Pension Fund Committee has determined that the investment management structure is appropriate and is in accordance with its investment strategy. The Committee regularly monitors each investment portfolio and its Investment Consultant advises on the nature of the investments made and associated risks.

The Fund's investments are held by State Street Bank and Trust who acts as custodian on behalf of the Fund.

Because the Fund adopts a long-term investment strategy, the high-level risks described below will not normally alter significantly during any one year unless there are significant strategic or tactical changes to the portfolio. The risk management process identifies and mitigates the risks arising from the Fund's investment strategy and policies which are reviewed regularly to reflect changes in market conditions. Although Brunel is the investment manager for a number of asset classes, it appoints a number of underlying managers to each portfolio, so there is sufficient manager diversification within the Fund.

(a) Market Risk

Market risk is the risk of loss from fluctuations in market prices, interest rates, credit spreads and currencies. The Fund is exposed through its investment portfolio to all these risks. The level of risk depends on market conditions, expectations of future price and yield movements and asset allocation. The objective of the investment strategy is to identify, manage and control market risk within acceptable parameters, while optimising the return.

Volatility in market risk is primarily managed through diversification across asset class and underlying investment managers.

Market Price Risk

Market price risk represents the risk that the value of a financial instrument will fluctuate caused by factors other than interest rates or currencies. These changes can be caused by factors specific to the individual instrument, its issuer or factors affecting the market in general e.g., geopolitical or trade tensions and will affect the assets held by the Fund in different ways.

All investments present a risk of loss of capital. By diversifying its investments across asset classes, geography and industry sectors, investment mandate guidelines and managers the Fund aims to reduce its exposure to price risk. Diversification seeks to reduce the correlation of price movements. The risk arising from exposure to specific markets is limited by the strategic asset allocation, which is regularly monitored by the Committee against the strategic benchmark.

The fluctuation in equity prices is the largest source of market risk within the portfolio over the longer term; the maturity profile of the Fund and strong underlying covenants underpin the allocation to equities which are expected to deliver higher returns over the long term. However due to the significant volatility in bond prices over the last few years, the Risk Management Strategies exhibits the highest price volatility in the portfolio. As these assets are a better match for the liabilities, they help reduce the total risk within the Fund.

The Fund has an equity hedging strategy in place to protect from a significant fall in equity values and is structured to protect the downside and to cap the upside above a fully funded position based on the current funding plan.

As the global economy transitions to a Paris Aligned economy there is a risk to asset values as business models adapt or become obsolete and new opportunities arise. The Fund's strategy is to minimise its exposure to carbon intensive assets through allocations to Paris Aligned and more sustainable equity assets. In addition, it invests in renewable infrastructure projects that will power the new economy. The analysis below does not take account of the potential impact of climate change on asset prices.

PENSION FUND ACCOUNTS 2024/25

Market Price Risk - Sensitivity Analysis

The sensitivity of the Fund's investments to changes in market prices has been analysed using the volatility of returns of the assets held within the Fund (provided by the Fund's advisors). The potential volatilities are consistent with a one standard deviation movement in the change in value of the assets over the three years to 31 March 2025. This analysis assumes all other variables including interest rates and foreign currency exchange rates remain the same.

Movements in market prices could increase or decrease the net assets available to pay benefits by the amounts shown below. However, the likelihood of this risk materialising in normal circumstances is low by virtue of the diversification within the Fund.

The equity hedge does not affect the expected volatility of the equity assets.

The analysis for the year ending 31 March 2025:

Asset Type	Value £'000	% Change	Value on Increase £'000	Value on Decrease £'000
Global Equities	1,839,803	12.0%	2,060,579	1,619,027
Risk Management Strategies	1,295,182	37.8%	1,784,761	805,604
Diversified Return Funds	385,269	7.3%	413,393	357,144
Multi Asset Credit	369,145	6.3%	392,401	345,889
Property	674,285	5.9%	714,068	634,502
Fund of Hedge Funds	15,206	2.9%	15,647	14,765
Infrastructure	745,623	11.0%	827,641	663,604
Private Debt	252,095	6.6%	268,734	235,457
Long Term Investment	750	15.0%	863	638
Cash & Equivalents	197,303	0.6%	198,487	196,120
Total Investment Assets	5,774,661		6,676,574	4,872,748

The analysis for the year ending 31 March 2024:

Asset Type	Value £'000	% Change	Value on Increase £'000	Value on Decrease £'000
Global Equities	1,819,407	11.7%	2,032,278	1,606,536
Risk Management Strategies	1,522,335	34.2%	2,042,974	1,001,696
Diversified Return Funds	373,169	7.8%	402,276	344,062
Multi Asset Credit	340,487	6.6%	362,959	318,015
Property	680,454	7.0%	728,086	632,822
Fund of Hedge Funds	17,575	3.1%	18,120	17,030
Infrastructure	674,975	11.3%	751,247	598,703
Private Debt	203,367	6.4%	216,382	190,352
Long Term Investment	722	15.0%	830	614
Cash & Equivalents	182,554	0.6%	183,649	181,459
Total Investment Assets	5,815,045		6,738,801	4,891,289

Interest Rate Risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates which will affect the value of fixed interest and index linked securities, as held through the Fund's Risk Management Strategy and Multi Asset Credit (MAC) portfolio.

The Fund's exposure to interest rate movements on these investments is provided below. Cash includes the cash deposits held against futures contracts.

	31/03/2025 £'000	31/03/2024 £'000
Cash and Cash Equivalents	197,303	182,554
Multi Asset Credit	369,145	340,487
Risk Management Strategy	1,295,182	1,522,335
Total	1,861,631	2,045,376

Interest Rate Risk - Sensitivity Analysis

Fluctuations in interest rates can affect both income to the Fund and the value of the net assets to pay benefits. The sensitivity of the Fund's investments to changes in interest rates has been analysed by showing the effect on the value of the Risk Management Strategy and MAC portfolio as at 31 March 2025 of a 100 basis point (1%) change in interest rates. The analysis assumes that all other variables including foreign currency exchange rates remain constant.

The Fund has implemented a strategy to better match or hedge its liabilities with bond assets through its Risk Management Strategies. The primary 'matching' instruments used in these strategies include physical instruments such as fixed interest and index-linked Government bonds (financed through "repurchase" agreements), corporate bonds and derivative instruments such as interest-rate and inflation swaps.

An increase or decrease of 100 basis points (bps) in interest rates would have increased or decreased the net assets by the amount shown below.

As at 31 March 2025

	Change in net assets		
	Value	+100 bps	-100 bps
	£'000	£'000	£'000
Cash and Cash Equivalents	197,303	-	-
Multi Asset Credit	369,145	(9,266)	9,266
Risk Management Strategy	1,295,182	(280,018)	280,018
Total	1,861,631	(289,284)	289,284

A 1% rise in interest rates will reduce the fair value of the relevant net assets and vice versa. Changes in interest rates do not impact the value of cash balances but they will affect the interest income received on those balances.

The same analysis for the year ending 31 March 2024 is shown below:

As at 31 March 2024

	Change in net assets		
	Value	+100 bps	-100 bps
	£'000	£'000	£'000
Cash and Cash Equivalents	182,554	-	-
Multi Asset Credit	340,487	(8,853)	8,853
Risk Management Strategy	1,522,335	(339,024)	339,024
Total	2,045,376	(347,877)	347,877

Currency Risk

Currency risk represents the risk that the fair value of financial instruments when expressed in Sterling will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on investments denominated in a currency other than Sterling. A significant proportion of the Fund's equity portfolio is invested in overseas equities, and there are also investments in overseas property, infrastructure and hedge funds (where the fund units are denominated in foreign currency). When sterling depreciates the sterling value of foreign currency denominated investments will rise and when sterling appreciates the sterling value for foreign denominated investments will fall. The Fund has a passive hedging arrangement in place which reduces the volatility of returns over the longer term (the hedging programme hedges the exposure to the US Dollar, Yen and Euro).

Where an investment manager chooses to hedge against foreign currency movements within their portfolio forward foreign exchange contracts are used.

The following tables summarise the Fund's currency exposure before the Fund's currency hedge is applied. For the global property and infrastructure funds, the share class of the pooled funds held has been used. The Global Equity value includes the equity exposure in the Risk Management Strategies Portfolio.

Currency risk by asset class:

Currency Exposure - Asset Type

	Asset value as at 31st March 2025	Asset value as at 31st March 2024
	£'000	£'000
Global Equities	2,880,550	2,775,685
Global Property Funds	83,445	103,788
Diversified Returns Fund	385,269	373,169
Exchange Traded Funds	23,701	3,354
Fund of Hedge Funds	15,206	17,575
Infrastructure Funds	45,984	45,297

PENSION FUND ACCOUNTS 2024/25

Currency Risk - Sensitivity Analysis

The sensitivity of the Fund's investments to changes in foreign currency rates has been analysed using the volatility which is broadly consistent with a one-standard deviation movement in the currencies (where there is a material exposure) over the 3 years to 31 March 2025. This analysis reflects the Fund's passive hedging policy of a 50% hedge ratio on the global equity assets, and a 100% hedge ratio on the global property and hedge fund assets.

The table below discloses the material unhedged exposures.

Currency Risk:

Currency	Value at 31 March 2025 £'000	Implied volatility	Value at 31 March 2024 £'000	Implied volatility
USD	852,020	8.3%	1,015,676	8.3%
YEN	126,718	9.0%	161,556	8.9%
EUR	97,541	4.4%	77,985	4.5%
NOK	53,951	9.3%	78,588	9.4%
CAD			81,724	5.5%
CHF			52,248	6.1%

(b) Credit Risk

Credit risk is the risk that the counterparty to a financial instrument or transaction will fail to meet an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

The entire Fund is exposed to credit risk through its underlying investments (including cash balances) and the transactions it undertakes to manage its investments. The careful selection and monitoring of counterparties including brokers, custodian and investment managers minimises credit risk that may occur through the failure to settle transactions in a timely manner.

Contractual credit risk is represented by the net payment or receipt that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. Credit risk on exchange-traded derivative contracts is minimised by the various insurance policies held by exchanges to cover defaulting counterparties. Over-the-counter (OTC) derivative contracts are bilateral agreements where the Fund faces the credit risk of the financial counterparty directly. This is the case for forward currency contracts where a line of credit is extended to the Fund in place of a collateral posting agreement (as is the case for exchange-traded contracts). The hierarchy and replacement of an OTC contract on default of one of the counterparties is detailed in the ISDA, which is a market standard legal document governing derivative contracts.

Forward currency contracts are entered into by the Fund's managers, especially the currency hedging manager, Record. These contracts are subject to credit risk in relation to the counterparties of the contracts. The responsibility for managing these contracts and counterparty risk rests with the managers. Counterparty management is evaluated as part of the due diligence process prior to appointing a manager.

The derivative instruments held within the Risk Management Strategy are fully collateralised on a daily basis with cash and/or gilts. Management of collateral is delegated to the manager who has access to a pool of eligible collateral (gilts, cash and equities). Daily collateralisation mitigates credit risk to a large extent as in the event a counterparty defaults sufficient assets are held to re-establish any lost position at the prevailing market rate.

