Environment Agency
Pension Fund

Closed Pension Fund

Annual Report and Financial Statements for the year ended 31 March 2026

HC 441

Environment Agency Closed Pension Fund
Annual Report and Financial Statements 2025/26

Presented to Parliament pursuant to Section 52 of the Environment Act 1995.

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HC 441

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Contents

Page

Annual report

Environment Agency Pension Fund (EAPF) Chair's statement 1

About the Environment Agency Pension Fund 2

Pension Fund governance 5

Pension Fund investment 20

Pension Fund administration 23

Financial statements

Foreword to the financial statements 29

Statement by the Consulting Actuary 31

Independent Auditor's Report to the Houses of Parliament 33

Financial statements for the year ended 31 March 2026 38

Notes to the financial statements 39

The annexes

Annex 1 – Government Funding Agreement 54

Annex 2 – Weblinks to Policy and Strategy documents 57

Annex 3 – Administration key performance indicators 58

Enquiries

Enquiries 62

Environment Agency Pension Fund (EAPF) Chair's statement

As Chair of the Environment Agency Pension Fund, I am pleased to present the Closed Fund's Annual Report and Financial Statements for the year ended 31 March 2026.

Every year presents new challenges and 2025/26 was no exception. Global events continued to contribute to market volatility, inflation, increased risks of cyber security and cost of living increases for our members. Despite all the challenges, the Fund remains in a strong position, and the Pensions Committee is committed to achieving the best outcomes for the Fund and our members.

The Committee's biggest challenge over the year was ensuring that the Fund met the new government requirements for Local Government Pension Scheme (LGPS) asset pooling. This was a significant change for the Fund, and we have worked diligently with other LGPS Funds to select a new investment pool. From 1 April 2026, I am pleased to confirm that we successfully became a shareholder and client of the Local Pension Partnership Investments (LPPI) pool, marking a major milestone for the Fund and future delivery of our investment strategy. We look forward to working with LPPI and our new partner Funds to ensure the long-term success of our new pooling partnership. We are also winding up our previous pool, the Brunel Pension Partnership, as part of meeting the government requirements. We thank Brunel for their support during this process.

During the year the total number of Closed Fund pensioners and deferred members fell from 8,790 to 8,242. At 31 March 2026, the net assets of the Fund were valued at £250.6m (2025: £240.1m) and the Fund's liabilities were estimated to be £273.0m (2025: £318.0m). To help match the duration of the Fund's liabilities, the assets are held in 2 index-linked gilts managed by Sarasin & Partners LLP. In the year to 31 March 2026, returns were positive as the UK Index-linked gilt market recovered following the significant weakness experienced in prior years. The annualised investment rate of return was +3.6% (2025: -8.5%), which outperformed its benchmark of +3.2%.

Our latest formal triennial valuation of the Fund as at 31 March 2025 reflected a funding level of 80% (2022: 67%). The estimated funding level as at 31 March 2026 is 92% (2025: 74%). The next actuarial valuation will be carried out as at 31 March 2028. The Funding Strategy Statement was also reviewed during the year and remains consistent with the previously agreed position.

Since the Closed Fund has no contribution income, under Section 173 of the Water Act 1989, the Government has a statutory obligation to ensure that the Fund can always meet its pensions and other related liabilities. Deferred members, pensioners and their dependents can therefore be reassured about the long-term security of their pension benefits. Under the terms of letters between Her Majesty's Treasury and the Department for Environment Food & Rural Affairs (Defra), and the Memorandum of Understanding between the Accounting Officers of Defra and the Environment Agency, the Fund receives grant-in-aid. During the year, payments amounting to £40.4m (2025: £40.9m) were received from Defra and used to meet the Fund's obligations to pay pensions and other liabilities.

Finally, I would like to take this opportunity to thank everyone involved, including our internal team, employers and external contractors, for helping the Committee manage the Fund over the year. I would also like to thank the Committee for their continued work, commitment and diligence.

We will continue to keep you updated on our work through **www.eapf.org.uk**.

Lilli Matson
Chair, Environment Agency Pensions Committee
10 July 2026

About the Environment Agency Pension Fund

History of the EAPF

In 1989, the National Rivers Authority (NRA) was created following the privatisation of the old water authorities. The Active Pension Fund was created for employees of the NRA.

On 1 April 1996, the responsibility for both the Active and Closed Pension Funds transferred to the Environment Agency (EA). The EA, which was created by the Environment Act 1995, replaced the NRA.

Local Government Pension Scheme background

Both the EA Active and Closed Pension Funds are statutory members of the Local Government Pension Scheme (LGPS).

With 6.9 million members, the LGPS is one of the largest public service pension schemes in the UK. It is a nationwide pension scheme for people working in local government or working for other types of employers participating in the Scheme. Employers in the Scheme include local authorities and public service organisations (such as the EA) as well as other employers which provide the LGPS for their employees by becoming admitted bodies.

LGPS responsibilities

The regulations give specific responsibilities to scheme employers and pension fund administrators, each of whom must make decisions in relation to some matters and can exercise their discretion in relation to others.

The Environment Agency Board delegates responsibility for management of the Fund to a Pensions Committee. The Pensions Committee is assisted by an Investment Oversight Group, a Benefits Working Group, and Pension Board. The Fund Actuary sets each employer's contribution rate as part of the actuarial valuation of the Fund's assets and liabilities every 3 years. The next triennial valuation is due as at 31 March 2028.

LGPS regulations

The Scheme rules are contained in regulations made by Parliament after consultation with both employee representatives (Trade Unions) and employer representatives. The rules comply with the relevant provisions of the Pension Schemes Act 1993, the Pensions Act 1995, the Pensions Act 2004 and the Pensions Act 2008. The LGPS is a registered public service pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

As the LGPS is a statutory funded pension scheme, it's a secure pension arrangement with rules set out in legislation made under Acts of Parliament (the Superannuation Act 1972 and Public Service Pensions Act 2013). The LGPS benefits are primarily governed by the LGPS Regulations 2013, the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and the LGPS (Management and Investment of Funds) Regulations 2016. These are all subject to amendment over time.

The LGPS provides salary related defined benefits, which are not dependent upon investment performance. The LGPS provides final salary benefits in relation to membership up to 31 March 2014 and career average revalued earnings (CARE) for membership from 1 April 2014.

State Pension provision and the Pensions Act 2014

The Pensions Act 2014 introduced changes to the State Pension system in the UK with the introduction of a new single tier State Pension for individuals who reached their State Pension Age on or after 6 April 2016. The Act also legislates for the acceleration of State Pension Age from age 66 to 67 between 6 April 2026 and 5 April 2028. These changes to the State Pension also ended 'contracting out' for Defined Benefit schemes. The EAPF was contracted out of the State Second Pension (S2P) until 5 April 2016.

Changes affecting the Local Government Regulations during 2025/26

Several key pieces of pensions legislation were announced/introduced/amended during 2025/26, which affect the Local Government Pension Regulations 2013 and LGPS (Transitional Provision, Savings & Amendments) Regulations 2014. These were:

- **Neonatal care leave & pay**
  Legislation was passed in February 2025 (SI 2025/201), came into force on 6 April 2025, which included paid neonatal care leave within the definition of 'child-related leave'; this ensured that a person on neonatal care leave, who is in receipt of some pay, is treated the same as a person on ordinary maternity/adoption/shared-parental leave (meaning that their pension would be calculated using Assumed Pensionable Pay for the paid neonatal care leave period).

- **'Access & Fairness' changes**
  On 15 May 2025, MHCLG announced their 'Access and Fairness' consultation for the LGPS, which aimed to close the gender pensions gap in the LGPS and harmonise historic inequalities that existed within the Scheme's rules.

  After a consultation period that lasted several months, MHCLG laid 'The Local Government Pension Scheme (Miscellaneous Amendments) (Member Benefits) Regulations 2026' (SI 2026/226) in March 2026, which came into force from 1 April 2026, but contained retrospective amendments that went as far back as December 2005 for some members. A summary of the main changes is as follows:

  - Harmonising the treatment of male and female survivors, irrespective of whether they were in a same-sex or opposite-sex marriage with the (deceased) member (this also incorporates, and goes beyond, changes required by the 'Goodwin' ruling).

  - Removing the age 75 restriction on payment of a death grant, meaning that, so long as a member dies within the 'guarantee period', then a death grant will be payable, whatever the member's age.

  - Removing the requirement to pay a death grant to a member's estate, where the death grant has not been paid within two years of the member's death.

  - Introducing a new method/rule for buying back 'lost' pension, which, for the sake of fairness, is treated just like 'normal' Scheme pension (so will include dependants' pensions, etc).

  - Awarding scheme membership during periods of unpaid additional maternity leave, meaning pension continues to build up automatically at no cost to the member.

  - Allowing for small pot/trivial payments of less than £10,000 to paid to extinguish a member's pension rights, irrespective of when they left the Scheme (previously only open to members who left the Scheme after 31 March 2008).

    Additional changes were included in the draft regulations, but, following the consultation, MHCLG decided to legislate for these changes later in 2026.

- **Inheritance Tax on Death Benefits**
  Following the Autumn Budget in 2024 and numerous consultations, changes affecting the taxation of a member's pension benefits on their death were made via the Finance Act 2026, which came into force for deaths on or after 6 April 2027. This change will relate to the death grant benefits payable in respect of deferred and pensioner members.

In short, most unused pension benefits ('notional pension property') will now fall within a deceased's person's estate, meaning that such benefits could potentially be subject to a tax charge if the Inheritance Tax (IHT) threshold is exceeded. Those benefits that are outside the scope of IHT (so would be exempt from IHT charge) include:

- Dependants' pensions
- Trivial Commutation lump sum death benefits
- Dependants'/nominees' annuities already purchase (joint life annuities)
- Death in service death grants

In most cases, the member's 'legal personal representative' is responsible for confirming the IHT charge due to HMRC. Additionally, the Scheme may be asked to pay the IHT charge to HMRC on the recipient's behalf and, in some cases, must do so.

Pension Fund governance

Introduction

The Environment Agency is the administering authority responsible for maintaining and managing the Environment Agency Active and Closed Pension Funds (the Funds), which are part of the Local Government Pension Scheme (the Scheme) in England and Wales.

