

**Avon
Pension
Fund**



Your pension, your future

About the Avon Pension Fund

Background

Bath & North East Somerset Council administers the Avon Pension Fund on behalf of approximately 450 employing bodies (i.e. those with current contributors) mostly situated in the former Avon County Council area. The four unitary councils account for c. 56% of the contributing members. The total number of scheme members as at 31 March 2023 was c. 135,000, of whom 30% were contributors, 29% were pensioners and 41% deferred pensioners.

Bath & North East Somerset Council is one of 86 Councils which administer the Local Government Pension Scheme (LGPS) in England & Wales. At £5.4 billion, the Avon Pension Fund is one of the larger funds.

The LGPS is a statutory scheme, with all benefits guaranteed. The LGPS provides pensions based on final salary for service until 31 March 2014 and on Career Average Revalued Earnings (CARE) for service accruing from 1 April 2014.

Fund Governance

As administering authority for the Avon Pension Fund, Bath & North East Somerset Council has delegated responsibility for the Fund to the Pensions Committee, the primary decision making body for the Fund. The Public Service Pensions Act 2013 also requires each local LGPS fund to have a Pensions Board. This Board does not replace the Pensions Committee; its role is to ensure compliance with relevant regulations and codes of practice and to assist the administering authority in achieving its administration strategy.

Administration Strategy

The administration strategy sets out policies in relation to its liaison and communication with scheme employers and how it intends to improve performance and meet all statutory requirements.

Investment Strategy

The Fund can meet its pension payments from contributions paid into the fund and from its investment income. The investment strategy is determined by the Pensions Committee and is currently implemented by external managers appointed by the Fund and by Brunel Pension Partnership.

The Fund is a member of the Brunel Pension Partnership (BPP) who, from April 2018 has been responsible for implementing the Fund's Investment Strategy. The Fund has transferred the management of all its liquid assets to BPP, with the Fund retaining operational responsibility for managing its cash requirement and winding down legacy private market funds with a fixed term to expiry (closed ended funds).

Once Avon's assets are within a BPP portfolio, the appointment, monitoring and deselection of managers is the responsibility of BPP.

Funding Strategy

The regulations require that the Fund's liabilities are valued every three years. The actuarial valuation sets the contribution rates and the deficit payments for the next three years. Each employer in the fund has an employer specific contribution rate set and deficit payment plan.

The last valuation was done at 31 March 2022. At this date the liabilities were valued at £6.1 billion and the assets at £5.8 billion giving a deficit of £0.3 billion, a funding level of 96%. The next valuation is due on 31 March 2025.

The funding position is reviewed regularly by the Committee.

The Fund has its own website www.avonpensionfund.org.uk which contains extensive information about the Fund.