The Fund's bond portfolios have significant credit risk through their underlying investments. This risk is managed through diversification across sovereign and corporate entities, credit quality and maturity of bonds. The market prices of bonds incorporate an assessment of credit quality in their valuation which reflects the probability of default (the yield of a bond will include a premium that will compensate for the risk of default).

PENSION FUND ACCOUNTS 2024/25

The MAC portfolio is comprised of assets with the following array of credit ratings as at 31st March 2025:

Credit Rating	Value £'000
AAA	2,481
AA+ to AA-	2,275
A+ to A-	10,857
BBB+ to BBB-	52,348
BB+ to BB-	109,444
B+ to B-	147,189
CCC-	18,668
Unrated	25,888

The Fund is subject to credit risk within its general debtors although none of these would represent a material risk to the Fund. General debtors were £1.4m for 2024/25 (£1.3m for 2023/24)

Another source of credit risk is the cash balances held to meet operational requirements or by the investment managers at their discretion. Internally held cash is managed on the Fund's behalf by the Council's Treasury Management Team in line with the Fund's Treasury Management Policy which sets out the permitted counterparties and limits. Investment cash balances held by the Fund and managers are invested with the custodian in diversified money market funds rated AAA.

The cash held under the Treasury Management arrangements and by the custodian as at 31 March 2025 was £166.3m. This was held with the following institutions:

	31st March 2025		31st March 2024	
	Rating	Balance £'000	Rating	Balance £'000
Custodian's Liquidity Fund				
State Street Global Services	AAA	137,420	AAA	119,689
Money Market Funds				
Goldman Sachs Global Treasury Fund	AAA	10	AAA	-
Aberdeen Liquidity Fund	AAA	9,990	AAA	2,620
Federated Investors	AAA	9,930	AAA	10,000
State Street Global Advisors	AAA	3,970	AAA	9,460
CCLA - The Public Sector Deposit Fund	AAA	-	AAA	1,050
Morgan Stanley	AAA	-	AAA	10
Invesco	AAA	1,500	AAA	6,100
Bank				
NatWest Special Interest Bearing Account	A+	370	A+	88
Handelsbanken	AA	3,090	AA	1,560
NatWest Current Account	A+	3	A+	10

The balance on the Custodian's Liquidity Fund includes cash held across all mandates.

Brunel may conduct security lending within pooled equity portfolios. For the year ending 31 March 2025 the market value of shares on loan totalled £23.1m, which generated £0.08m in income. Lending was conducted solely through the Brunel Global High Alpha portfolio.

(c) Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's investment strategy and cash management policy ensure that the Fund has adequate cash to meet its working requirements including pension payments. Cash flow forecasts are prepared to manage the timing of and changes to the Fund's cash flows. The Fund has access to an overdraft facility for short term cash needs, although this is rarely utilised.

The Fund has immediate access to its cash holdings and a substantial portion of the Fund's investments consist of readily realisable securities, in particular equities even though they are held in pooled funds. In addition, the Fund invests in a range of Exchange Traded Funds that provide a similar liquidity profile to cash so that capital calls from the private market portfolios can be managed efficiently. The main liabilities of the Fund are the benefits payable as they fall due over a long period and the investment strategy reflects the long-term nature of these liabilities. As a result, the Fund is able to manage the liquidity risk that arises from its investments in less liquid asset classes such as property, infrastructure, private debt and fund of hedge funds which are subject to longer redemption periods and cannot be considered as liquid as the other investments. As at 31 March 2025 the value of the illiquid assets was £1,688m, or 29% of the total Fund assets (31 March 2024: £1,577m which represented 27% of the total Fund assets).

24 FAIR VALUE HIERARCHY

Fair value is the value at which the investments could be realised within a reasonable timeframe. The Fund measures fair values using the following fair value hierarchy that reflects the subjectivity of the inputs used in making an assessment of fair value. This hierarchy is not a measure of investment risk but a reflection of the ability to value the investments at fair value. Transfers between levels are recognised in the year in which they occur. The hierarchy has the following levels:

- Level 1 – Asset and liabilities where the fair value is derived from unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Assets and liabilities where quoted market prices are not available but uses inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. For example where an instrument is traded in a market that is not considered to be active, or where valuation techniques based significantly on observable market data are used to determine fair value.
- Level 3 – assets and liabilities where at least one unobservable input used to measure fair value could have a significant effect on the valuation and the Fund's holding in these pooled funds is not immediately realisable at the net asset value.

PENSION FUND ACCOUNTS 2024/25

Fair Value Hierarchy

The basis of the valuation of each class of investment asset is set out below.

Description of Asset	Fair Value Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published closing bid price ruling at year end.	Not required.	Not required.
Exchange traded futures	Level 1	Published exchange prices at the year end.	Not required.	Not required.
Forward currency contracts	Level 2	Market forward exchange rates at the year end	Price of recent transactions in identical instruments, exchange rate risk	Not required.
Pooled Investment vehicles including unitised insurance policies and other managed funds	Level 2	Closing bid price where bid and offer prices are published; closing single price where single price published.	NAV based pricing set on a forward looking basis.	Not required.
Pooled property funds (Open Ended)	Level 2	Closing bid price where bid and offer prices are published; closing single price where single price published. Market values are in accordance with RICS valuation standards and FV processes with IPEV guidelines.	NAV based pricing set on a forward looking basis using transactional data and cash flow forecasts.	Not required.
Private Debt	Level 3	Private Debt investments are valued at the end of each quarter by the underlying fund manager and annually appraised by a 3rd party for appropriateness. The valuation method employed for each asset is at the discretion of the valuer but must fall within the standards prescribed by the relevant accounting bodies as appropriate (US GAAP and IFRS) and be in accordance with IPEV guidelines.	Initial recognition cost, principal repayments, effective interest method, impairment reductions	Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date, by changes to expected cash flows and any differences between audited and unaudited accounts.
Hedge Funds	Level 3	Closing bid price where bid and offer prices are published; closing single price where single price published. Market values are determined as of the last calendar day of each month. Where the underlying investment funds do not report a month end NAV on a timely basis, the NAV will be determined using the most recently available month end valuation as well as other relevant information available including market inputs that may impact the performance of a particular fund.	NAV based pricing set on a forward looking basis.	Valuations can be affected by material events between the date of the financial accounts provided and the Fund's own reporting date, by changes to expected cash flows and by any differences between the audited and unaudited accounts.
Limited Partnerships and closed ended funds (Property)	Level 3	Valued using a number of different market and income valuation methods as well as comparable market transactions prices. The market values are in accordance with IPEV guidelines.	Market transactions; market outlook; cash flow projections; last financings; multiple projections.	Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date, by changes to expected cash flows and any differences between audited and unaudited accounts.
Infrastructure funds	Level 3	Infrastructure investments are valued regularly by the underlying manager, and appraised annually by 3rd parties for appropriateness, or by independent valuation firms. The valuation method is employed for each asset at the discretion of the appointed valuer but must fall within the standards prescribed by the relevant accounting bodies as appropriate (US GAAP and IFRS) and be in accordance with IPEV guidelines.	Infrastructure investments are typically valued on a discounted cash flow approach, utilising cash flow forecasts. Valuations are cross-checked with public market information and recent transactions.	Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date, by changes to expected cash flows, significant increases and decreases in the discount rate and any differences between audited and unaudited accounts.
Long Term Investments - Equities	Level 3	Brunel Share Capital is valued at the Equity value as stated in Brunel Pension Partnership Statement of Accounts	Earnings and revenue multiples; discount for lack of marketability; control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date, by changes to expected cash flows and any differences between audited and unaudited accounts.

In instances where an asset can fluctuate in the amount of observable inputs / comparators the fund holds it at the higher of the levels that it would fall into.

PENSION FUND ACCOUNTS 2024/25

The following sets out the Fund's financial assets and liabilities measured at fair value according to the fair value hierarchy at 31 March 2025.

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Pooled Investments:-				-
Equities	23,691	1,817,225		1,840,916
Risk Management Strategy	-	1,295,182		1,295,182
Fund of Hedge Funds	-		15,206	15,206
Diversified Return Funds	-	385,269		385,269
Multi Asset Credit	-	369,145		369,145
Property	-	166,778	507,507	674,285
Infrastructure	-		745,623	745,623
Private Debt	-		252,095	252,095
Long Term Investment	-		750	750
Cash	166,283			166,283
Derivatives: Forward FX	-	13,253		13,253
Derivatives: Futures	(1,113)			(1,113)
Investment Debtors/Creditors	1,038			1,038
	189,899	4,046,852	1,521,181	5,757,932

The fair value hierarchy as at 31 March 2024 was:

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Pooled Investments:-				-
Equities	3,352	1,815,367		1,818,719
Risk Management Strategy	-	1,522,335		1,522,335
Fund of Hedge Funds	-	-	17,575	17,575
Diversified Return Funds	-	373,169	-	373,169
Multi Asset Credit	-	340,487		340,487
Property	-	161,867	518,587	680,454
Infrastructure	-		674,975	674,975
Private Debt	-		203,367	203,367
Long Term Investment	-		722	722
Cash	150,587	-		150,587
Derivatives: Forward FX	-	12,635		12,635
Derivatives: Futures	688			688
Investment Debtors/Creditors	7,419			7,419
	162,046	4,225,860	1,415,226	5,803,132

There were no re-classifications of assets between levels in 2024/25.

Reconciliation of Fair Value measurements within Level 3

	Market value 31 March 2024	Transfer into Level 2	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Unrealised gains / losses	Realised gains / losses	Market value 31 March 2025
Level 3	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Property	518,587		11,869	(16,154)	(6,064)	(731)	507,507
Fund of Hedge Funds	17,575		-	(3,570)		888	15,206
Infrastructure	674,975		65,196	(6,787)	12,266	(27)	745,623
Private Debt	203,367		54,410	(6,503)	821	-	252,095
Long Term Investment - Equities	722				28		750
	1,415,226	-	131,475	(33,014)	7,939	(445)	1,521,181

Reconciliation of Fair Value measurements within Level 3

	Market value 31 March 2023	Transfer into Level 2	Purchases during the year and derivative payments	Sales during the year and derivative receipts	Unrealised gains / losses	Realised gains / losses	Market value 31 March 2024
Level 3	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Property	439,879		146,991	(12,373)	(55,720)	(190)	518,587
Fund of Hedge Funds	22,891		-	(6,333)	662	355	17,575
Infrastructure	633,970		141,763	(105,850)	5,097	(5)	674,975
Private Debt	128,903		77,313	(2,713)	(136)		203,367
Long Term Investment - Equities	707				15		722
	1,226,350	-	366,067	(127,269)	(50,082)	160	1,415,226

PENSION FUND ACCOUNTS 2024/25

Sensitivity of assets valued at Level 3

Having consulted its investment advisor, and analysed historical data and market trends, the Fund has determined that the valuation methods used for Level 3 assets are likely to be accurate to within the following ranges on the closing value of the investments held at 31 March 2025.