Flexibility is provided for each Administering Authority to determine their own governance arrangements relating to how they maintain and manage their Fund. Our Governance Policy provides high level information in relation to those arrangements and how we govern the Funds. This and our other policies, can be found at **www.eapf.org.uk/trustees/governance-policies.**

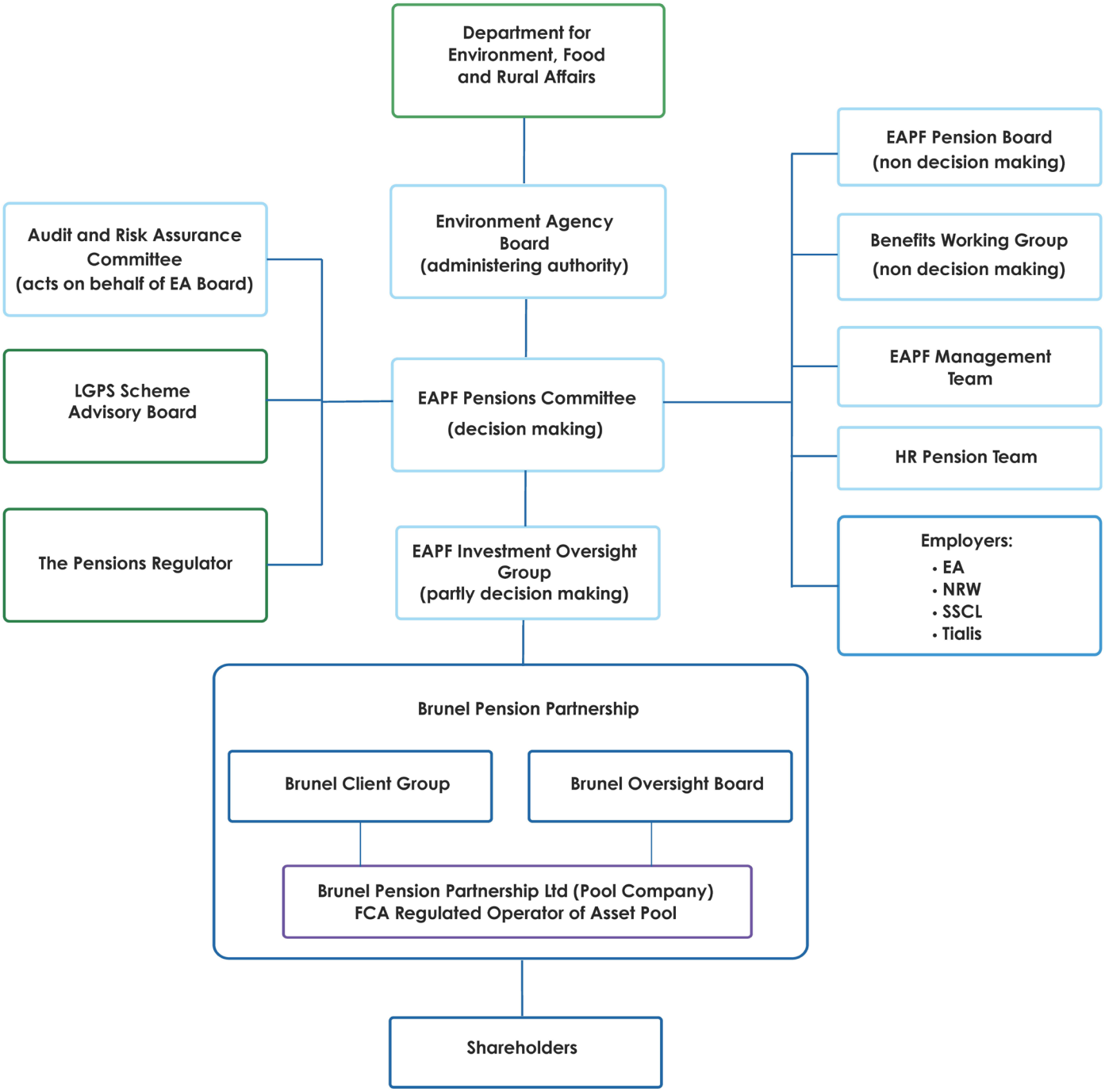
Objectives

Our Pension fund has set itself the following main governance objectives, which are to:

- Act in the best interests of the Fund's members and employers.
- Have robust governance arrangements in place to manage conflicts of interest and to facilitate informed decision making, supported by appropriate advice, policies and strategies and to understand and monitor risk.
- Clearly articulate our objectives and how we intend to achieve those objectives through business planning and continually measuring and monitoring success.
- Deliver our services through people who have the appropriate knowledge, skills and expertise, and ensure that this knowledge and expertise is maintained within the continually changing LGPS and wider pensions landscape.
- Strive to ensure compliance with the appropriate legislation and statutory guidance, and to act in the spirit of other relevant guidelines and best practice guidance.
- Ensure those persons responsible for governing EAPF have sufficient expertise to be able to evaluate and challenge the advice they receive, ensure their decisions are robust and well based, and manage any potential conflicts of interest.
- Ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved.

Our Governance structure

The Environment Agency Board delegates the management and oversight of the Funds to a Pensions Committee, an Investment Oversight Group, a Benefits Working Group and a Pension Board. The EAPF governance structure, role of the Pensions Committee and interaction with stakeholders is illustrated at a high level in the following diagram.



Pensions Committee, Investment Oversight Group, Benefits Working Group and Pension Board membership

The Environment Agency Board appoints members in accordance with our Governance Compliance Statement. Membership of the Pensions Committee (PC) will normally be 14 including the Chair of the PC. Members of the PC will comprise:

- Four Non-Executive Board Members of the Environment Agency, one of whom will be the Chair;
- Two Executive Members of the Environment Agency;
- One Non-Environment Agency Employer Member representative;
- Five Active Scheme Member representatives; and
- Two Pensioners or one Pensioner and one Deferred Member representative.

At the 26 March 2025 Pensions Committee meeting, approval was recommended to the Board to remove the Pension Fund Investment Sub Committee (ISC) as a formal Board Sub-Committee to become an Investment Oversight Group (IOG) of the Pensions Committee from 1 April 2025. This Group is chaired by the Chief Pensions Officer. The role of the ISC has been to oversee the implementation of the investment strategy, including making decisions on new investments, and making recommendations to the Pensions Committee as to how the investment strategy should evolve. The Pensions Committee will retain overall control for strategy and decision making. The changes in pooling arrangements from 1 April 2026 will mean that investment decisions will be passed to LPPI (our new LGPS investment pool). The timing was therefore right to alter the status, responsibility, and membership of the ISC, but to still ensure that the IOG meets the expected high standards of oversight and assurance.

Membership of the IOG will be agreed by the PC as follows:

- Chief Pensions Officer as Chair of the IOG meetings.
- one from the Executive Environment Agency and Employer representative Members (or deputies); and
- three Scheme Member representatives (active, pensioner or deferred).

The Benefits Working Group has no delegated decision making powers, and its objective is to provide a deeper focus and higher level of scrutiny on administration matters to support the PC.

Membership of the Pension Board is covered below under the Annual Statement from the Chair of the EAPF Pension Board.

Changes to Pensions Committee, Investment Oversight Group and Pension Board membership

During the year, we had the following changes to our membership:

- Hywel Tudor left the Pensions Committee, IOG and Pension Board on 14 December 2025 when his tenure as Deferred Member Representative finished.
- Peter Smith left the Pensions Committee and Pension Board on 14 December 2025 when his tenure as Pensioner Member Representative finished.
- During the year, Jon Watts, Environment Agency Board Member, joined the Pensions Committee and Pension Board.
- Following a competitive and inclusive recruitment exercise, Ian Brindley was appointed as the new Pensioner Member Representative and Tim Saunders as the new Deferred Member Representative for a three year term from 1 January 2026 to both the Pensions Committee and the Pension Board. Ian Brindley also joined the Investment Oversight Group (IOG).
- Stuart McMillan, the Shadow Member Representative joined the PC from 17 December 2024 for 13 months to cover a period of maternity leave of Alice Brightman, stepping back to be Shadow Member Representative on 5 January 2026. This period is included as part of his tenure as Shadow Member Representative.
- Craig Martin became the Chair of the Investment Oversight Group (IOG) when the ISC was replaced in May 2025.

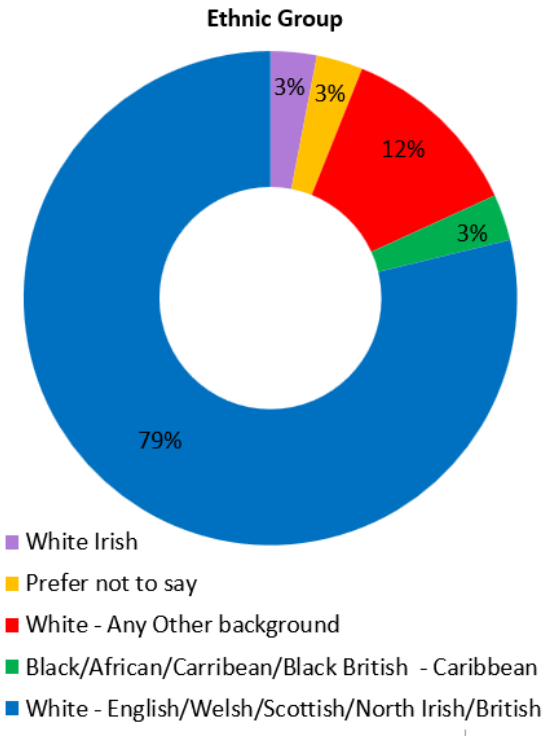
Pensions Committee (PC), Investment Oversight Group (IOG) and Pension Board (PB) membership

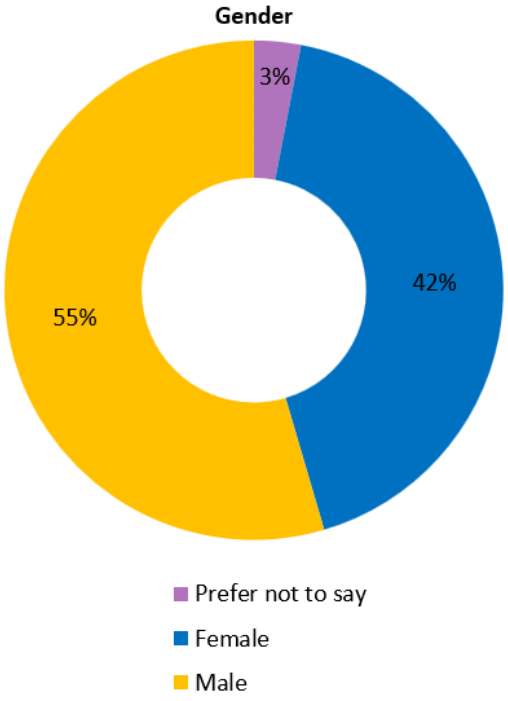
As at 31 March 2026	Membership	Date of appointment	Length of service	End of current appointment	Residual period of current appointment
Board Members					
Lilli Matson*	PC, ISC, PB	08/10/2021	4 yr 6 mth	31/07/2026	0 yr 4 mth
Maya Leibman	PC, PB, IOG	17/12/2024	1 yr 4 mth	31/03/2027	1 yr 0 mth
Ines Faden Da Silva Altern*	PC, PB	17/12/2024	1 yr 4 mth	31/07/2026	0 yr 4 mth
Jon Watts	PC, PB	31/03/2025	1 yr 0 mth	01/04/2028	2 yr 0 mth
Administering Authority Executive Manager nominees					
Laura Milton	PC	25/05/2023	2 yr 11 mth	N/A	N/A
Phil Lodge	PC, IOG	16/05/2018	7 yr 11 mth	N/A	N/A
Non-Environment Agency Executive Employer representative					
Rob Bell	PC, PB, IOG	08/10/2023	2 yr 6 mth	06/09/2026	0 yr 6 mth
Contributing member nominees and representatives					
Alice Brightman (maternity leave returning Jan 26)	PC	01/04/2023	3 yr 0 mth	31/03/2026	0 yr 0 mth
Will Lidbetter	PC, PB, IOG	01/08/2016	9 yr 8 mth	31/07/2026	0 yr 4 mth
Veronica James	PC, PB	16/05/2019	6 yr 11 mth	15/05/2028	2 yr 2 mth
Greg Black	PC, PB, IOG	01/04/2022	4 yr 0 mth	14/11/2028	2 yr 8 mth
Stuart McMillan (covering maternity leave Dec 24-Jan 26)	PC	17/12/2024	1 yr 4 mth	17/12/2027	0 yr 9 mth
Jermiane Hutchinson	PC	17/12/2024	1 yr 4 mth	17/12/2027	0 yr 9 mth
Pensioner and deferred members					
Peter Smith (former Member)	PC, PB	14/05/2015	10 yr 8 mth	14/12/2025	0 yr 0 mth
Hywel Tudor (former Member)	PC, PB, IOG	14/05/2015	10 yr 8 mth	14/12/2025	0 yr 0 mth
Tim Saunders	PC, PB	01/01/2026	0 yr 3 mth	31/12/2028	2 yr 9 mth
Ian Brindley	PC, PB, IOG	01/01/2026	0 yr 3 mth	31/12/2028	2 yr 9 mth

* in April 2026 tenure was extended to 31 January 2028

Diversity

On an annual basis we collect diversity data for the combined personnel within the Pension Committee and the EAPF Management Team. Ethnic and gender data is illustrated in the diagrams below:





Attendance at Pensions Committee, Investment Oversight Group and Pension Board meetings

During the past year, the Pensions Committee met on four occasions and the Pensions Board met once. The Investment Sub-Committee changed into the Investment Oversight Group from its first meeting for the financial year (21 May 2025) The Investment Oversight Group met on four occasions.

