

**Avon  
Pension  
Fund**



Your pension, your future

# **About the Avon Pension Fund**

## Background

The Avon Pension Fund (the Fund) administers the Local Government Pension Scheme (LGPS) for over 450 employers in the former Avon area. Employers include local unitary councils, universities, academies, town and parish councils, housing associations and charities. The total number of scheme members as at 31st March 2024 was 140,047.

- 41,642 active members
- 44,653 deferred members
- 39,605 pensioners
- 14,147 undecided leavers

Bath and North East Somerset Council are the administering authority and are legally responsible for the Fund. The council delegates its responsibility for administering the Fund to the Avon Pension Fund Committee, which is its formal decision-making body. 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.

Bath and North East Somerset Council is one of 86 Councils which administer the Local Government Pension Scheme (LGPS) in England & Wales. At £5.8 billion, the Avon Pension Fund is one of the larger funds.

The LGPS is a defined benefit scheme. This means pensions are worked out using a set formula based on earnings for each year of membership. When members retire, pensions are paid for life and are guaranteed by Government.

Governance is important to helping the fund run smoothly and meet regulations. Governance refers to the way in which an organisation is managed at the highest level, and the systems in place for this.

There are many parties involved in the management and administration of the LGPS.

## **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](http://www.avonpensionfund.org.uk) which contains extensive information about the Fund.