	Assessed valuation range +/-	Value at 31 March 2025	Value on increase	Value on decrease
		£'000	£'000	£'000
Property	10%	507,507	558,258	456,756
Fund of Hedge Funds	10%	15,206	16,726	13,685
Infrastructure	15%	745,623	857,466	633,779
Private Debt	15%	252,095	289,910	214,281
Long Term Investment - Equities	15%	750	863	638
Total		1,521,181	1,723,222	1,319,139

The same analysis for 31 March 2024:

	Assessed valuation range +/-	Value at 31 March 2024	Value on increase	Value on decrease
		£'000	£'000	£'000
Property	10%	518,587	570,446	466,728
Fund of Hedge Funds	10%	17,575	19,333	15,818
Infrastructure	15%	674,975	776,221	573,729
Private Debt	15%	203,367	233,872	172,862
Long Term Investment - Equities	15%	722	830	614
Total		1,415,226	1,600,702	1,229,750

25 EMPLOYING BODIES

For a full list of employers, see section 3. Financial performance, Table 3.1 Employer contribution rates Year Ended 31 March

5. Investments and Funding

The Fund's investment objective is to fund future pension payments to its members, at a cost which is affordable for local employers.

Investment Strategy Statement

Regulations require the Fund to produce an Investment Strategy Statement (ISS) setting out principles which guide decision making for investing assets and ensure consistency with the Funding Strategy. A wide range of investments are permitted to ensure the Fund diversifies risk and achieves an optimal risk/return profile.

The ISS sets out the Fund's core beliefs, the process for ensuring suitability of investments, key risks the Fund is exposed to, and how these risks are managed. It also includes the Fund's perspective on responsible investing and the approach to pooling assets with other LGPS funds.

In line with regulations, the ISS is reviewed every three years. The latest version of the ISS, agreed in 2024, is available on our website. www.avonpensionfund.org.uk/about-fund/investments

Investment Strategy

The investment strategy aims to deliver returns required to fund pension liabilities over time at an affordable cost for employers, with investment risk managed to limit volatility of employer contributions. It needs to balance the competing objectives of: maximising financial returns, protecting asset values, and funding pension liabilities.

The investment strategy reflects the Fund's willingness to accept short-term volatility within a long-term strategy. Risk is primarily managed through asset class diversification. The Committee periodically reviews its investment strategy to ensure it continues to reflect the Fund's liability profile and funding strategy.

The next review is scheduled to take place during 2025 and will focus on high level refinements to the existing strategy.

Asset allocation

Table 5.1 shows asset allocation vs the strategic allocation benchmark, along with index returns from each asset class over 1, 3, 5 years to 31 March 2025.

Table 5.1 Actual and strategic asset allocation – 31 March 2025

Asset Class/ (Benchmark)	31/03/2025 Allocation	Strategic Allocation	Strategic Range	Index Returns 1 Year	Index Returns 3 Years	Index Returns 5 Years
Global Equity	13.8%	10.5%	5.5-15.5%	5.2%	8.8%	15.7%
Sustainable Equity	11.2%	10.5%	5.5-15.5%	5.3%	8.1%	--
Paris Aligned Equities	17%	20.5%	12.5- 28.5%	3.4%	8.1%	--
Diversified Growth	6.7%	6.0%	3.0-9.0%	8.1%	7.2%	
Infrastructure	4.3%	4.0%	none	10.3%	9.3%	7.7%
Renewable Infrastructure	4.1%	5.0%	none	2.6%	5.2%	4.7%
Liability Matching Assets	19.3%	12.0%	none	-10.2%	-7.9%	--
UK Corporate Bonds	3.2%	2.0%	none	0.4%	-5.8%	-2.5%
Multi Asset Credit	6.4%	6.0%	3.0-9.0%	3.3%	--	--
UK Property	5.0%	7.0%	none	6.3%	-3.4%	--
Secured Income	10.7%	9.0%	none	2.6%	5.2%	4.7%
Private Debt	4.4%	4.5%	none	9.2%	--	--
Local Impact	0.7%	3.0%	none	--	--	--
Cash & other	2.7%	0.0%	0.0-5.0%	--	--	--
Synthetic Equity Offset*	-9.4%	--	--	--	--	--

SOURCE: Mercer, State Street Bank and Trust * Synthetic exposure via the BlackRock Qualified Investor Fund (QIF); this reflects an offsetting value to account for the difference between the exposure to equity markets and the actual mark-to-market value of the holding.

UK Exposure

Table 5.2: Amount invested in UK assets as at 31 March 2025

£'000s Asset Values as at 31 March 2025	Pooled	Under pool management	Not pooled	Total
UK Listed Equities	76,120	--	--	76,120
UK Government Bonds	--	1,134,806	--	1,134,806
UK Infrastructure	274,598	--	63,435	338,033
UK Private Equity	--	--	--	--
Total	350,718	1,134,806	63,435	1,548,959

Source: Brunel, State Street, BlackRock, IFM

The total amount invested in UK assets was £1,549 million on 31 March 2025, 27% of total assets. The Fund also invests in UK commercial property and allocates to a synthetic equity strategy, neither of which is part of UK asset reporting.

The Fund has also committed 3% of assets (c.£175 million) to Local Impact investments which span renewable energy, affordable housing and small business funding. The portfolio, which invests primarily in the South West of the country, was valued at £41 million at the end of the year, captured within UK Infrastructure.

Pooling of assets

The Fund participates in Brunel alongside 9 other LGPS funds. Responsibility for determining asset allocation and the investment strategy remains with the Avon Pension Fund Committee, with the strategy executed by selecting and blending different Brunel investment portfolios from their range of c.25 portfolios.

The Brunel Oversight Board which comprises representatives from each of the 10 LGPS funds ensures that Brunel delivers investment pooling and each pension fund's investment strategy. The Chair of our Committee represents the Fund on this Board. A Client Group of officers from each LGPS fund monitors portfolio performance and provides a forum for discussing technical and practical matters.

As at 31 March 2025, around 90% of the Fund's assets were either pooled or under pool management. Assets managed outside the pool include the following:

1. Overseas and UK property closed ended funds being wound up.
 2. Infrastructure portfolios where selling would incur material transaction costs.
 3. Local Impact Portfolio: given the bespoke nature and size of this mandate.
- Income and capital distributions from legacy portfolios are used to fund new private market allocations managed by Brunel and assets managed outside the pool will fall over time. The table below shows how the assets are managed. 'Pooled' means assets where Brunel are accountable for the portfolio. 'Under pooled management' means Brunel is responsible for oversight of the investment.

Table 5.4: Asset Table as at 31 March 2025

Asset Value £'000s	Pooled	Under pool management	Not pooled	Total
Equities	1,817,225	--	23,701	1,840,926
Diversified Growth Funds	754,414	--	--	754,414
Property	582,064	--	107,954	690,018
Hedge Funds	--	--	15,206	15,206
Private Equity	--	--	--	--
Private Debt	252,095	--	--	252,095
Infrastructure	463,065	--	282,558	745,623
Derivatives	--	--	13,253	13,253
Cash and net current assets	--	--	167,922	167,922
Other	5	1,295,199	--	1,295,199
Total	3,868,868	1,295,199	610,594	5,774,661

'Other' includes c.£1.1 billion of Liability Driven Investing (LDI) assets (including UK Government bonds), c.£180 million in corporate bonds, with the balance being cash and equity derivatives.

In late 2024 the Government consulted on the future of the LGPS, aiming to consolidate LGPS asset pools. Each pool put forward its business plan, focusing on the benefits of scale, long-term resilience, and value for money, with consideration given to the opportunity for the merger of pools.

Brunel's proposal was rejected by the government as it did not meet the Government's vision for the future of the LGPS. As a result the Avon Pension Fund must now decide how best to meet the government's criteria, through joining another pool. Whilst the Fund is disappointed by this decision, it is currently assessing fully its options in meeting the Governments proposals.

Responsible Investment

The Fund's approach to responsible investment is guided by our investment beliefs:

- **Long-term** – a long-term investment horizon enables a strategic approach to capital allocation, ultimately driving attractive investment returns.
- **Diversified** – diversification is core to managing investment risk, enabling a broad spectrum of assets with different risk and return profiles.
- **Responsible** – investing to make a positive real-world contribution promotes sustainable returns, working with like-minded investors to drive positive change.

- **Low cost** – cost control is the most important driver of net investment returns. We use collective scale with Brunel to drive innovation and efficiencies to reduce cost.

Further information on the Fund's approach to responsible investment can be found here:

[Responsible investment | Avon Pension Fund](#)

1. Investment Stewardship

Engagement and voting is managed by underlying investment managers, a dedicated stewardship provider (Federated Hermes EOS) and Brunel directly. Engagement spans environmental, social and governance themes and the Fund takes an active role in developing the engagement plan with Brunel and other stakeholders.

The Fund is a member of a number of industry bodies including the Local Authority Pension Fund Forum (LAPFF), Climate Action 100+ and the Institutional Investors Group on Climate Change (IIGCC). Collaborative initiatives such as these allow the fund to benefit from scale and magnify the impact of its engagement work. The Fund's Annual Responsible Investment Report contains further detail relating to investment stewardship.

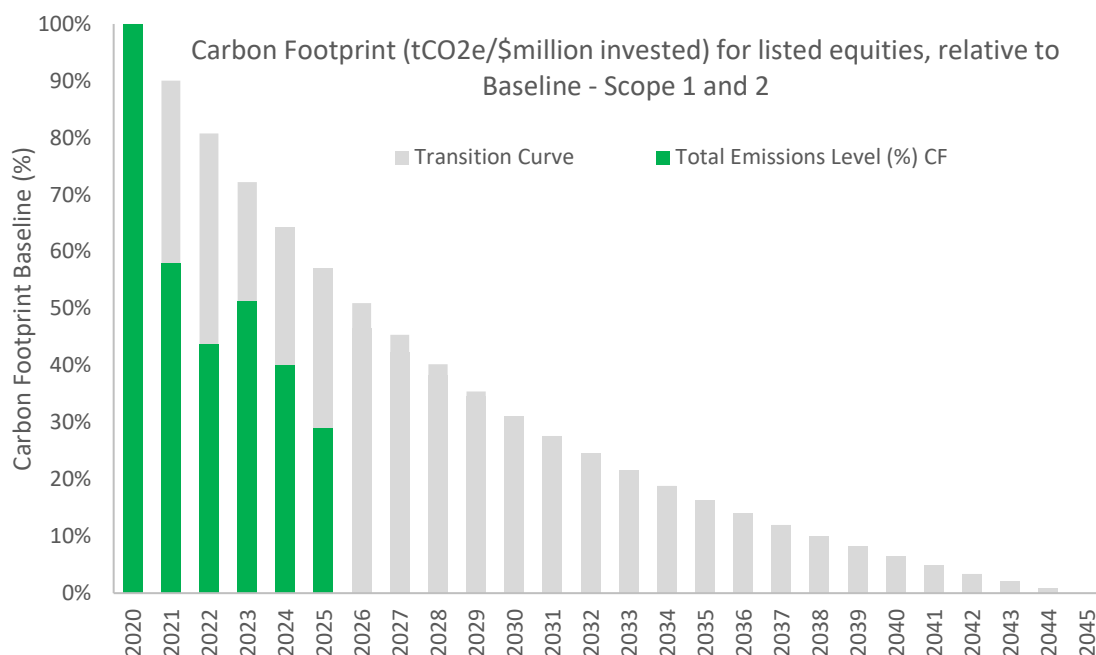
2. Climate Change

The Fund's target is to achieve Net Zero 2045 – underpinned by interim milestones, including:

- Reducing absolute emissions in its listed equity portfolios by 69% by 2030 vs the 2019 baseline.
- Decarbonising the Corporate Bond portfolio 60% by 2030 vs the 2019 baseline.
- Stewardship: 70% of emissions in listed equities in high impact sectors are subject to direct or collective engagement by the end of 2024, increasing to 90% by 2027.
- By 2030 the Fund will have divested from developed market equity holdings in high impact sectors which are not aligning to achieve net zero by 2050.