	Pensions Committee meeting 4 in total	Investment Oversight Group 4 in total	Pension Board meeting 1 in total	Total attendance
Board Members				
Lilli Matson (Chair)	4/4	-	1/1	5
Jon Watts	3/4	2/4 (Observer)	1/1	6
Maya Leibman	3/4	4/4 (Observer)	0/1	7
Ines Faden Da Silva Altern	4/4	2/4 (Observer)	1/1	7
Executive Members				
Laura Milton	4/4	1/4 (Observer)	-	5
Robert Bell	4/4	4/4	0/1	8
Phil Lodge	4/4	4/4	-	8
Active Members				
Alice Brightman (maternity leave returning Jan26)	1/4	1/4 (Observer)	-	2
Veronica James	4/4	2/4 (Observer)	1/1	7
Will Lidbetter	3/4	3/4	0/1	6
Greg Black	2/4	3/4	0/1	5
Stuart McMillan (covering maternity leave for 13 months)	3/4	0/4	-	3
Jermiane Hutchinson	3/4	2/4 (Observer)	-	5
Pensioner Members				
Peter Smith (former Member)	3/3	3/4 (Observer)	-	6
Hywel Tudor (former Member)	3/3	3/4	-	6
Tim Saunders	1/4	1/4 (Observer)	-	2
Ian Brindley	2/2	-	1/1	3

Pensions Committee training

Our Knowledge & Skills Policy incorporates the recommended standards that trustees and officers should know, as outlined in CIPFA Guidance.

All Members have individual training plans. This is based on an initial self-assessment, with all training undertaken logged and recorded.

Officers also agree a training plan with their line manager, with staff encouraged to consider achieving professional qualifications.

Some training is provided jointly to all Members and Officers. This is because it may be a priority in our business plan, a high risk to the Fund or many Committee Members have recognised the need for training on that subject in their training plans. Joint training is delivered through online training sessions or as part of a formal Committee meeting. Hybrid facilities are made available for those unable to attend in person.

There is individualised training to meet specific needs. This was typically attending third-party webinars or training courses online. In 2025/26, each Pension Committee Member undertook an average of 11.8 hours of training. On average, each EAPF Officer undertook an average of 50.8 hours of training. Last year, the Pension Committee received training on the issues in the following table.

PC Training Log 2025/26	Actuarial Valuation	Bulk transfer	Introduction to EAPF-PC Representative Day	Cyber Security	Pooling	IDRP & Reporting Breaches	Fraud Detection, Prevention & Response	Investment Strategy
EA Board Members								
Lilli Matson	✓	✓		✓	✓	✓		
Jon Watts	✓	✓		✓	✓	✓		✓
Maya Leibman	✓	✓		✓	✓	✓	✓	✓
Ines Faden Da Silva Altern	✓	✓		✓	✓	✓		✓
Executive Members								
Laura Milton	✓	✓		✓	✓	✓	✓	✓
Phil Lodge	✓	✓		✓	✓	✓		✓
Rob Bell	✓	✓		✓	✓		✓	✓
Active Member nominees								
Alice Brightman (Maternity leave returning Jan 26)				✓			✓	
Greg Black	✓	✓	✓	✓				✓
Will Lidbetter			✓	✓	✓	✓	✓	✓
Veronica James	✓	✓	✓	✓	✓	✓	✓	✓
Stuart McMillan (Covering maternity leave)	✓	✓	✓	✓	✓	✓	✓	
Jermiane Hutchinson	✓	✓	✓	✓	✓	✓	✓	✓
Pensioner Members								
Peter Smith	✓	✓	✓	✓	✓	✓		✓
Hywel Tudor	✓	✓	✓	✓	✓			✓
Tim Saunders	✓	✓	✓	✓	✓			
Ian Brindley	✓	✓	✓	✓		✓	✓	

Pensions Committee business during 2025/26

The Pensions Committee made several key recommendations and decisions throughout the year on significant issues that will have a long-term impact on the performance of the Fund. These decisions have been made in a timely manner informed by appropriate training, in line with our policies, taking legal, financial and investment advice, when necessary.

A significant project this year was the transition to a new investment pool for our Pension Fund assets to meet government requirements. This required work around due diligence to ensure the move was undertaken with the appropriate legal, investment and governance advice.

Alongside the increased requirements for enhanced governance within the new pooling arrangement, further government mandated governance requirements will apply from the 1 April 2026. Preparatory work has been carried out this year in readiness; updating policies and providing a greater focus on internal processes and resilience.

We completed several cyber assurance projects throughout the year, including the creation of an EA Pension Fund specific Incident Response Plan and reviewing our internal controls. We have improved our business continuity arrangements and mapped our key processes to improve organisational resilience. Cyber security training has been provided to the Pensions Committee highlighting our Cyber Hygiene guidance document to ensure best practice is followed by both Committee Members and Officers.

Every year we engage with members through our website, our member portal, newsletters, social media and webinars. Our series of pension webinars were well attended reaching over 2,000

attendees in total covering topics such as Pension Basics, Planning for Retirement and Increasing Benefits.

In addition, the Investment Oversight Group monitored the ongoing volatility in the markets, and its impact on our funding position and assets, taking appropriate investment and actuarial advice. We set long-term strategies to manage our risks and remain in a positive funding position.

Our key activities and management of risks included:

a) Testing our Incident Response and Business Continuity Plan through two dedicated war games sessions.
b) Funding strategy implementation and planning for 2025 Triennial actuarial valuation.
c) Administration strategy implementation including benefits administration and member communications.
d) Responsible Investment Strategy agreement, implementation, and monitoring.
e) Strategy and policy agreement and implementation including Counter-Fraud and Risk Management.
f) National Audit Office oversight and audit, and other independent audits.

Risk management and discussion of risk registers is a standing item on both the Pensions Committee and Investment Oversight Group agendas.

Scheme management and advisers to the Committee

The Pensions Committee uses the services of the external providers tabled below to help manage the Pension Fund.

Chief Pensions Officer	Craig Martin
Actuarial Adviser	Hymans Robertson
Bankers	National Westminster
Benefit Adviser	Aon
Custodian	State Street Global Services
External Auditor	The Comptroller and Auditor General – NAO
Governance and Risk	Aon
Investment Adviser	Hymans Robertson
Independent Investment Adviser	Investment Adviser and Trustee Services Ltd
Legal Adviser	Osborne Clarke / Burges Salmon
Pensions Administrator	Capita Pension Solutions Limited

Annual Statement by Chair of the EAPF Pension Board

Role of Pension Board

From April 2015, the Ministry of Housing, Communities and Local Government introduced further governance requirements for Local Government Pension Schemes. Each administering authority had to establish a Pension Board to provide oversight and assurance to the administering authority (scheme manager i.e. the EAPF Pensions Committee) of effective governance of their Pension Fund.

The Pension Board is a non-decision making body responsible for assisting the administering authority in:

- Securing compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme, and requirements imposed in relation to the LGPS by the Pensions Regulator.

- Ensuring the effective and efficient governance and administration of the LGPS by the Environment Agency Pension Funds.

Membership

Membership of the EAPF Pension Board is normally the members of the Pensions Committee less the two Executive Members of the Environment Agency and two Active Scheme Members. The Pension Board is therefore the 10 remaining Pensions Committee Members as follows:

Employer representatives

- Four Non-Executive Environment Agency Board Members.
- One Non-Environment Agency Employer representative (or deputies).

Member representatives

- Three Active Scheme Member representatives.
- Two Pensioner or one Pensioner and one Deferred Scheme Member representatives.

Chair of the Pensions Committee is also Chair of the Pension Board. Where absent, the Chair is another Environment Agency Board Member.

Pension Board business 2025/26

The Pension Board met once during 2025/26 (on 26 March 2026) after the Pensions Committee meeting. The Pension Board reviewed Pensions Committee meetings, risk management and progress against strategic priorities in 2025/26, which were:

- LGPS Pooling
- Enhance governance
- Future investment approach
- Member experience

Governance Compliance Statement

Introduction

Under Regulation 55 of the Local Government Pension Scheme Regulations 2013 (as amended) an administering authority must, after consultation with such persons as it considers appropriate, prepare, publish and maintain a Governance Compliance Statement.

This statement is required to set out:

a) Whether the administering authority delegates its functions, or part of its functions, under these Regulations to a committee, a sub-committee or an officer of the administering authority.

b) If the authority does so;

i) The terms, structure and operational procedures of the delegation will be set out in the Governance Policy
ii) The frequency of any committee or sub-committee meetings will be set out in the Governance Policy
iii) Whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights.

c) the extent to which a delegation, or the absence of delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reason for not complying; and

d) details of the terms, structure and operational procedures relating to the local pension board established under regulation 53(4) (Scheme managers).

The statement must be revised and published by the administering authority following a material change in their policy on any of the matters referred to above.

This statement was made and approved by the Environment Agency Pensions Committee on 18 June 2026. It is reviewed at least annually as part of the annual report and financial statements to ensure it remains up to date and meets the necessary regulatory requirements. The statement included in the annual report and financial statements becomes the approved statement for the year unless updated during the year.

A current version of this Governance Compliance Statement will always be available on our website at **www.eapf.org.uk.** Paper copies will be available on request.