All targets are being exceeded. Over the last 5 years, the Carbon Footprint of the listed equity portfolio has decreased by 71% relative to the baseline year of 2019/20 and the corporate bond portfolio footprint has decreased by 65%. This is due to a number of factors including a decrease in carbon emissions from the companies we invest in.

Figure 5.1: Avon Pension Fund – listed equities decarbonisation pathway



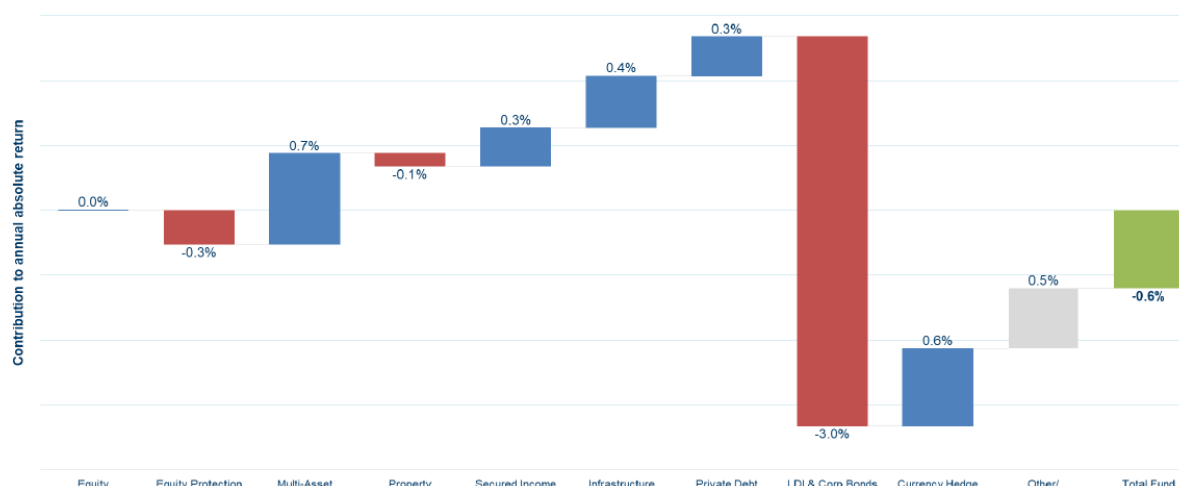
Capital allocation is a primary tool helping deliver net zero. On 31 March 2025 the Fund had a combined £1.6 billion in Paris-aligned and sustainable equities. Investment in renewable infrastructure totalled £500 million, invested in established renewable energy such as wind and solar as well as emerging technology such as battery storage, smart grids, and biofuels.

2024/5 Performance

Over the year to the end of March 2025, global equity and bond markets experienced notable shifts amid a backdrop of economic uncertainty. Equity markets were marked by heightened volatility, particularly in the first quarter of 2025, as investors reacted to persistent inflation concerns, slowing global growth, and uncertainty surrounding international trade policies. Bond markets were supported by a decline in yields as investors sought safer assets amid equity market turbulence and as central banks grappled with persistent inflation.

In aggregate, the Fund delivered a total return of -0.6% to the year ending 31 March 2025. Figure 5.3 shows the contribution to returns from the individual portfolios. The Fund underperformed its benchmark by 5.4%. Listed equity portfolios were a key driver of relative underperformance, in large part due to the Fund's underweight exposure to the technology sector which was the primary contributor to global equity gains during the period. Additional drag came from the LDI portfolio and the equity protection strategy.

Figure 5.3: 1 Year Total Fund Performance Attribution at 31 March 2025



Source: State Street, Mercer

Brunel's listed equity and multi-asset portfolios experienced mixed performance over the year, with the majority of portfolios underperforming their benchmarks. The Global High Alpha portfolio returned 0.8%, underperforming the MSCI World by 4.4%, largely due to underexposure to the Magnificent 7 US technology stocks.

The Global Sustainable Equity portfolio fell by 2.7%, trailing the MSCI ACWI by 8.0%, as its sustainability-driven mandate led to structural underweights in sectors that performed strongly, such as energy and financials. The Paris Aligned Developed Equities portfolio returned 3.3%, closely tracking its benchmark. This portfolio did benefit from owning some of the major tech names, though sector exclusions limited the upside in a narrowly concentrated market. The Multi Asset Credit portfolio delivered a healthy 8.4% return while the Diversifying Returns fund delivered 3.2%.

Brunel's Private Market portfolios delivered strong performance over the year, with many strategies exceeding their benchmark. The Private Debt strategies have benefited from elevated interest rates, which has boosted income yields. Infrastructure, especially renewable energy, has remained resilient, underpinned by long-term contracts and inflation-linked revenues, although the sector faced renewed pressure in the most recent quarter from the new US administration. There are tentative signs redemption queues in property funds are now abating and new entrants are emerging, attracted by the strong fundamentals of attractive distribution levels and improving vacancy rates. As the Private Market portfolios continue to mature, some strategies are beginning to return capital.

During the year the funding level increased by 4% to 102%, equating to a small surplus estimated to be £86 million as at 31 March 2025.

Risk Management Framework

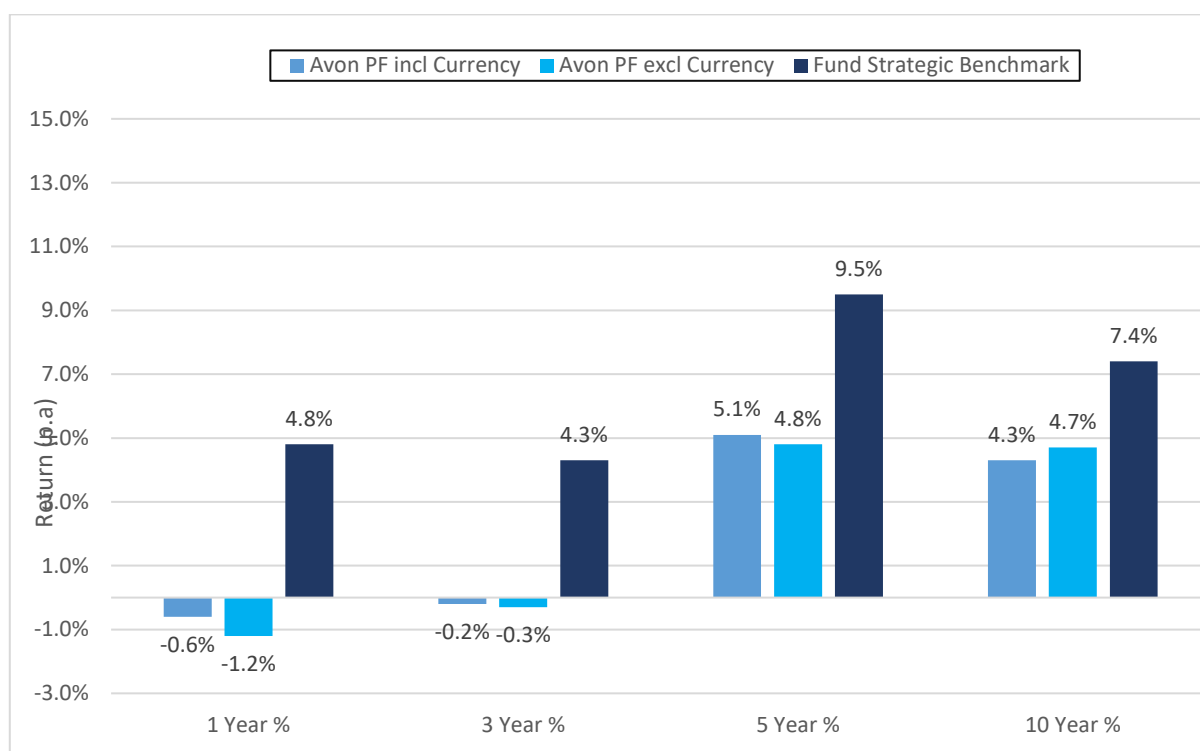
The Fund uses a number of risk management strategies to stabilise contribution plans for employers and to protect the Fund from significant falls in asset values.

Equity Protection shields the Fund's equity exposure vs downside events. As the equity market increased during the year, the hedge reduced net equity returns.

The Liability Driven Investment framework seeks to increase the Fund's exposure to inflation-adjusted yields to offset the impact of rising inflation and declining interest rates. At 31 March 2025 the Fund's interest rate and inflation hedge ratios stood at 29% and 15% as a percentage of the Fund's assets.

The currency hedge contributed 0.6% to overall returns as Sterling strengthened against the US Dollar over the period.

Figure 5.4: Long-term performance



Source: Mercer, State Street Bank and Trust

The table below shows how each of the investment managers have contributed to performance (net of fees) over the 12 months to 31 March 2025.

Table 5.5 – Annual performance against benchmark for each portfolio

Manager	Mandate	Benchmark	1 Year Return	1 Year Benchmark Return
Brunel	Passive Global Equities Paris-aligned	FTSE Developed World PAB	3.3%	3.4%
Brunel	Active Global Sustainable Equities	MSCI ACWI	-2.7%	5.3%
Brunel	Active Global Equities	MSCI World	0.8%	5.2%
Brunel	Secured Income – Cycle 1	CPI	3.3%	2.6%
	Secured Income – Cycle 2	CPI	7.4%	2.6%
	Secured Income – Cycle 3 ***	CPI	1.1%	2.6%

Manager	Mandate	Benchmark	1 Year Return	1 Year Benchmark Return
Brunel	Renewable Infrastructure – Cycle 1	CPI	7.5%	2.6%
	Renewable Infrastructure – Cycle 2	CPI	2.1%	2.6%
	Renewable Infrastructure – Cycle 3	CPI	6.1%	2.6%
BlackRock***	Passive Global Equities Paris-aligned	MSCI PAB	--	--
BlackRock	Bespoke Corporate Bonds	Bespoke	0.4%	0.4%
Partners	Global Property	10% IRR	-14.0%	10.0%
Brunel	Diversified Returns Fund	SONIA +3%	3.2%	8.1%
Brunel*	Private Debt – Cycle 2	SONIA +4%	7.0%	9.2%
	Private Debt – Cycle 3	SONIA +4%	9.9%	9.2%
Brunel	UK Property	MSCI/AREF UK	6.0%	6.3%
Brunel	Multi Asset Credit Fund	SONIA +4%	8.4%	9.2%
IFM	Infrastructure	SONIA +5%	8.0%	10.3%
Blackrock	ETF	Bespoke	-0.3%	-0.3%
Blackrock*	Liability Driven Investing (LDI)	Bespoke	-11.6%	-10.2%

Source: Mercer, State Street Bank and Trust, Brunel Pension Partnership, Managers

* Not invested for the full year

Largest holdings

Table 5.6: Top 10 largest investment holdings as at 31 March 2025

Holding	£'000s	% of Fund
BlackRock Liability Solutions Fund	1,295,199	22.4%
Brunel Global High Alpha Equity Fund	726,463	12.6%
Brunel Global Sustainable Equity Fund	648,956	11.2%
Brunel Paris Aligned Developed Equity Index	441,806	7.6%
Brunel Diversified Returns Fund	385,269	6.7%
IFM Global Infrastructure Fund	246,967	4.3%
Greencoat Renewable Income*	227,447	3.9%
Neuberger Berman Multi Asset Credit Fund *	213,733	3.7%

Holding	£'000s	% of Fund
M&G Secured Income Property Fund Fund*	201,481	3.5%
Standard Life Long-Lease Property Fund*	191,762	3.3%

* Held in Brunel Portfolios

Investment administration

The Fund's custodian is responsible for the safe keeping of the Fund's assets. The custodian acts as the Fund's bank, settling transactions and collecting income as well as providing a range of support services including stock lending and investment accounting.

The Fund has a separate bank account providing transparency and accountability of the Fund's and Council's banking arrangements. The Fund delegates the management of the pension fund's investment cash to the Council who implement the Fund's Treasury Management Policy. This ensures the investment of the Fund's cash is consistent with the risk parameters of the Fund.

Investment costs

Investment cost transparency

The Cost Transparency Initiative ('CTI') provides greater cost clarity for each investment mandate. All of the Fund's managers including Brunel are signatories to the CTI and have provided the data for each of the portfolios. Data has been aggregated and covers the year ending 31 March 2025.

Data in the CTI templates details underlying fund costs and does not reconcile with costs disclosed in Note 7 in the Statement of Accounts.

Investment management fees are typically based off the value of assets, thus the amount will vary from year to year in line with asset values. Fees are generally lower for listed and liquid portfolios such as bonds and equities, and higher for less liquid assets such as infrastructure. Hence as the asset allocation changes to invest more in less liquid assets, overall costs will rise everything else being equal.

The marginal decrease in total ongoing charges from 49 basis points (bps) (2023/24) to 47 bps (2024/25) was driven by the asset allocation mix and declining asset values in some of the portfolios. Other ongoing charges such as administrative and governance fees were largely comparable to 2023/24. There was a decrease in transaction costs from 14 bps to 10 bps.

Table 5.7: LGPS Code of transparency – investment management costs for year to 31 March 2025

Type of cost/fee	Asset pool direct £'000	Asset pool indirect £'000	Asset pool total £'000	Asset pool Bps	Non-asset pool direct £'000	Non-asset pool indirect £'000	Non-asset pool total £'000	Non-asset pool Bps	Fund total £'000	Fund total Bps
1 – ONGOING CHARGES										
Fund and investment management	13,956	245	14,202	27	6,124	482	6,606	114	20,807	36
Management fees	9,511	-	9,511	18	4,073	-	4,073	71	13,585	24
Fees and charges paid through NAV	5,510	-	5,510	11	94	-	94	2	5,604	10
Management fee rebates	(1,091)	-	- 1,091	(2)	(645)	-	(645)	(11)	(1,736)	(3)
Indirect fees and charges	-	245	245	0	-	482	482	8	727	1
Performance fees and carried interest	26	-	26	0	2,601	-	2,601	45	2,628	5
Administrative fees	3,299	-	3,299	6	1,326	-	1,326	23	4,625	8
Governance, regulations and compliance	1,422	-	1,422	3	440	-	440	8	1,862	3
Total ongoing charges figure	18,678	245	18,923	36	7,889	482	8,371	145	27,294	47
2 - Asset pool shared costs	1,917	-	1,917	4	-	-	-	-	1,917	3
3 – PORTFOLIO TRANSACTION COSTS										

Type of cost/fee	Asset pool direct £'000	Asset pool indirect £'000	Asset pool total £'000	Asset pool Bps	Non- asset pool direct £'000	Non- asset pool indirect £'000	Non- asset pool total £'000	Non- asset pool Bps	Fund total £'000	Fund total Bps
Explicit transaction costs	-	1,921	1,921	4	-	261	261	5	2,182	4
Implicit transaction costs	-	2,535	2,535	5	-	15	15	0	2,550	4
Indirect transaction costs	-	1,426	1,426	3	-	4	4	0	1,430	2
Anti-dilution offset	-	(252)	(252)	(0)	-	-	-	-	(252)	(0)
Total transaction costs	-	5,630	5,630	11	-	280	280	5	5,910	10
4 - Property expenses	-	2,166	2,166	4	-	-	-	-	2,166	4
TOTAL OF ALL COSTS	20,595	8,041	28,636	55	7,889	762	8,651	150	37,287	65

The different types of costs itemised in table 5.7 are defined below:

Direct costs are directly invoiced to the Fund or incurred by the segregated mandates and recorded in the custody account.

Indirect costs are charged to the underlying assets, mainly in pooled mandates. The fee rates in basis points (bps) are expressed as a percentage of the value of the assets. The table shows costs for assets in the Brunel pool and those managed directly by the Fund. Assets in the pool include all listed markets assets and private markets allocations to property, infrastructure, secured income and private debt. The Fund's liability and equity risk management strategies are also governed by Brunel fee agreements.

Performance fees for CTI purposes relate to fees paid in 2024/25.

Asset Pool shared costs represent Brunel fees for managing and operating the pool and includes consultancy costs for Brunel client and oversight arrangements.

Transaction costs include broker commissions, transactions taxes, implicit costs, and other transaction costs.

Savings from Pooling

A summary of the costs and savings to date compared to the original business case (budget) is shown in the following table.

Table 5.9: Expected versus Actual Costs and Savings in 2024/25 and cumulative to date

	Budget 2024/25	Budget to date	Actual 2024/25	Actual To date
	£'000	£'000	£'000	£'000
Set up costs	0	1,265	0	1,072
Brunel costs	1,051	6,496	1,917 ¹	10,072
Internal savings	(309)	(1,984)	(215)	(1,505)
Transition costs	0	7,284	0	8,270
Fee savings	(4,164)	(18,195)	(9,385)	(38,110)
Net Cost/(Saving)	(3,422)	(5,134)	(7,683)	(20,201)

Brunel costs differ from the Statement of Accounts which includes annual rebates.

There have been no set up costs since 2017/18. Capital for the company was provided at the outset through the purchase of shares equivalent to £0.84 million.

Total transition costs of £8.2 million are slightly higher than estimated in the original business case. Ongoing fees paid to Brunel for its core services was £1.9 million in 2024/25, higher than originally estimated due to changes in clients' strategic priorities and enhanced reporting requirements.

Actual savings achieved on manager fees are significantly ahead of plan. Cumulative net savings to date are £20.2 million vs £5.1 million in the business case. A few core drivers explain higher savings than planned:

- 1) Asset values are higher than estimated.
- 2) Investments have been made into asset classes not included in the business case such as Multi Asset Credit.
- 3) Internal savings are lower than expected as the strategic focus of the Fund has changed over time requiring more investment expertise within the Fund overall.

Funding Strategy

The Fund reviews its funding strategy every three years in line with LGPS regulations. The last triennial valuation at 31 March 2022 set out the funding plan for the next three years. At that time the funding level was 96% (meaning the assets covered 96% of the liabilities).

The 2022 funding plan assumed a return on investment of CPI +1.5-2.0% per annum. This is a prudent assumption, meaning there is a high probability that it will be achieved. A less prudent return assumption could result in more volatile employer contribution rates. The return assumption is linked to inflation (CPI) as members' benefits are indexed to CPI.

The funding level will vary over time as market prices move and change the value of assets. At 31 March 2025 the funding level was estimated to have risen to 102% based on the 2022 valuation assumptions. The table below summarises the funding level at each valuation since 2004.

Table 5.10: Historical funding level at each triennial valuation

	2004	2007	2010	2013	2016	2019	2022
Assets £m	1,474	2,184	2,459	3,146	3,737	4,818	5,822
Liabilities £m	1,841	2,643	3,011	4,023	4,355	5,102	6,060
Funding level	80%	83%	82%	78%	86%	94%	96%

The next triennial valuation will be undertaken at 31 March 2025. This will set the employer contribution rates payable from 1 April 2026.

Funding Strategy Statement

The Funding Strategy Statement (FSS) sets out the framework for how liabilities will be funded over time. The Actuary must comply with the FSS and have regard to the Investment Strategy when setting the contribution rates. The purpose of the FSS is:

1. To provide a clear and transparent fund-specific strategy which identifies how employers' pension liabilities are best met in future by taking a prudent long-term view of funding those liabilities.

2. To determine employer contributions at a level to 'secure the solvency of the pension fund' and the 'long-term cost efficiency' (meaning costs are not deferred for future generations).
3. To maintain as nearly constant an employer contribution rate as possible.

Liabilities are funded through income from the investment portfolio, capital growth, and contributions from employees and employers. Employee contributions are set by regulations and the Fund determines employer contributions and the investment strategy. Fund returns are a critical component of the mix and substantially determine employer costs. When setting contribution rates and deficit recovery periods for employers, the Actuary considers an assessment of financial strength and funding sources.

The Fund has a Lower Risk Investment Strategy for employers of lower risk appetite or for those planning to exit. This strategy invests in corporate bonds structured to more closely match the liabilities of such employers. The discount rate at the last valuation for this strategy was lower at 2.55% resulting in higher contribution rates.

To reduce the risk of unexpected increases in liabilities for smaller employers due to ill-health retirements, the Fund operates a 'captive insurance' scheme for all employers to manage such liabilities. It also operates a similar Death in Service captive insurance arrangement.

The 2022 FSS was compiled in accordance with relevant statutory guidance. It includes all policies relating to the funding of employer liabilities as well as admission and termination policies including Fixed Payment Plans and Deferred Debt Agreements. The 2022 Funding Strategy Statement is available on our website:

www.avonpensionfund.org.uk/about-fund/investments

As part of the ongoing 31 March 2025 triennial valuation a new version of the FSS will be issued alongside the 2025 valuation.