Any enquiries in relation to this Governance Compliance Statement should be sent to:

Pension Fund Management
Environment Agency
Horizon House
Deanery Road
Bristol
BS1 5AH

Email: **eapf@environment-agency.gov.uk**

Governance Statement

Full details relating to our governance structure can be found in the Environment Agency Terms of Reference and Standing Orders for the Pensions Committee, Investment Oversight Group and Pension Board and explained in our Governance Policy. The key elements are summarised below:

Details to be provided	EAPF
Whether the authority delegates its functions, or part of its functions under these Regulations to a committee, a sub-committee or an officer of the authority.	All key pension fund management responsibilities are delegated to the Pensions Committee (PC) other than implementing the Fund's investment strategy which is delegated to the Investment Oversight Group (IOG).
If the authority does so (i) the terms, structure and operational procedures of the delegation.	See the Terms of Reference for specifically delegated responsibilities. PC has 14 Members and IOG has six Members.
(ii) the frequency of any committee or sub-committee meetings.	The IOG and PC meetings are scheduled quarterly.
(iii) whether such a committee or sub-committee includes representatives of Scheme employers or members, and if so, whether those representatives have voting rights.	The EAPF has four employers. The PC includes one Non-EA Employer Representative, five Active Scheme Member representatives and two Pensioner or one Pensioner and one Deferred Member representatives. The IOG includes three Scheme Member representatives and two from the Executive Environment Agency and Employer Representative Members. All members have voting rights.
The extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying.	See Compliance Statement below.
Details of the terms, structure and operational procedures relating to the local pension board established under regulation 53(4) (Scheme managers).	The Pension Board is a non-decision making body responsible for assisting the administering authority in: a) Securing compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme, and requirements imposed in relation to the LGPS by the Pensions Regulator. b) Ensuring the effective and efficient governance and administration of the LGPS by the Environment Agency Pension Funds. Membership of the Pension Board comprises of ten Members of the Pensions Committee which excludes the two Executive Directors Members of the Environment Agency and two Active Scheme Members. Further information is in the Terms of Reference and Standing Orders and the Operational Guidance.

Statement of Compliance with Secretary of State Guidance

Compliance status – we are compliant with all 20 standards.

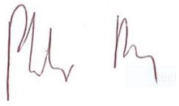
Statutory Guidance Governance Standards and Principles	Our compliance status	Evidence of compliance and justification for non-compliance
A – Structure		
a) The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Compliant	The responsibilities of the Pensions Committee (PC) are set out in the Pensions Committee Terms of Reference and Standing Orders approved by the EA Board.
b) That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Compliant	Our PC has 14 Members, appointed by the EA Board and includes: • Four Non-Executive EA Board Members • Two EA Executive Members • One Non-EA employer representative • Five Active Scheme Member representatives • Two Pensioner or one Pensioner and one Deferred Member representatives • Three Scheme Member representatives and two from the Executive Environment Agency and Employer Member representatives are also Members of the Investment Oversight Group (IOG).
c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Compliant	The Chair of the Pensions Committee reports to each EA Board meeting. Reports of the IOG meetings are available to all PC Members. The Chair of the IOG provides a summary report and draft minutes to the following PC meeting.
d) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Compliant	The membership of our IOG comprises members of the main PC.
B – Representation		
a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:	Compliant	See below
i) employing authorities (including non-scheme employers, e.g. admitted bodies);	Compliant	The employers of our Closed Fund members no longer exist. Our Active Fund has four employers – EA, NRW, SSCL and Tialis. We have a non EA employer member representing NRW and SSCL on the main PC and who may also be on the IOG.

ii) scheme members (including deferred and pensioner scheme members);	Compliant	The main PC has seven scheme Member representatives on it, including five active scheme Member representatives and two pensioner/deferred Member representatives, ideally one of each. Our IOG includes three scheme Member representatives (active, deferred or pensioner).
iii) independent professional observers; and	Compliant	Our independent investment adviser attends all IOG and PC meetings. Our other professional advisers also regularly attend our PC and IOG meetings.
iv) expert advisers (on an ad-hoc basis).	Compliant	We invite our expert advisers to attend our PC and IOG meetings as needed. This includes our actuary, legal adviser, risk and governance advisor and investment consultants, pension fund administration consultants, and external auditors.
v) that where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers, meetings and training and are given full opportunity to contribute to the decision making process, with or without voting rights.	Compliant	All Members of the PC and IOG receive equal access to the papers and training and have full and equal speaking and voting rights in our meetings and decision making processes.
C – Selection and role of lay members		
a) That Committee or panel Members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	Compliant	New PC Members receive an induction and appropriate training that details the role, function and activities of the PC and IOG. Our PC Members understand that their primary fiduciary duty of care is our funds' beneficiaries and employers, in whose best interests they are required to act at all times, particularly in terms of investment and financial decisions. They also understand that they are not there to represent or promote their own personal or political interests, and that they must declare any self-interest or conflicts of interest of either a financial or non-financial nature arising from any other roles they may perform and abstain from participation in that item on the agenda. The EAPF has a Conflicts of Interest Policy which is made available to all PC Members.
b) That at the start of any meeting, Committee Members are invited to declare any financial or pecuniary interest related to specific matters on the agenda.	Compliant	Declaration of interests is a standing agenda item at the start of all PC and IOG meetings. A register of interests is also maintained, made available at each meeting and annual updates required from all members, audited annually.

D – Voting		
a) The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Compliant	Our PC makes decisions by discussion and by building and creating a consensus. All members have equal voting rights on our main Pensions Committee and IOG.
E – Training, facility time and expenses		
a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision making process.	Compliant	Our PC has a Training Policy which is reviewed regularly. We provide induction training. All members undergo further developmental, specialist, and/or 'top up' refresher training for 2-3 days each year during their terms of office. We maintain a log of all PC Member training needs and training undertaken. Members of the main PC and the IOG are reimbursed the cost of travel and overnight hotel expenses. The cost of all PC and IOG training is met from the Pension Fund's budget.
b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Compliant	The Knowledge & Skills Policy applies equally to all PC and IOG Members.
F – Meetings (frequency/quorum)		
a) That an administering authority's main committee or committees meet at least quarterly.	Compliant	Our PC usually meets four times a year, for normal business and at least once for briefing or training. eight of the 14 PC Members (including at least one Board Member, one EA Executive Member and one scheme Member representative) constitute a quorum.
b) That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	Compliant	Our IOG meetings are synchronised to meet four times a year before the PC so it can report to and make recommendations to the full PC. Three Members (including the CPO (or delegate), one Executive Environment Agency Member and one scheme Member representative constitute a quorum for the IOG.
c) That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	Compliant	We have seven 'lay' Members on our main PC, comprising five active scheme Member representatives and two pensioner, seven deferred Member representatives. Due to the geographical spread of our organisation and fund membership across England and Wales we hold annual briefings which provide a forum for Fund members and stakeholders to be informed about the Fund, particularly about changes to the LGPS. All active fund members are invited to attend webinar pension briefings each year. We also organise an annual briefing for deferred and pensioner members. The briefings are

		generally presented by Capita (Pension Fund Administrator), with administering authority or HR staff. PC Members chair or attend some briefings. Where possible, we will also seek to hold a members' AGM every year.
G – Access		
a) That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	Compliant	All Members of our PC and IOG receive the same agenda and papers containing information and advice for each meeting, unless there is a conflict of interest. Members of the PC who are not Members of the IOG can request full IOG papers and they also receive summary reports of all meetings. All our PC and IOG Members can ask questions of our professional advisers who attend the PC and IOG meetings.
H – Scope		
a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Compliant	Our PC and IOG meetings all have agenda items on pooling, wider LGPS scheme issues, future challenges, and risks to our funds, as well as information on our Funds' recent financial and administrative performance. The IOG review their risks at all meetings. The PC carries out annual reviews of fund performance, key strategic risks, and our statutory governance, administration, and communications policy statements. It also reviews its own effectiveness at the end of each meeting and annually.
I – Publicity		
a) That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	Compliant	We publish our Governance Compliance Statement and all other key governance documents and policies on our website, and they are available in hard copy from our Pension Fund Management Team. The Governance Compliance Statement is also published in our Annual Report & Financial Statements. We have an agreed procedure for appointment of new employee, pensioner, and deferred Member nominees to our PC when vacancies arise working in conjunction with our Trades Unions and all employers.

Signed on behalf of the Environment Agency



Lilli Matson
Chair
Environment Agency Pensions Committee
10 July 2026

Philip Duffy
Accounting Officer
Environment Agency
10 July 2026

Pension Fund investment

Ongoing Government funding of the Closed Fund

Before privatisation in August 1989, the pensions of the water authorities' staff were funded by contributions to the Water Authorities Superannuation Fund (WASF). This Fund fell within the Local Government Superannuation Scheme. On privatisation, the WASF was divided in three ways:

- Company schemes for employees transferring to the new water companies;
- An Active Fund for employees joining the National Rivers Authority; and
- A Closed Fund for existing and deferred pensioners.

As part of the pension rationalisation carried out in 1989, the Government recognised that, in the longer term, the Closed Fund would require support to meet its ultimate liabilities. Parliament therefore placed a legal obligation on the Secretary of State for the Environment (under section 173 of the Water Act 1989) to meet the pension and other related liabilities of the Fund.

The valuation of the Fund as at March 2004 indicated that assets available would not meet the future liabilities. The Chief Secretary to the Treasury therefore agreed in April 2004 that provisions should be made by The Department for Environment Food and Rural Affairs (Defra) to allow for the Secretary of State's statutory obligation under the 1989 Act to be met from April 2006. Therefore, the obligations and running costs of the Closed Pension Fund would be met by Defra.

A detailed Memorandum of Understanding between the Accounting Officers of Defra and the Environment Agency was completed in 2005. Since 1 April 2006, ring fenced grant-in-aid that is sufficient to meet pension obligations and the running costs of the Fund has been paid. Members and their dependants can rest assured that the future of their benefits are statutorily guaranteed and are safe. Extracts from relevant letters and the full text of the Memorandum of Understanding are reproduced at Annex 1.

Funding Strategy Statement

All LGPS funds are required to publish a Funding Strategy Statement. This statement is used by the Actuary to inform his valuation. The Funding Strategy Statement was adopted by the Committee on 25 March 2026 and a link to this Statement is available in Annex 2.

Investment Strategy Statement

All LGPS funds are required to publish an Investment Strategy Statement. Our Investment Strategy Statement was adopted by the Committee on 25 June 2025 and a link to this Statement is available in Annex 2. It is reviewed annually or as required.

The EAPF's Custody arrangements

State Street Bank & Trust Company ('State Street') were appointed as the Funds Global Custodian from 1 April 2018. This was as a result of a competitive tender exercise within the Brunel Pension Partnership in 2017. State Street are independent to the investment managers, and as part of their normal procedures, hold the assets in safe custody, are responsible for the settlement of all investment transactions, collection of dividend income and interest, provide data for corporate actions, liaises closely with the investment managers and report on all activity during the period.

State Street is a strong company that is rated by Standard and Poor's as 'AA-' for long term / senior debt and 'A-1+' for short term deposits. The Fund's assets are not held in the name of State Street and so are segregated from those of State Street Bank & Trust Company, safeguarding them in the event of company failure. Where appropriate, cash held by the Fund at State Street in Sterling, Euros and United States Dollars are invested in State Street Liquidity Funds, which would not be affected in the event of a failure by State Street. The State Street Liquidity Funds are rated 'AAAm' by Standard and Poor's and are invested in short term money instruments to preserve capital and liquidity. Only small amounts of cash are left on deposit at State Street.