6. Administration

Administration focuses on providing core services to employers and members:

For employers, the Fund administers their employees' pensions and helps employers to efficiently operate the pension and understand their responsibilities, e.g. through training and digital data exchange with employers & payroll providers.

For members, the Fund:

- Maintains and calculates accrued pension benefits
- Pays their pension in retirement.
- Offers a website where members manage personal data and check pension benefits.
- Communicates with members, e.g. via newsletters and annual pension statements
- Helps members through key life events, e.g. ill health, retirement, death.

Administration Strategy

The administration strategy sets out how the Fund delivers the above services. Key objectives of the strategy include the following:

- The Fund complies with all relevant regulations.
- Accurate member and employer records are maintained for the purpose of calculating pensions entitlements and employer liabilities.
- The Fund and scheme employers have appropriate skills and knowledge, with training in place to deliver a high-quality service.
- Member services are delivered to standards set out by the Avon Pension Fund Committee (Committee) which exceed legal requirements.
- The Fund is encouraging members to engage digitally, to improve service experience and raise operating efficiency.

For further details please see the Administration Strategy on the website:

www.avonpensionfund.org.uk/about-fund/fund-administration

Digital Services

The Fund uses digital platforms to serve its members and ensure data accuracy.

- Employers are required to submit a monthly data return via the i-Connect portal, to ensure member records are up to date. They also need to use webforms to manage member changes, e.g. leavers. The employer website www.apfemployers.org.uk provides guidance and self-serve capability.
- For members, the Fund is moving towards digital communication, e.g. for annual statements and newsletters, as a material benefit over traditional post. 'My Pension Online' is our member website enabling them to access personal data, to perform pension forecasts, and update their details. General information is on the Fund's public website www.avonpensionfund.org.uk which links with My Pension Online.

Communications

The Fund's communication aims are to:

- provide relevant, accurate, accessible information for all stakeholders.
- use plain language and avoid unnecessary jargon.
- use communication channels to fit individual needs –digital, email, post & telephone – while encouraging digital use to improve service experience.
- support members to make informed decisions about their pension.

The Communications Policy outlines how we engage with different audiences.

www.avonpensionfund.org.uk/about-fund/fund-administration.

The Fund actively communicates with its members in different formats:

- The [Member website](#): provides relevant information and offers facilities for self-service. It also communicates Fund news such as investments in local businesses and affordable housing.
- Newsletters: members receive at least one newsletter per year which explains relevant pension issues, encourages them to engage digitally, and highlights key issues such as the need to nominate their beneficiaries.
- Regulatory Documents: the Fund issues an Annual Pension Statement for each member summarising their pension accrued to date and forecast at retirement. P60s are posted to all retired members shortly after each tax year-end.

There is also active communication with employers:

- [Employer website](#): provides relevant information for employers, and in December 2024 underwent a significant upgrade which included: making the website more accessible, removing the login step, and moving key processes online.
- Newsletters: the Fund communicates pensions-related issues through quarterly newsletters which link to content on the employer website.
- Training: employers are offered online training through 'how to' videos, which are complemented by face-to-face and online training.
- Digital welcome pack: employers are provided a pack for new starters which highlights the benefits of joining the Fund.

Value for Money Statement

The Fund is committed to making administration of the scheme as efficient as possible. Data below is sourced from SF3 (Pensions) data collated by the Ministry of Housing, Communities and Local Government. The data highlights the Fund's cost performance vs national averages.

Table 6.1: Costs and financial indicators – costs per full time equivalent

Costs per Full Time Equivalent (FTE)	2021/22	2022/23	2023/24
Net admin cost per FTE £'000	44.7	51.8	45.8
National average £'000	77.5	81.3	83.6
Members per FTE	2,006	1,793	1,450
National average	3,219	2,910	2,817

Table 6.2: Costs and financial indicators – costs per member

Costs per member	2021/22	2022/23	2023/24
Investment Management Expenses			
Total cost £'000	32,257	19,706	19,241
Cost per member	248.68	158.57	152.87
National average £	297.98	284.23	291.02
Administration Costs			
Total cost £'000	2,746	3,227	3,973
Cost per member	21.17	25.97	31.57
National average £	36.01	37.82	38.91
Oversight and Governance Costs			
Total cost £'000	1,944	2,405	2,504
Cost per member	14.99	19.35	19.89
National average £	14.55	19.49	18.14
Total costs £'000	36,947	25,338	25,718
Total cost per member £	284.84	204.05	204.33
Total national average £	348.54	341.54	315.35

SF3 data is made available every October for the previous financial year.

Table 6.3: Number of members in fund at 31 March each year

Number of members in the Fund	2023	2024	2025
Active members	40,290	41,642	41,658
Deferred members	44,058	44,653	45,439
Pensioners	38,796	39,605	41,009
Undecided leavers	11,531	14, 147	14,064
Total membership	134,675	140,047	142,170

Table 6.4: Age profile of pensioners (those already receiving their pension)

Pensioner age group	Percentage of pensioners
Age 31-40	0.02%
Age 41-50	0.12%
Age 51-60	5.87%
Age 61-70	37.7%
Age 70-80	41.67%
Age 81-90	13.75%
Age 91-100	2.65%
Age 100+	0.07%

Table 6.5: New pensioners (2024/25)

Pensioner type	Number of new pensioners
Ill health retirement	52
Early retirement under 60	85
Retirement at age 60-67	357
Deferred pension	1,180
Redundancy	137
Late retirement	221
Total	2,032

Table 6.6: Number of active employers in the fund (2024/25)

Employers	Active	Ceased	Total
Scheduled body	371	-	371
Admitted body	116	3	119
Total	487	3	490

Key performance data tables A-E

Table A – Total number of casework

Ref	Casework KPI	Cases open 31 March (start position)	Cases created in year (1 April to 30 March)	Cases completed in year	% cases completed in year	Cases completed in previous year	%cases completed in previous year
A1	Deaths recorded of from all members	13	616	613	97.5%	576	98%
A2	New dependent member benefits	4	471	437	92.0%	437	97%
A3	Deferred member retirements	32	3,630	3,657	99.9%	3,096	93%
A4	Active member retirements	376	2,532	2,438	83.8%	2,368	83%
A5	Deferred benefits	304	3,162	2,594	74.8%	2,926	83%
A6	Transfers in	1,062	2,257	3,031	91.3%	797	36%
A7	Transfers out	923	2,775	2,692	72.8%	1,737	53%
A8	Refunds	50	958	954	94.6%	762	91%
A9	Divorce quotations issues	37	246	222	78.4%	220	77.19%
A10	Actual divorce cases	2	11	13	100.0%	8	72.73%
A11	Member estimates	47	912	877	91.4%	860	87.84%
A12	New joiner notifications	706	11,521	11,561	94.6%	13,601	95.08%
A13	Aggregation cases	2,882	6,579	6,006	63.5%	5,598	54.23%

Table B: Time taken to process casework

Ref	Casework KPI	Suggested fund target	% completed within fund target year	% completed in previous year	Commentary
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	71.3%	63.0%	
B2	Communication issued confirming the amount of dependents pension	10 days	70.3%	67.3%	
B3	Communication issued to deferred member with pension and lump sum options (quotation)	30 Days	78.2%	42.1%	
B4	Communication issued to active member with pension and lump sum options (quotation)	15 days	63.8%	37.8%	
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	82.8%	69.2%	
B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days	85.5%	78.6%	
B7	Payment of lump sum	15 days	-	-	KPI not currently monitored
B8	Communication issued with deferred benefit options	30 days	79.7%	42.8%	
B9	Communication issued to scheme member with completion of transfer in	10 days	21.0%	20.5%	
B10	Communication issued to scheme member with completion of transfer out	10 Days	23.8%	15.8%	
B11	Payment of refund	10 days	76.0%	32.8%	
B12	Divorce quotation	45 days	84.7%	76.4%	
B13	Communication issued	15 days	38.5%	75.0%	

Ref	Casework KPI	Suggested fund target	% completed within fund target year	% completed in previous year	Commentary
	following actual divorce proceedings i.e. application of a Pension Sharing Order				
B14	Communication issued to new starters	40 days	99.8%	98.7%	
B15	Member estimates requested by scheme member and employer	15 days	84.0%	84.7%	

APF no longer participate in the annual CIPFA benchmarking exercise as the number of funds participating have significantly reduced over the last few years. APF now use internal data reporting for all casework data in tables A & B.

Table C – Communications and engagement

This table is a percentage of all members we've had including members who've left the fund.

Ref	Casework KPI	Engagement with online portals	% as at 31 March
C1	% of active members registered	18,416	50.85%
C2	% of deferred member registered	17,117	44.69%
C3	% of pensioner and survivor members	15,379	41.01%
C4	% total of all scheme members registered for self-serve	50,912	45.45%
C5	Number of registered users by age		
	0 - 20	142	11.27%
	21 - 30	2,695	26.12%
	31 - 40	6,491	36.62%
	41 - 50	8,994	43.47%
	51 - 60	13,094	53.13%
	61 - 70	12,695	61.29%
	71 - 80	4,052	30.39%
	81 - 90	591	9.17%

Ref	Casework KPI	Engagement with online portals	% as at 31 March
	Over 90	53	3.32%
C6	% of registered users logged on in the last 12 months	17,432	43.99%
C7	Total number of telephone calls received in year	14,821	
C8	Number of email and online channel queries received	20,239	
C9	Number of scheme member events held in year (total of in-person and online)	1 hybrid	
C10	Number of employer engagement events held in year (in-person and online)	57	
C11	Number of active members who received a one-to-one (in-person and online)	93	
C12	Times a communication (e.g.. newsletter) issued to:		
	a) Active members	4	
	b) Deferred members	5	
	c) Pensioners	3	

During the year performance was generally in line with statutory legal targets although, when measured vs more stringent internal targets, a number of KPI's were below target. The fund has made a significant reduction in service backlogs during 2024/25 which continues into 2025/26.

The Pensions Dashboards project is ongoing and the Fund will connect with the centralised UK system by October 2025.

Staffing

The Pension Service is split into five management areas: Finance and Investments, Administration, Governance, Technical & Compliance, Business Change.

Table D: Resources

Ref	Resources	Indicator
D1	Total number of all administration staff (FTE)	89
D2	Average service length of all administration staff	1 - 5 Years

D3	Staff vacancy rate as %	12%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	1 : 1,525
D5	Ratio of administration staff (excluding management) to total number of scheme members	1 : 1,628

Data quality

Since introduction of TPR's Code of Practice 2014 Record Keeping Regulations, the Fund has an improvement plan to improve both the quality of the Fund's data and, also working with individual employers, to improve employer data.