Regular service reviews are held by Officers with State Street to monitor service commitments. Other procedures and controls are reviewed by an independent reporting accountant via the Service Organisation Control (SOC1) Report.

Investment management

Following the agreement with Defra in 2004 over the future funding arrangements of the Fund, the Committee agreed that the Fund's investment strategy should be simplified by switching to investment in long dated index linked gilts. Sarasin & Partners LLP manage the long dated gilt portfolio, with the primary aim of preserving the real value of the Fund's assets. They have full discretion in the management of their portfolio subject to complying with the statutory limits, the Investment Strategy Statement and the range of asset distribution defined by the Committee. The portfolio currently holds two index-linked gilt to closer match the duration of the Fund's liabilities.

The existing funding strategy relies upon regular payments (known as Grant in Aid) being received from Defra to meet the pension and administrative costs until the present value of the remaining liabilities is equal to the value of the Fund assets at that time. At that point, the Fund will take on the responsibility for meeting the costs of the Closed Fund.

Portfolio analysis

Distribution of investment assets by market value as at 31 March 2026:

	Sarasin & Partners LLP £m	Cash & Other £m	Total Fund £m	% of Net investment assets
UK Index linked gilts	216.2	-	216.2	87.4
Cash	3.2	26.8	30.0	12.1
Other/Accrued income	1.0	0.1	1.1	0.5
Net investment assets	**220.4**	**26.9**	**247.3**	**100.0**

Distribution of investment assets by market value as at 31 March 2025:

	Sarasin & Partners LLP £m	Cash & Other £m	Total Fund £m	% of Net investment assets
UK Index linked gilts	209.6	-	209.6	89.1
Cash	2.1	22.4	24.5	10.4
Other/Accrued income	1.0	0.1	1.1	0.5
Net investment assets	**212.7**	**22.5**	**235.2**	**100.0**

Unquoted investments

With the agreement of the Board, the value of the unquoted investments was written down to £nil during 2007.

Income from capital distributions of the residual holdings being liquidated is credited to the Fund as it arises.

Investment performance

Financial Performance	2026 %	2025 %
1 year		
Fund performance	+3.6	-8.5
Benchmark performance	+3.2	-15.3
Relative performance	+0.4	+6.8
3 year		
Fund performance	-2.1	-9.5
Benchmark performance	-8.3	-23.1
Closed Fund relative performance	+6.2	+13.6
5 year		
Fund performance	-4.2	-4.7
Benchmark performance	-13.4	-13.3
Closed Fund relative performance	+9.2	+8.6

Over the year to 31 March 2026, returns were positive as the UK index-linked gilt market recovered following the significant weakness experienced in prior years.

Despite the positive short-term recovery, returns over the 3 and 5 year periods remain negative. This reflects the substantial repricing in UK government bond markets since 2021, driven by elevated inflation, rising interest rates and higher real yields, all of which had a particularly pronounced impact on long-duration index-linked gilts.

Against this challenging backdrop, the Closed Fund has continued to deliver strong relative performance versus its benchmark across all periods shown. This reflects the benefits of portfolio positioning and active management decisions over time. Following the strategic alignment of the portfolio more closely with the benchmark, the degree of outperformance has moderated more recently, although relative returns have remained positive.

Government Fit for the Future reforms - Pooling Arrangements

As part of the Government Fit for the Future reforms, all LGPS funds must be in a pooled company from 1 April 2026.

To ensure the EAPF met the new Government requirements, significant work has been undertaken since April 2025 to identify a new pooling arrangement. This included carrying out the necessary due diligence to ensure the selected pool provided an appropriate legal and governance framework, the ability to implement the Fund's investment strategy in full, and value for money.

The Fund has worked closely with internal and external advisers, alongside the existing Brunel partner funds, to establish these new arrangements. In March 2026, and in line with the Government's deadline, the Fund agreed to join the Local Pension Partnership Investment pool (LPPI) from 1 April 2026 as both a shareholder and client.

Pension Fund administration

Reporting requirements

In April 2024, the Scheme Advisory Board (SAB) for the Local Government Pension Scheme (LGPS) published new guidance for the publication of Annual Reports. In accordance with this guidance, the administration section of this report must include a summary on:

- Activities undertaken by the administration function during the year
- Performance against Key Performance Indicators (KPIs)
- Member and scheme employer numbers by category
- Actions taken to deliver the communications policy
- Value for money achieved by the administration function
- Complaints and dispute resolution

Administration arrangements

The Environment Agency Pension Fund (EAPF) is responsible for administering the current and future pension benefits, built up under the LGPS, of over 8,200 deferred and pensioner members of the Closed Fund.

While the EAPF's Pensions Committee (referred to as the 'Committee') provides strategic direction and regular oversight, day-to-day administration is delivered through a third-party pension administrator, Capita Pension Solutions Ltd (a subsidiary of Capita Group Plc). This work involves specialist knowledge, complex activity, and significant investment in the latest technology, which is considered beyond the core business of the Environment Agency.

The work delivered by Capita includes:

- Administering all member records
- Paying member benefits (pensions, tax-free lump sums, death grants, transfers out)
- Managing a monthly pensioner payroll.
- Handling all member enquiries via a dedicated team of call handlers
- Distributing annual statutory publications (pension increase statements, benefit statements)
- Issuing monthly pension payment advice slips
- Operating fraud prevention and debt collection
- Undertaking all HMRC returns
- Producing audited annual accounts for Parliament
- Providing technical advice on LGPS and overriding legislation
- Support and training for Scheme Employers
- As well as a wide range of other tasks

Benefits Working Group

The EAPF management team continues to engage with EAPF's Benefits Working Group periodically throughout the year. The group is made up of Committee Member representatives, management team officers, representatives from Capita, and associates from Aon (EAPF's professional advisor). All particulars are set out in the group's Terms of Reference, which was last reviewed and updated in early 2026. Meetings are held in person and virtually, with all agenda items recorded and action points monitored to completion.

The main purpose is to continue to provide deeper focus and greater scrutiny to benefit administration items prior to approval by the Committee. The group enables officers to draw upon the appropriate skills, knowledge, and input from stakeholders, as well as consider the strategic outlook and any external factors that may impact on the fund's administration; as well as review operational objectives and improvements.

Closed Fund membership

The Fund exists to pay the current and deferred benefits of employees of the former water authorities and associated bodies, which existed prior to1 September 1989. There are no contributing members. During the year since 1 April 2025, the number of deferred members has fallen by 15% from 497 to

420 (2025: fell by 16%). The number of pensions in payment fell by 5.7% from 8,293 to 7,822 (2025: fell by 5.3%). With no active contributors to the Fund, overall membership will decline over time - however, dependents and deferred pensions coming into payment will serve to maintain the number of current pensioners for some years to come.

The following tables illustrate the movement of pensioner and deferred members over the year:

Movement in number of members	Pensioner members	Deferred members	Total
At 1 April 2025	**8,293**	**497**	**8,790**
Adjustment for late notifications	49	(50)	(1)
Revised opening balance	**8,342**	**447**	**8,789**
Add:			
New pensioners	27		27
New dependants' pensions	87		87
	114	**0**	**114**
Less:			
Deaths/no longer eligible/suspended	(630)		(630)
Deferred pensions into payment		(27)	(27)
Commuted benefits	(4)		(4)
	(634)	**(27)**	**(661)**
At 31 March 2026	**7,822**	**420**	**8,242**

Age profile of pensioner members at 31 March				
	2026		2025	
	No.	%	No.	%
Child dependants	41	0.5	40	0.5
Pensioners and spouses				
Under 55	7	0.1	7	0.1
55-59	20	0.3	30	0.4
60-64	353	4.5	448	5.4
65-69	1,059	13.5	1,153	13.9
70-74	1,429	18.3	1,480	17.8
75-79	1,425	18.2	1,387	16.7
80-84	1,086	13.9	1,138	13.7
85-89	1,080	13.8	1,198	14.4
90-94	903	11.6	1,011	12.2
95-99	379	4.8	355	4.3
100-109	40	0.5	46	0.6
Total	**7,822**	**100**	**8,293**	**100**

Age profile of deferred members at 31 March				
	2026		2025	
	No.	%	No.	%
50-54	1	0.2	7	1.4
55-59	133	31.6	185	37.2
60-64	131	31.2	149	30.0
65-69	94	22.4	105	21.1
70-74	47	11.2	36	7.3
75-79	12	2.9	14	2.8
80+	2	0.5	1	0.2
Total	**420**	**100**	**497**	**100**

Increases to Pensions

LGPS pensions in payment and deferred benefits are reviewed under the provisions of the Pensions (Increase) Act 1971 and Section 59 of the Social Security Pensions Act 1975 and linked to the change in the Consumer Prices Index (CPI).

Our pensions in payment and deferred pensions received an increase from 6 April 2026 of 3.8% (7 April 2025: 1.7%).

The following table shows the rate of increases that have applied to pensions in payment and deferred pensions since 2017.

April %	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Increase	1.0	3.0	2.4	1.7	0.5	3.1	10.1	6.7	1.7	3.8

Performance measurement

The Committee measures Capita's performance through monthly, quarterly, and annual reports showing progress against the contractual Service Level Agreements (SLAs) - otherwise referred to as Key Performance Indicators (KPIs). The key pillars for evaluating performance include accuracy, timeliness, quality, helpfulness, feedback, service improvements and complaints.

We thank Capita for resolving 48,938 member requests/queries during 2025/26 (across both the Active and Closed pension funds), as well as paying pensions to around 7,800 pensioner members under the Closed pension fund. The casework completed during the year across both funds has decreased by just over 26% on last year (2024/25: 61,134). Over the year, Capita achieved service compliance of 97.58% against the casework completed for the closed fund. This is compared to 93.94% for 2024/25, when the service recovery plan was in motion.

Administration performance during the year has been monitored through a set of casework key performance indicators covering the main pension administration activities. These KPIs show the volume of work received, the number of cases completed, and completion rates, with comparison to the previous year to provide context. Performance was strong across most core case types, including retirements, dependent benefits, refunds, member estimates and new joiner processing, with completion rates improving in several areas compared with the previous year. Lower completion rates in certain areas, particularly transfers in, reflect the complexity of these cases and the Fund's reliance on information from external parties, alongside increased volumes of work received during the year. The Fund continues to monitor performance and backlog levels closely, with a focus on prioritising high-impact cases and improving overall case completion rates where pressures remain.

A breakdown of Capita's performance against the Key Performance Indicators (KPIs) is shown below under Annex 1.

Closed Fund administration costs for the year to the 31 March 2026 were £749k (2025: £714k) including member communications and postage costs. We benchmark our Fund administration costs annually through the public accounting body CIPFA. For 2025/26 data the CIPFA average was £24.39 (2024/25: £25.93) per member. Across both our Active and Closed Funds, our average cost for 2025/26 was £28.17 (2024/25: £27.90) per member.

The total number of staff allocated by Capita to the EAPF administration contract is 25, of which 24 deal solely with pension benefits administration for both Active and Closed funds. Based on a membership of 40,190 across both the Active and Closed Funds on 31 March 2026, this represents an average of 1,675 members per administrator. We take a value for money approach, which considers cost and value for money, as well as the importance of service delivery.

Internal controls

The EAPF system of internal controls is based on an ongoing process designed to:

- Identify and prioritise the risks to the achievement of EAPF's policies, aims and objectives.
- Evaluate the likelihood of risks being realised, the impact should they occur, and the subsequent efficient, effective, and economical management of those risks.

The system of internal controls has been in place at the EA and in the operation of the EAPF for the year ended 31 March 2026, in accordance with LGPS and Treasury guidance, as well as best practice.

Report on Internal Controls

The Directors of Capita Pension Solutions Limited (CPSL) produce an audited annual Assurance Report on internal controls, in relation to pension administration services, under ISAE 3402 and AAF 01/20, which is reviewed by Officers. In considering the effectiveness of the internal controls for the Fund, consideration has been given to the findings of the Independently audited report by accountants (KPMG LLP (UK)) in their assurance report for CPSL for the reporting period to 31 December 2025.

CPSL Directors have confirmed that none of their key controls have materially changed from the date of this reporting period, 31 December 2025 to 31 March 2026.

We are pleased to report that the auditors provided an unqualified opinion on Capita's internal control environment.

National Fraud Initiative / Mortality Checks

The EAPF has a formal policy and procedure for handling fraud linked to the unreported deaths of pensioners. As part of this policy, it participates in the Audit Commission's biennial National Fraud Initiative (NFI) and undertakes life certificate exercises for pensioners who live overseas. In addition, monthly mortality screening helps reduce overpaid pensions and potential fraud.

The results of the most recent exercise identified 33 cases, across both Active and Closed Funds, where the EAPF had not been notified of the death of a member. Of these, 32 were pensioner members and one was a deferred member. The necessary follow-up actions have been undertaken.

As a general principle, the EAPF investigates cases where fraud is suspected. The case is pursued, and any overpayment recovered via an agreed repayment plan, or, if necessary, legal action is taken, which may involve police intervention. The monthly mortality checks are therefore in place to help reduce potential fraud on the EAPF. There were no confirmed fraud cases for 2025/26.

Data quality

Excellent quality data is vital to the efficient and accurate payment of retirement benefits and general administration of the Active pension fund. This is achieved primarily using electronic interfaces between scheme employers and Capita on a weekly and monthly basis. Guidance issued by The Pensions Regulator (TPR) recommends that the Fund regularly assesses the quality of its member data.

To interrogate and cleanse client data, Capita partners with Intellica (a pension data specialist with unique software solutions to provide deep data analytics and insights). This enables the EAPF to become Pensions Dashboard ready, and to perform Common Data and Scheme Specific tests.

With member data being readily available via the EAPF Online portal and with the upcoming requirements of Pensions Dashboards to hold all relevant data electronically, the EAPF believe it is imperative to retain full oversight of data quality. Quarterly tests are undertaken and results reported to the EAPF Management team. Results against common and scheme specific data are then reported annually in accordance with TPR guidelines.

The data scoring for the period 31 March 2026 is shown below:

	31 March 2026	31 March 2025
Common data	93.94%	93.58%
Scheme Specific	97.06%	97.75%

Data security

The EAPF and Committee take data security very seriously. Ownership and accountability for the transmission of employees' pensions related data to Capita is assigned to the human resources and payroll functions of participating scheme employers. This is through the secure transmission of monthly and weekly electronic data interface files.

Capita has an Information and Cyber Security policy for the organisation, which sets out its commitments to information security. This policy covers the following:

- Maintaining confidentiality, integrity, and availability of information, while ensuring information is only accessible by those who are entitled to access it.
- Protecting information assets consistently to a high standard to prevent compromise by external and internal threats, both deliberate and accidental.
- Raising and maintaining security awareness to help avoid the unintentional or malicious disclosure of confidential information, which could cause inconvenience and distress to others, be unlawful, and to avoid causing financial and reputational damage.

Pensions Dashboard

Significant progress has been made with Capita in getting ready for the introduction of Pensions dashboard in 2027. In December 2025, the Fund was successfully connected to the dashboard system. Further preparatory work is continuing while national testing takes place through to September 2026. Work has also progressed on preparing the information needed to show members the value of their pension benefits on the dashboard. This includes agreeing an annual automated process for active and deferred members, confirming arrangements with 3 additional voluntary contribution (AVC) providers, and putting the necessary links in place for Standard Life.

A public launch date for pensions dashboard has not yet been confirmed. Pension schemes will be given at least 6 months' notice before the dashboard goes live. Based on current national plans, dashboards are expected to be available from spring or summer 2027, subject to the successful completion of testing.

Administration Strategy

The Committee approved a new future-facing strategy in October 2025, with a view to having greater oversight of all opportunities, risks and challenges facing the EAPF in the next 3-5 years. The strategy can be seen on the EAPF at **www.eapf.org.uk/trustee/governance-policies**. A planned delivery roadmap to support the strategy is in train and will be introduced later in 2026/27. The roadmap will underpin the strategy by providing the pathway to achieve the fund's strategic vision and objectives.

Regulatory Update

In May 2025, the Government announced that they would be implementing the Access and Fairness reforms, aiming to close the gender pensions gap in the LGPS and harmonise historic inequalities that existed within the Scheme's rules. A consultation with proposed Scheme changes was launched on 15 May 2025 and closed on 7 August 2025. The LGPS (Miscellaneous Amendments) (Member Benefits) Regulations 2026 were laid on 6 March 2026 and become effective from 1 April 2026.

The Government launched another consultation on 13 October 2025 - LGPS: Scheme Improvements (Access & Protections). The main areas of interest covered the increase in the Normal Minimum Pension Age (NMPA) (55 to 57) in April 2028, and an update to New Fair Deal arrangements. The consultation closed on 22 December 2025. To date, the Government have yet to respond to the consultation.

Member Engagement and Communications

Twelve webinars were delivered to 2,014 members over a 7-week period during 2025/26 (inc. the deferred and pensioner webinar). The series covered pension basics, retirement planning, increasing benefits, and EAPF investments. The average attendance is higher than in previous years, which is positive and indicative of the fund's engaging membership.

There has been clear demand for better education and retirement planning – engaging effectively with Scheme members (inc. Line Managers) is a key priority for next year. The webinar series has underlined the desire among Scheme members to evolve as stakeholders.

The gradual move to more electronic communications continues to evolve as technology allows, ensuring non-digital members are not disadvantaged. The EAPF website **www.eapf.org.uk** is the main resource for members, providing a wealth of resources, factsheets, guides, videos and presentations, as well as all fund news.

Breaches of the Law

There were 47 breaches recorded under both the Active and Closed funds, made up of seven data related breaches and 40 regulatory breaches. All bar one were deemed to be low-risk and therefore non-reportable. Only one breach was reported to TPR in September 2025, which impacted members of both the Active and Closed funds.

A significant number of regulatory breaches relate to refunds of contributions not being paid within 5 years of a former member's leaving date - a requirement that's being removed from the Scheme regulations later in 2026, because of the changes made after the Government's Access & Fairness consultation.

Complaints

The Fund has a formal process for dealing with complaints. The Committee defines a 'complaint' as any expression of oral or written dissatisfaction about how a service has been carried out. A complaint can be made by any Scheme member (inc. prospective members and those in receipt of survivor benefits), a scheme employer, the EAPF, and/or third parties.

In addition, the Internal Dispute Resolution Procedure (IDRP) is a formal two stage procedure for settling disputes under the LGPS Regulations 2013, supported by The Pensions Ombudsman (TPO) and other bodies, such as the MoneyHelper service, and The Pensions Regulator (TPR).

At Stage 1, the dispute will be reviewed by a person nominated by the Environment Agency to investigate complaints regarding decisions made under LGPS regulations, known as the 'specified person'. If a member disagrees with the Stage 1 decision, they can progress to Stage 2, where the dispute is reviewed by a representative of the Administering Authority. If still in disagreement, a member can apply to TPO for further adjudication, but their decision will be binding. If justified, TPO also has the power to award compensation for any distress, inconvenience, or financial loss.

In 2025/26, Capita received 138 formal complaints from Active Fund and Closed Fund members (compared to 255 in 2024/25), which attributed to less than 0.28% of the casework started during the year. All complaints have since been resolved.

The number of IDRP cases received during 2025/26 is seven cases (Stage 1), compared to four cases in 2024/25. Of these cases, only one was fully upheld. All cases have been closely monitored and learnings taken forward with Capita where relevant. No cases were escalated to TPO.

No formal complaints have been registered by any Scheme employers during 2025/26. The EAPF's management team prides itself on the strong relations built with relevant personnel at NRW, the DEFRA Pensions team (on behalf of the Environment Agency) and SSCL to ensure all administration issues are actively managed and resolved with Capita in a timely manner.

Foreword to the financial statements

Roles and responsibilities of the Pensions Committee and Accounting Officer

The Pensions Committee and Accounting Officer are responsible for obtaining audited financial statements for each financial year which give a true and fair view of the financial transactions of the Fund and the disposition of its assets and liabilities at the year end, other than the liabilities to pay pensions and benefits after the scheme year end. In preparing the financial statements the Committee is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards, as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Accounts;
- Prepare the accounts on a going concern basis; and
- Confirm that the Annual Report and Financial Statements as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Financial Statements and the judgements required for determining that it is fair, balanced and understandable.

The Committee and Accounting Officer are responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Fund and to enable it to ensure that the financial statements comply with the Framework Document issued by Defra. However, responsibility for the regulations governing the LGPS lies with the Local Government Pensions Unit at MHCLG.

The Committee and Accounting Officer are responsible for keeping records of Grant in Aid received from Defra in respect of pensioner members of the Fund and for ensuring that Grant in Aid is made to the Fund in accordance with the Memorandum of Understanding as set out in Annex 1 and with the recommendations of the Consulting Actuary.

The Committee and Accounting Officer are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities. This Annual Report and Financial Statements is available on the Pension Fund's website and the gov.uk website. The maintenance and integrity of the website is the responsibility of the Environment Agency.

The work carried out by the Auditor and the Scheme Administrator does not involve consideration of these matters. Accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the websites. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Summary of the financial statements

The financial statements have been prepared in accordance with CIPFA guidance including narrative reporting and accounting disclosures for LGPS funds, with quoted securities valued at bid prices at the year end.

As expected in a closed fund arrangement there is a continuing decrease in membership. Consequently, the value of Grant-in-Aid required to meet the Closed Fund's obligations to pay pension payments and other liabilities, reduced to £40.4m from £40.9m in the year to 31 March 2026.

Retirement benefits payable in the year to 31 March 2026 have decreased from £41.6m in 2025 to £37.7m in 2026. As a result, the Fund recorded net additions from dealing with members of £2.7m compared with a net decrease of £0.7m in the previous year.

Management expenses totalled £1.3m, an increase from £1.1m on 2024/25, was due to higher administration, oversight and governance costs during the year.

Investment returns improved during 2025/26. Investment income increased to £5.1m from £4.0m in the prior year. Whilst the Fund also recorded gains of £4.0m on disposals and market value changes, compared with a £25.6m loss in 2024/25.

Overall, total net returns on investments were £9.1m, against the negative return of £21.6m reported in the previous year.

The net assets of the Closed Fund achieved a net increase of £10.5m during the year to £250.6m from £240.1m, reversing the decrease of £23.5m experienced in the previous financial year.