Table E: Data Quality

Ref	Resources	Score
E1	Percentage of annual benefit statements issued as at 31 August	Active (98.2%) Deferred (89.1%)
E2	(Short commentary if less than 100%)	Actives - statements not issued where a pension is less than £5.00 unless member has an email address on record. Deferred – Member marked as 'Gone Away', no valid address
E3	Common data score	95.42%
E4	Scheme specific data score	95%
E5	% of active, deferred and pensioner members recorded as 'gone away' with address not known or out of date	
	Active	0.10%
	Deferred	8.87%
	Pensioner	1.15%
E6	% of active, deferred and pensioner members with an email on file	
	Active	60.28%
	Deferred	56.88%
	Pensioner	53.15%
E7	% of employers set up to make digital data submissions	100.0%

Ref	Resources	Score
E8	% of employers submitting monthly data on time during the year	85.0%

Budget Outturn

During the year to 31 March 2025, total administration costs (excluding advisory and investment management) were £4.5 million, 20% below the budget of £5.7 million. Annual investment management fees paid in the year were below budget at £19.1 million. The budget for governance costs was £3.1 million with actual costs slightly below budget at £3.0m.

Pensions increase

Deferred and pensioner members

Accrued pensions and pensions already in payment are increase each year in line with the annual Statutory Pensions Increase (Review) Orders, which are based on the published Consumer Price Index (CPI) for the 12 months to 30 September of the previous year. The full increase for 2024/25 was 1.7%.

Internal Resolution Dispute Procedure (IDRP)

If there is a complaint or dispute against a decision or action by either the Fund or an individual Fund employer, concerning a matter relating to the LGPS, there is a provision within the LGPS regulations for an appeal under the IDRP.

The disputes process follows a set procedure, with the first stage allowing the complainant to ask the body who originally made the decision to review it, namely the individual employer or the administering authority. This must be done within six months of the date of the notification of the decision or the act or omission of the complaint (or such longer period as the adjudicator considers reasonable). Where the complainant remains dissatisfied with the outcome of stage 1, they may refer the complaint to the administering authority for reconsideration under stage 2 of the appeals process. The administering authority has a stage 2 adjudicator who will re-examine the case.

Should the complainant remain dissatisfied after the stage 2 outcome, they may refer the complaint or dispute to the Pensions Ombudsman for determination.

The Internal Disputes Resolution Procedure guidance and forms are available from the Fund and on the website: www.avonpensionfund.org.uk/need-know/help-pension-problems

Where to get outside advice and help?

- **MoneyHelper** gives independent and impartial information about pensions, free of charge, to the public. MoneyHelper is available to assist members and beneficiaries of the Scheme with any pension query. Their website is moneyhelper.org.uk

- **Money & Pensions Service:**
 - Bedford Borough Hall, 138 Cauldwell Street, Bedford, MK42 9AP.
 - Pensions helpline is 0800 011 3797

Pensions Ombudsman

- In cases where a dispute has not been resolved through the Internal Disputes Resolution Procedure or with the Money & Pensions Service, an application can be made to the Pensions Ombudsman within 3 years of the event.
- The Ombudsman can investigate and determine any dispute involving maladministration of the scheme or matters of fact or law and their decision is final and binding (unless the case is taken through court on a point of law).
- Website: www.pensions-ombudsman.org.uk
- Email: enquiries@pensions-ombudsman.org.uk
- Tel: 0345 015 4033

Complaints & IDRP cases 2024/2025

During the financial year the Fund received six complaints of which one went to stage 1 IDRP. The number of formal IDRP's processed by the Fund totalled two, one of which was not upheld and the second is still being reviewed. There were no applications under the stage 2 IDRP process.

LGPS policies and guidance for employers and members

The Fund website provides comprehensive details of how the LGPS works and its policies. These can be found at:

www.avonpensionfund.org.uk/about-fund/how-avon-pension-fund-works

www.avonpensionfund.org.uk/thinking-joining/your-local-government-pension

The Fund's employers' website gives LGPS policy details and guidance specifically for employers. These can be accessed at: www.apfemployers.org.uk

General Data Protection Regulations (GDPR)

The Fund takes protection of member data very seriously. The General Data Protection Regulations (GDPR) came into force in May 2018 changing how organisations process data, giving greater protection and rights to individuals.

LGPS funds require various pieces of personal data provided by both the individual member and their employer. To ensure GDPR compliance, every LGPS fund is required to publish a privacy notice setting out why certain data is held, the reason for processing the data, who they share the data with, and the period for which the data will be retained.

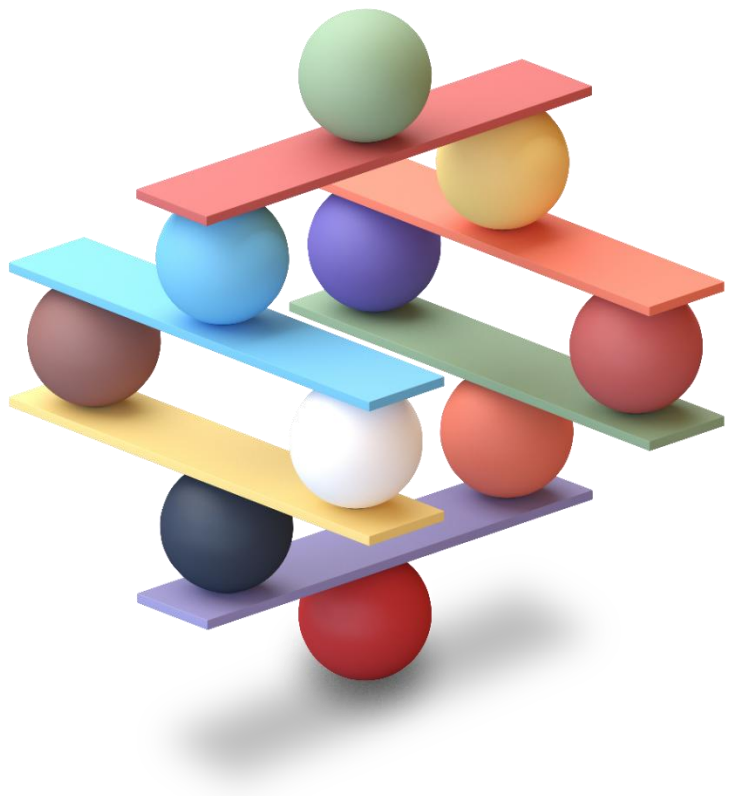
Within the notice, members are also provided with information about their rights under the legislation. The Fund's privacy notice can be found here:

www.avonpensionfund.org.uk/privacy-notice

7. Actuarial report on funds

Accounts for the year ended 31 March 2025 – Statement by the Consulting Actuary

Avon Pension Fund



This statement has been provided to meet the requirements under Regulation 57(1)(d) of The Local Government Pension Scheme Regulations 2013.

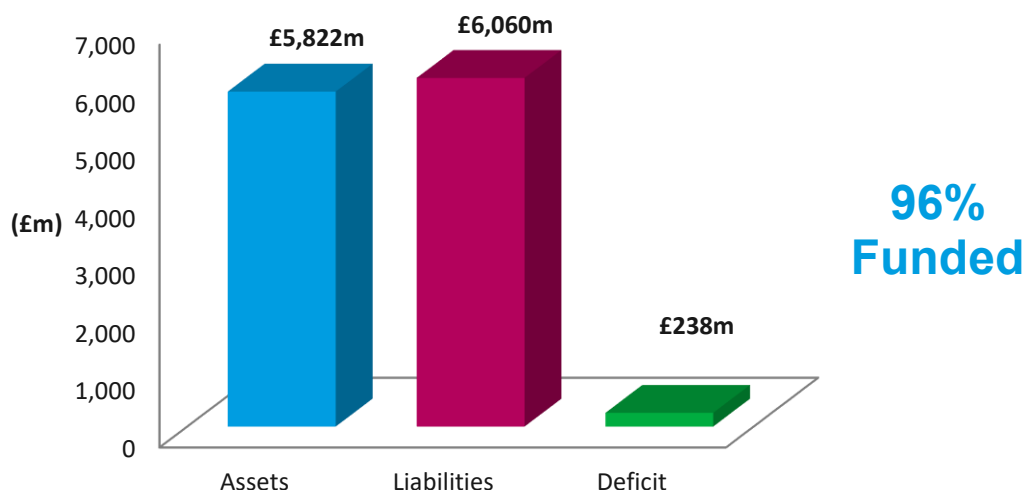
An actuarial valuation of the Avon Pension Fund was carried out as at 31 March 2022 to determine the contribution rates with effect from 1 April 2023 to 31 March 2026.

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A business of Marsh McLennan

On the basis of the assumptions adopted, the Fund's assets of £5,822 million represented 96% of the Fund's past service liabilities of £6,060 million (the "Solvency Funding Target") at the valuation date. The deficit at the valuation was therefore £238 million.

Figure 1: The actuarial valuation and funding level as at 31 March 2022



The valuation also showed that a Primary contribution rate of 18.6% of pensionable pay per annum was required from employers. The Primary rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

The funding objective as set out in the Funding Strategy Statement (FSS) is to achieve and maintain a solvency funding level of 100% of liabilities (the solvency funding target). In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a surplus, it may be appropriate to offset this against contributions for future service, in which case contribution reductions will be put in place to allow for this.

The FSS sets out the process for determining the recovery plan in respect of each employer. At the actuarial valuation the average recovery period adopted was 12 years (for employers in surplus the period used depends on the individual employer circumstances), and the total initial recovery payment (the "Secondary rate") for 2023/26 was an addition of approximately £33m per annum in £ terms in year 1, £15m in year 2 and £17m in year 3 (allowing for the contribution plans which have been set for individual employers under the provisions of the FSS).

Further details regarding the results of the valuation are contained in the formal report on the actuarial valuation dated March 2023.

In practice, each individual employer's position is assessed separately and the contributions required are set out in the report. In addition to the certified contribution

rates, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

The funding plan adopted in assessing the contributions for each individual employer is in accordance with the Funding Strategy Statement (FSS). Any different approaches adopted, e.g. with regard to the implementation of contribution increases and deficit recovery periods, are as determined through the FSS consultation process.

The valuation was carried out using the projected unit actuarial method and the main actuarial assumptions used for assessing the Solvency Funding Target and the Primary rate of contribution were as follows:

Figure 2: Actuarial assumptions used in the 2022 valuation

	For past service liabilities (Solvency Funding Target)	For future service liabilities (Primary rate of contribution)
Rate of return on investments (discount rate)		
- Higher risk investment strategy	4.60% per annum	5.10% per annum
- Lower risk investment strategy	2.55% per annum	2.55% per annum
Rate of pay increases (long term)*		
- Higher risk investment strategy	4.60% per annum	4.60% per annum
- Lower risk investment strategy	5.10% per annum	5.10% per annum
Rate of increases in pensions in payment (in excess of GMP)		
- Higher risk investment strategy	3.10% per annum	3.10% per annum
- Lower risk investment strategy	3.60% per annum	3.60% per annum

*allowance was also made for short-term public sector pay restraint over a 3-year period

The assets were assessed at market value.

The next triennial actuarial valuation of the Fund is due as at 31 March 2025. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2026.

Actuarial Present Value of Promised Retirement Benefits for the Purposes of IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed, and for this purpose the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes. The assumptions adopted are shown in Appendix B.

The movement in the value of the Fund's promised retirement benefits for IAS 26 is as follows:

Figure 3: Movement in the value of the Fund's promised retirement benefits

Start of period liabilities	£6,296m
Interest on liabilities	£304m
Net benefits accrued/paid over the period*	(£34m)
Actuarial (gains)/losses (see below)	(£954m)
End of period liabilities	£5,612m

*this includes any increase in liabilities arising as a result of early retirements

Key factors leading to actuarial gains above are:

Change in financial assumptions: Corporate bond yields increased over the year, with a corresponding increase in discount rate from 4.9% p.a. to 5.8% p.a. The long-term assumed CPI is slightly lower at the end of year than it was at the start of year. In combination, these factors lead to a significant reduction in liabilities (c£932m reduction).

Change in demographic assumptions: As noted in appendix B, the mortality assumptions have been updated to reflect the latest mortality tables and future life expectancy improvement model. This acts to slightly reduce the liabilities (c£14m reduction).

Pension increases / inflation experience: The figures allow for the impact of actual Consumer Price Index (CPI) experienced over the year compared to the start of period assumption (experience to September 2024 fed into the April 2025 pension increase of 1.7%, and actual inflation from that point will feed into the 2026 increase). As inflation over the year was a little lower than the long-term assumption, this slightly decreases the liabilities (c£8m reduction).

Paul Middleman

*Fellow of the Institute and
Faculty of Actuaries*

Mark Wilson

*Fellow of the Institute and
Faculty of Actuaries*

Mercer Limited

May 2025

Appendix A - additional considerations

The “McCloud judgment”: The figures above allow for the impact of the judgment based on the proposed remedy.

GMP indexation: The above figures allow for the provision of full CPI pension increases on GMP benefits for members who reach State Pension Age after 6 April 2016.

Market volatility and tariffs: There was significant volatility in markets shortly after the accounting date, in part due to the announcements on tariffs coming from the USA. The period-end figures reflect market conditions as at the accounting date, but do not allow for any subsequent experience.

Virgin Media Court Case: Our current understanding is that, while HM Treasury are still assessing the implications, they do not believe the case is relevant to public service pension schemes. Given this, and the unknown impact on benefits even if it were to be required, we have not made any allowance for the Virgin Media judgment.

Appendix B – financial and demographic assumptions

To assess the liability value of the benefits, we have used the following assumptions as at 31 March 2025 (the 31 March 2024 assumptions are included for comparison):

Figure 4: Financial Assumptions

	31 March 2024	31 March 2025
Rate of return on investments (discount rate)	4.90% per annum	5.80% per annum
Rate of CPI Inflation / CARE benefit revaluation	2.70% per annum	2.60% per annum
Rate of pay increases	4.20% per annum	4.10% per annum
Increases on pensions (in excess of GMP) / Deferred revaluation	2.80% per annum	2.70% per annum

Figure 5: Post retirement mortality assumptions (normal health)

	31 March 2024 (M/F)	31 March 2025 (M/F)
Base mortality table	SAPS 3 / SAPS 3 middle	SAPS 4 / SAPS 4 middle
Future improvements	CMI 22 1.5%	CMI 23 1.5%
Additional parameters	S=7, A=0 W20=W21=0%, W22=25%	S=7, A=0 W20=W21=0%, W22=W23=15%
<i>Non-retired members (current age 45):</i>		
Weightings	100% / 94%	99% / 92%
Life expectancies at age 65	23.3 / 25.8	23.2 / 26.1
<i>Retired members (current age 65):</i>		
Weightings	95% / 94%	94% / 94%
Life expectancies at age 65	22.0 / 24.1	22.0 / 24.1

The base tables are set based on the most recent mortality analysis for the Fund (undertaken as part of the 2022 actuarial valuation). The future improvements allow for a best estimate long-term improvement rate of 1.5%, and have been updated to allow for the latest base tables available (the “S4” series of tables and CMI 2023 at the end of period), with a reweighting to maintain consistency with the underlying mortality analysis.

Other demographic assumptions

The other demographic assumptions are the same as those used for 2022 actuarial funding valuation – full details are set out in the formal report on the actuarial valuation dated March 2023.

8. External audit opinion

Grant Thornton UK LLP

Independent auditor's statement to the members of Bath and North East Somerset Council on the pension fund financial statements of Avon Pension Fund included within the Avon Pension Fund annual report

Opinion

We have examined the pension fund financial statements of Avon Pension Fund (the 'pension fund') for the year ended 31 March 2025 included within the pension fund annual report, which comprise the Fund Account, the Net Assets Statement, and the notes to accounts, including the summary of significant accounting policies.

In our opinion, the Avon Pension Fund financial statements included within the pension fund annual report are consistent, in all material respects, with the audited pension fund financial statements of Bath and North East Somerset Council for the year ended 31 March 2025 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We have not considered the effects of any events between 29 September 2025, being the date we signed our auditor's report on the audited financial statements of Bath and North East Somerset Council, and the date of this statement.

Respective responsibilities of the Director of Financial Services, Assurance & Pensions (s151 Officer) and the auditor

As explained more fully in the Statement of the Director of Financial Services, Assurance & Pensions (s151 Officer)'s Responsibilities, the Director of Financial Services, Assurance & Pensions (s151 Officer) is responsible for the preparation of the pension fund's financial statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Our responsibility is to state to the members of Bath and North East Somerset Council our opinion on the consistency of the pension fund financial statements within the pension fund annual report with the financial statements of Bath and North East Somerset Council.

We also read the other information contained in the pension fund annual report and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements. The other information comprises the information included in the pension fund annual report, other than the pension fund financial statements and our auditor's statement thereon.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the financial statements of Bath and

North East Somerset Council describes the basis of our opinion on those financial statements.

Use of this auditor's statement

This statement is made solely to the members of Bath and North East Somerset Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of Avon Pension Fund those matters we are required to state to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bath and North East Somerset Council and the members of Bath and North East Somerset Council as a body, for our work, for this statement, or for the opinions we have formed.

Beth Bowers

Beth Bowers, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

6 October 2025

9. Glossary

Of terms used in the Annual Report.

Actuary

An independent consultant who advises the Fund and reviews the financial position of the Fund every three years. The Actuary produces a report, known as the actuarial valuation report, which compares the Fund's assets with its liabilities and prescribes the rates at which the employing bodies must contribute.

Brunel Pension Partnership

A partnership of 10 LGPS funds who pool the management of their investment assets. The individual funds will retain responsibility for setting investment strategy; Brunel Pension Partnership Ltd, a company owned by the 10 administering authorities implements the strategies on behalf of the funds. The funds in the partnership are: Avon, Buckinghamshire, Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset and Wiltshire.

Consumer Price Index (CPI)

CPI is a measure of inflation based on the change in the price of a fixed basket of goods and services. The difference between CPI and Retail Price Index (RPI) is that CPI excludes some items used in RPI such as mortgage interest payments and Council Tax, and includes other items not used in RPI.

Community Admission Bodies

Bodies, which either have sufficient links with a Scheme employer, and provide a public service in the United Kingdom otherwise than for the purposes of gain or are approved by the Secretary of State for the purposes of admission to the Scheme; a body, other than the governors or managers of a voluntary school, to the funds of which a Scheme employer contributes. Such a body can become a member of the Avon Pension Fund subject to Pension Committee approval.

Corporate Bonds

Fixed interest securities and index-linked securities issued by companies registered either in the UK or overseas. They represent 'loans' to the companies which are repayable on a stated future date (for definitions of 'fixed interest' and 'index-linked' see 'Fixed Interest Government Securities' and 'Index-linked Government Securities'). In annual accounts, these may be referred to as 'Sterling Bonds'.

Deferred Pension

The pension benefit held in the Fund for a member who has ceased to contribute as a result of leaving employment or opting out of the pension scheme before retirement age. A

deferred pension may normally be claimed at any time between the ages of 55 and 75, but will be reduced if paid before the member's Normal Pension Age or increased if paid after.

Equities

Ordinary shares in UK and overseas companies traded on a recognised stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at shareholders' meetings.

Fund Benchmark

The Fund benchmark reflects the asset mix determined by the Fund. It is expressed in terms of asset proportions and market indices (e.g. 45% UK Equities invested in the FTSE-Actuaries All Share Index). On this basis a benchmark return can be calculated. The significance of this benchmark is that it represents 'normal fund policy'.

Guaranteed Minimum Pension

The LGPS guarantees to pay you a pension that is at least as high as you would have earned had you not been contracted out of the State Earning Related Pension Scheme (SERPS) at any time between 6 April 1978 and 5 April 1997. This is called the Guaranteed Minimum Pension (GMP).

Hedge Funds

Also known as 'absolute return funds', these funds have as their objective a performance target expressed as a margin above the return which can be achieved on cash deposits. The advantage of these funds is that they should achieve a positive return even when the stock market falls.

Independent Members

Voting members of the Avon Pension Fund Committee who are not councillors and who have no political attachments. There are three such members on the Committee, appointed principally because of the financial/investment expertise which they have acquired in the course of their professional careers.

Indexed-Linked Government Securities

Investments in government stocks (UK and overseas) where both the annual interest payment and the capital sum repayable by the government are adjusted to allow for inflation. Investments in government which are repayable on a stated future date.

Liability Risk Management Framework

An approach to investing which seeks to match the cashflows generated by the pension payments in the future, by increasing the exposure to the factors that determine the value of those payments, namely market derived bond yields and inflation expectations.

Physical instruments, such as index linked bonds, or synthetic instruments, such as derivatives, can be used when implementing the strategy.

Local government

The term local government in this document also covers police and fire civilian staff, a coroner, civil servants engaged in probation provision, a Mayoral development corporation, a conservation board, a valuation tribunal, a passenger transport authority, the Environment Agency, and non-teaching employees of an Academy employer, an Education Action Forum, a sixth form college corporation or a Further or Higher Education Corporation.

Market Value

The price at which an investment can be bought or sold at a given date.

Passive Investing (Indexation)

An investment strategy whereby the manager replicates an index in order to generate a rate of return in line with the index. The manager has no discretion over stock selection within the index. If it is a multi-asset portfolio, the asset proportions are prescribed within the mandate.

Pooled Funds

Pooled Funds are funds which manage the investments of more than one investor on a collective basis. Each investor is allocated units in the fund which are revalued at regular intervals. Income from these investments is normally reinvested in the pooled fund automatically which increases the value of the units.

Retail Price Index (RPI)

A measure of the general level of inflation based on the change in the price of a fixed basket of goods and services, such as food, energy, petrol, travelling costs, mortgage interest payments and Council Tax.

Transferee Admission Bodies (Scope Body)

A body that provides, by means of a contract, a service in connection with the exercise of a function of a Scheme employer, can become an admitted body within the Avon Pension Fund. The Scheme Employer transferring must act as guarantor for such bodies.

A glossary of pension terms is available on the Avon Pension Fund website:

<https://www.avonpensionfund.org.uk/need-know/glossary>

Avon Pension Fund

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can be made available on request.**