These financial statements demonstrate that the Closed Fund experienced improved financial stability and investment performance during 2025/26. Positive investment returns and lower benefit outflows contributed to the growth in net assets, despite a slight increase in management expenses.

Responsibility for ensuring that the Fund can meet all future liabilities rests with the Secretary of State at Defra.

Statement by the Consulting Actuary

Environment Agency Closed Fund ('the Fund') Actuarial Statement for 2025/26

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2018. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the administering authority's Funding Strategy Statement (FSS), dated March 2026. The Fund's benefits are underwritten by the Department for the Environment, Food and Rural Affairs ('the Guarantor'). The Fund's approach to funding the Guarantor's pension liabilities is focused on ensuring that sufficient funds are available to meet all liabilities as they fall due for payment. The Guarantor has committed to a funding plan that involves half-yearly cash injections to meet the following 6 months' expected benefit expenditure.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2025. This valuation revealed that the Fund's assets, which at 31 March 2025 were valued at £240 million, were sufficient to meet 80% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting deficit at the 2025 valuation was £60 million.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2025 valuation report.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2025 valuation were as follows:

Financial Assumptions (% p.a.)	31 March 2025
Discount rate	5.2%
Benefits increase assumption (CPI)	2.6%

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2024 model, with core parameterisation, except, initial addition of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

Pensioners	Males	Females
Current Pensioners	20.3 years	23.6 years
Future Pensioners*	20.4 years	24.3 years

*Aged 60 at the 2025 valuation date

Copies of the 2025 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

Experience over the period since 31 March 2025

The increase in US tariffs on imports since March 2025 and the recent conflicts in the Middle East have caused significant market volatility which feeds through to the investment returns achieved by the Fund's assets. The Fund's overall investment returns since March 2025 have been positive.

Observed inflation has been higher than anticipated over 2026, resulting in LGPS benefit increases of 3.8% in April 2026 and an increase in the value placed on the Fund's liabilities.

Overall, we estimate that the funding position is likely to be stronger than at the previous formal valuation at 31 March 2025. Liabilities were estimated to be around £273m on the funding basis as at 31 March 2026, implying that the Fund's assets were sufficient to meet 92% of the liabilities accrued up to that date.

The next actuarial valuation will be carried out as at 31 March 2028 and will be finalised by 31 March 2029. The Funding Strategy Statement will also be reviewed during the valuation, and a revised version will come into effect from 1 April 2029.

Prepared by:

Barry Dodds FFA C.Act

12 May 2026

For and on behalf of Hymans Robertson LLP

INDEPENDENT AUDITOR'S REPORT TO THE HOUSES OF PARLIAMENT, THE BOARD OF THE ENVIRONMENT AGENCY AND THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS

Opinion on financial statements

I have audited the financial statements of the Environment Agency Closed Pension Fund ('the Fund') for the year ended 31 March 2026 which comprise the:

- Fund Account;
- Net Assets Statement as at 31 March 2026; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

In my opinion the financial statements:

- give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2026 and of the amount and disposition at that date of the Fund's assets and liabilities; and
- have been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and applicable law.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law Practice Note 15 (revised) *The Audit of Occupational Pension Schemes in the United Kingdom and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Entities in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Fund's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the pension fund is adopted in consideration of the requirements set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the

United Kingdom 2025/26, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements.

Other Information

The other information comprises the information included in the Annual Report, Annexes and Enquiries but does not include the financial statements and my auditor's report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements are not in agreement with the accounting records and returns.
- whether management's use of the going concern basis of accounting is appropriate and whether a material uncertainty exists related to events or conditions which may cause doubt on the Fund's ability to continue as a going concern.

Responsibilities of the Accounting Officer of the Environment Agency and the Pensions Committee for the financial statements

As explained more fully in the section entitled Roles and responsibilities of the Pensions Committee and Accounting Officer, the Accounting Officer and the Pensions Committee are responsible for:

- maintaining proper accounting records;
- providing access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the additional information and explanations needed for the audit;
- providing unrestricted access to persons from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;

- the preparation of the financial statements and Annual Report in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Fund's accounting policies.
- inquired of management, the Fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Fund's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Fund's controls relating to compliance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, The Local Government Pension Scheme (Environment Agency) Regulations 1996, The Local Government Pension Scheme Regulations 2013, the Public Service Pensions Act 2013, Managing Public Money and the regulations set by The Pensions Regulator.

- Discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Fund for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, bias in management estimates, selection of inappropriate methodology or assumptions underpinning the valuation of the pensions liability and the misappropriation of investment assets. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the legal and regulatory frameworks in which the Fund operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Fund. The key laws and regulations I considered in this context included the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, The Local Government Pension Scheme (Environment Agency) Regulations 1996, The Local Government Pension Scheme Regulations 2013, the Public Service Pensions Act 2013, Managing Public Money and the regulations set by The Pensions Regulator.

In addition, I considered the control environment in place at the Fund, the investment custodian in respect of investments and the administrator and the scheme actuary in respect of membership data, the pension liability, contributions due and benefits payable.

Audit response to identified risk

As a result of performing the above, the procedures we implemented to respond to identified risks included the following:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Pensions Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- performed substantive testing of contributions received and benefits paid in the year to assess compliance with laws and regulations and that the transactions were regular;
- obtained an understanding of the controls over the existence of investment holdings and transactions, agreed investment holdings to independent third party confirmations and agreed investment and cash reconciliations to independence evidence and bank statements;
- engaged an auditor's expert to assess the actuarial methods and assumptions used by the Fund actuary, reviewed the expert's report and undertook any further procedures as necessary; and
- reviewed and assessed any significant correspondence with The Pensions Regulator.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at **www.frc.org.uk/auditorsresponsibilities**. This description forms part of my report.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Date: 10 July 2026

Financial statements for the year ended 31 March 2026

	Notes	2026 £000	2025 £000
Fund account			
Dealings with members, employers and others directly involved with the Fund			
Grant-in-Aid		40,361	40,891
		40,361	**40,891**
Benefits and other payments			
Benefits payable	**7**	(37,698)	(41,582)
Payments to and on account of leavers	**8**	(6)	(56)
		(37,704)	**(41,638)**
Net additions/(decrease) from dealings with members		**2,657**	**(747)**
Management expenses	**9**	**(1,273)**	**(1,144)**
Return on investments			
Investment income	**10**	5,138	3,999
Gain/(Loss) on disposal of investments and changes in the market value of investments	**11**	4,005	(25,571)
Net returns on investments		**9,143**	**(21,572)**
Net increase/(decrease) in the Fund during the year		**10,527**	**(23,463)**
Opening net assets of the Fund at 1 April		**240,060**	**263,523**
Net assets of the Fund at 31 March		**250,587**	**240,060**
Net assets statement			
Investment assets	**11**	**247,271**	**235,225**
Current assets	**17**	**4,916**	**6,346**
Current liabilities	**18**	**(1,600)**	**(1,511)**
Net assets of the Fund at 31 March		**250,587**	**240,060**

The financial statements summarise the transactions and net assets of the Fund. The financial statements do not take account of liabilities to pay pensions and other benefits that fall due after the end of the Fund year. The actuarial position of the Fund, which does take account of such liabilities, is dealt with in the statement by the Consulting Actuary and these financial statements should be read in conjunction with it. The Actuary's statement on pages 32 to 33, dated 7 May 2026, is based on a valuation as at 31 March 2025. The notes on pages 40 to 54 form part of these financial statements.

Lilli Matson
Chair
Environment Agency Pensions Committee
10 July 2026

Philip Duffy
Accounting Officer
Environment Agency
10 July 2026

Notes to the financial statements

1. Description of the Fund

The Environment Agency Closed Pension Fund is part of the Local Government Pension Scheme and is administered by the Environment Agency. The Environment Agency is the reporting entity for this Fund. The Fund is overseen by the Environment Agency Pension Fund Committee.

The following description is a summary only. For more detail, reference should be made to the Government Funding Agreement (Annex 1) and Funding Strategy Statement (Weblink available in Annex 2).

General

The Fund is governed by the Superannuation Act 1972 and the Public Services 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); and
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

Unlike other Local Government pension funds, the EAPF's liabilities are statutorily guaranteed by the Department for Environment, Food and Rural Affairs ('the Guarantor') under section 173 of the Water Act 1989. The Memorandum of Understanding between the Secretary of State for Environment, Food and Rural Affairs and the Environment Agency (17 May 2005) sets out the mechanism whereby the Guarantor makes payments to the Fund.

Membership

The Fund has been closed to new entrants and accruals of future service since 1989. As at 31 March 2026, total membership of the Fund is 8,250, represented by 7,828 current pensioners and 422 deferred members.

Funding

The Environment Agency Closed Pension Fund has no contributing members. Unlike other statutory Local Government Pension Funds, it is being maintained solely to pay current and deferred benefits (or transfer values to other pension arrangements) awarded to or in respect of employees of former water authorities and associated bodies which existed prior to 1 September 1989. The Secretary of State at the Department for Environment, Food and Rural Affairs has a duty under section 173(3) of the Water Act 1989 to ensure the Fund can always meet its liabilities, including future indexation awards. This has been formally documented in a Memorandum of Understanding and is included in Annex 1. Since 1 April 2006, Grant-In-Aid has been paid that is sufficient to meet the pension obligations and running costs of the Fund.

2. Basis of preparation

The financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounting policies have been drawn up in line with recommended accounting principles within the overall Code of Practice on Local Authority Accounting framework.

3. Summary of significant accounting policies

The following principal accounting policies have been applied consistently in the preparation of the financial statements which are prepared on an accruals basis.

Grant-In-Aid

As described above, Grant-In-Aid payments are received into the Fund to meet the pension obligations and running costs of the scheme. These are received in advance in April and October each year and are accounted for on a cash basis.

Benefits payable

Members can choose whether to take a proportion of their retirement benefits as a pension and/or lump sum. Pensions and lump sums are accounted for on an accruals basis from the date the option is exercised. Lump sum death grants and refunds of contributions are included from the date of death or date the member leaves the Scheme.

Transfers to other schemes

Transfers to other schemes are those amounts paid to other pension schemes relating to previous periods of pensionable employment. Individual transfers are included in the accounts when paid, but bulk transfers are accounted for an accruals basis when the amounts have been agreed.

Management expenses

Administration, oversight and governance costs and Investment management expenses are accounted for on an accrual's basis. Expenses are recognised net of any recoverable VAT. In cases where administration, oversight and governance costs relate to both the Active Pension Fund and the Closed Pension Fund we attribute this 80%/20% respectively to best reflect the time spent managing each Fund, as shown below. This apportionment is considered annually.

Apportionment of common expenditure	2025/26 AF/CF %	2024/25 AF/CF %
Custodial arrangements	80/20	80/20
Environment Agency Pension Fund Management	80/20	80/20

Investment income

All interest income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Accrued interest is excluded from the market value of fixed interest securities but is included in investment income receivable.

Income from cash and short-term deposits is accounted for on an accrual basis.

Taxation

The Fund is a registered public service scheme under Section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. VAT input tax is recoverable on all management expenses. The accounts are exclusive of VAT.

Financial assets

Investment assets are included in the financial statements on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of the asset are recognised in the fund account.

Classification and measurement

IFRS 9 requires all financial assets and liabilities to be measured at fair value, except for Grant-in-Aid receivables which does not contain a significant financing component. Grant-in-Aid receivables are measured at amortised cost, where they exist. Classification and measurement of financial instruments is driven by the Fund's business model for managing the financial instruments and the contractual cash

flow characteristics of the financial instruments.

Impairment

IFRS 9 introduces an impairment model for financial assets not held at Fair Value through Profit and Loss ('FVPL'). As a result, the Fund must now determine forward looking expected credit losses ('ECL') for all its financial assets held at amortised cost. Financial assets held at amortised cost within the Fund comprise: Cash and cash equivalents; Other investment balances; Grant-in-Aid receivables; and Other receivables. Cash assets are not subject to determining ECL. In the case of other receivables there are no expected credit losses identified.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13. For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

Cash deposits and instruments

Cash comprises cash on deposit, including any amounts held by the Fund's external investment manager. All cash balances are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to minimal risk of changes in value.

Financial Liabilities

A financial liability is recognised in the net assets statement on the date the Fund becomes party to the liability. The Fund recognises financial liabilities relating to investment trading at fair value as at the reporting date, and any gains or losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised in the fund account as part of the change in market value of investments.

Defined Benefit Obligation

The financial statements summarise the transactions of the Fund and deal with the net assets at the disposal of the Pensions Committee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Fund, which takes into account such obligations, is dealt with in the Statement by the Consulting Actuary on pages 32 to 33.

4. Critical judgments in applying accounting policies

The Pension Fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 15. This estimate is subject to significant variances based on changes to the underlying assumptions.

5. Assumptions made about the future and other major sources of estimation

There are no items of estimation in the net assets statement as at 31 March 2026 or 31 March 2025 for which there is a significant risk of material movement.

6. Events after the net asset statement date

The financial statements were reviewed and approved for signing by the Pensions Committee on 18 June 2026 and are signed under delegated authority of the Board. These will also be noted at the next available meeting of the Board.

Government reforms to the LGPS Pooling Arrangements in England and Wales

As part of the Government Fit for the Future reforms, all LGPS funds must be in a pooled company from 1 April 2026. As such the EA Active and Closed Pension funds joined the Local Pension partnership Investments (LPPI) as a shareholder and client from this date.

Geopolitical Developments in the Middle East

Subsequent to the Fund's year end of 31 March 2026, geopolitical tensions in the Middle East continued to escalate. The conflict has contributed to increased volatility across global financial markets, including movements in equity, bond, currency and energy markets. The Pensions

Committee and its advisers continue to monitor developments and assess the potential impact on the Fund's investment portfolio.

There are no adjusting events that need to be recognised in the financial statements after the net asset statement date.

7. Benefits payable

	2026 £000	2025 £000
Retirement and dependants pensions	37,075	40,614
Lump sum retirement grants	600	915
Lump sum death grants	23	53
Total	**37,698**	**41,582**

8. Payments to and on account of leavers

	2026 £000	2025 £000
Individual transfers to other schemes	1	48
Refunds	5	8
Total	**6**	**56**

9. Management expenses

	2026 £000	2025 £000
Administration expenses		
Scheme administration	**749**	**714**
Oversight and governance costs		
Environment Agency Pension Fund Management	313	254
Specialist advice	136	100
External audit	35	32
	484	**386**
Investment management expenses		
Management fees	30	30
Custody fees	10	14
	40	**44**
Total	**1,273**	**1,144**

Investment management expenses can be further analysed as follows:

2025/26	Total £000	Management fees £000	Performance related fees £000	Transaction costs £000
Index linked gilts	**30**	**30**	**-**	**-**

10. Investment Income

	2026 £000	2025 £000
Income from index linked gilts	3,614	2,549
Interest on cash deposits	1,524	1,450
Total	**5,138**	**3,999**

To minimise credit risk exposure on cash, most of the Closed Fund's cash is held in money market funds managed by the custodian State Street.

11. Investments movement summary

	Market value at 01.04.25 £000	Purchases at cost £000	Sales proceeds £000	Change in market value £000	Market value at 31.03.26 £000
Index linked gilts	**209,593**	2,550	-	4,011	**216,154**
Cash deposits and instruments	**24,522**	-	-	(6)	**29,967**
Accrued income	**1,110**	-	-	-	**1,150**
Net investment assets	**235,225**	**2,550**	**-**	**4,005**	**247,271**

	Market value at 01.04.24 £000	Purchases at cost £000	Sales proceeds £000	Change in market value £000	Market value at 31.03.25 £000
Index linked gilts	**233,660**	171,351	(169,853)	(25,565)	**209,593**
Cash deposits and instruments	**25,345**	-	-	(6)	**24,522**
Accrued income	**609**	-	-	-	**1,110**
Net investment assets	**259,614**	**171,351**	**(169,853)**	**(25,571)**	**235,225**

The change in the market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year. As the Fund has invested in long term gilts, no transaction costs have been incurred during this or previous years. The Fund does not participate in stock lending.

The following table represents the investments of the Fund that exceed 5% of the total net investment assets.

Investment assets	2026		2025	
	£m	%	£m	%
UK Government 1.25% Index Linked Gilt 2055	**144.8**	**58.6**	**140.0**	**59.5**
UK Government 2% Index Linked Gilt 2035	**71.4**	**28.9**	**69.6**	**29.6**
SSGA Offshore GBP D Class Cash Instrument	**29.7**	**12.0**	**24.2**	**10.3**

12. Financial instruments

a) Classification of financial instruments

The accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading.

31 March 2026	Financial assets and liabilities designated at fair value through profit and loss	Financial assets held at amortised cost	Financial liabilities held at amortised cost
	£000	£000	£000
Financial assets			
Index linked gilts	216,154	-	-
Cash deposits and instruments	29,967	4,400	-
Other investment balances	-	1,150	-
Debtors (excluding VAT)	-	230	-
Financial liabilities			
Creditors (excluding PAYE)	-	-	(919)
Net assets of the Fund	**246,121**	**5,780**	**(919)**

31 March 2025	Financial assets and liabilities designated at fair value through profit and loss	Financial assets held at amortised cost	Financial liabilities held at amortised cost
	£000	£000	£000
Financial assets			
Index linked gilts	209,593	-	-
Cash deposits and instruments	24,522	5,839	-
Other investment balances	-	1,110	-
Debtors (excluding VAT)	-	264	-
Financial liabilities			
Creditors (excluding PAYE)	-	-	(873)
Net assets of the Fund	**234,115**	**7,213**	**(873)**

b) Net profit/(loss) on financial assets

	2026 £000	2025 £000
Financial assets		
Fair value through profit and loss	**4,005**	**(25,571)**
Total change in market value	**4,005**	**(25,571)**

13. Fair value – basis of valuation

All other investments are held at fair value in accordance with the requirements of the Code and IFRS 13. All assets have been valued using fair value techniques based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. There has been no change in the valuation techniques used during the year. The valuation bases are set out below.

Fair value hierarchy

The valuation of financial assets and liabilities have been classified into 3 levels, according to the quality and reliability of information used to determine fair values.

Level 1

Where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Comprise quoted equities, quoted bonds and unit trusts.

Level 2

Where quoted market prices are not available, for example where valuation techniques are used to determine fair value based on observable data.

Level 3

Where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Analysis of the financial assets and liabilities

The following table provides an analysis of the financial assets and liabilities of the Pension Fund grouped into Levels 1 to 3 based on the level at which the fair value is observable. Financial assets and liabilities valued at amortised cost, and those that are not financial instruments, are included in the total column in order to show that all of the Fund's assets have been considered and that these reconcile back to the total net assets of the Fund.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Cash deposits and instruments	Level 1	Closing bid value on published exchanges	Not required	Not required
Index linked gilts	Level 2	Market value based on current yields	Current yields	Not required

Values at 31 March 2026	Quoted market price	Using observable inputs	With significant unobservable inputs	
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit and loss				
Index Linked Gilts	-	216,154	-	**216,154**
Cash deposits and instruments	29,967	-	-	**29,967**
Net financial assets at fair value	**29,967**	**216,154**	**-**	**246,121**
Financial assets held at amortised cost				
Accrued income	**1,150**	-	-	**1,150**
Net investment assets				**247,271**

Values at 31 March 2025	Quoted market price	Using observable inputs	With significant unobservable inputs	
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit and loss				
Index Linked Gilts	-	209,593	-	**209,593**
Cash deposits and instruments	24,522	-	-	**24,522**
Net financial assets at fair value	**24,522**	**209,593**	**-**	**234,115**
Financial assets held at amortised cost				
Accrued income	**1,110**	-	-	**1,110**
Net investment assets				**235,225**

14. Nature and extent of risks arising from financial instruments

Risk and risk management

The aim of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio. The fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the fund manages its liquidity risk to ensure there is sufficient liquidity to meet the fund's forecast cash flows. These risks are set out as follows:

1. **Credit risk:** this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
2. **Market risk:** this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises 3 types of risk: currency risk, interest rate risk and other price risk, each of which is further detailed as follows:
    - **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
    - **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
    - **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
3. **Liquidity risk:** this is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore takes steps to ensure that it always has adequate cash resources to meet its commitments. Cashflow forecasts are prepared on a monthly basis to ensure sufficient funds are available to pay benefits and a disinvestment from the Investment Bank account is made where we need to fund a shortfall. This can be actioned the same day. The Fund's current policy is to maintain a minimum balance of one month's pension payroll amount, plus a £500k cash float.

Further information on the Closed Fund's approach to risk management, credit and market risk is set out below. This does not include AVC investments as these are not considered significant in relation to the overall investments of the Closed Fund, though the AVC assets are subject to periodic formal review to ensure ongoing appropriateness. The Closed Fund also held residual unquoted equity holdings as at year-end, however, these are not included in this report as they are considered immaterial in the context of the Closed Fund.

With regards to the Closed Fund, the Pensions Committee in conjunction with the Investment Sub-Committee is responsible for determining the Closed Fund's investment strategy. The Investment Sub-Committee has received delegated responsibility to prepare and recommend the investment strategy to the Pensions Committee and, within the context of the agreed investment strategy, to decide on the structure of mandates and their specification, to appoint fund managers, to monitor the performance of fund managers, and to terminate or alter mandates.

The Closed Fund has exposure to the above risks because of the investments it makes to implement its investment strategy. The Pensions Committee manages the investment risks within agreed risk limits which are set taking into account the Closed Fund's strategic investment objectives and are monitored in a Risk Register which includes investment risks. The Pensions Committee, working with its advisors, regularly monitor investment risks within the Closed Fund.

The investment objectives and risk limits are implemented through the investment management agreements in place with the Closed Fund's investment managers and monitored by the Pensions and Investment Sub Committee through regular reviews of the investment portfolios. The investment objectives and risk limits of the Scheme are further detailed in the Investment Strategy Statement ('ISS').

The Closed Fund's assets as at 31 March 2026 and 31 March 2025 are detailed in the table below.

Closed Fund	**2026 £000**	**2025 £000**
UK Index Linked Gilts	216,154	209,593
Cash and Cash Equivalents	31,117	25,632
Total	**247,271**	**235,225**

Investment Strategy

The Closed Fund's invested assets are fairly small relative to the value of its prospective liabilities. Working on the basis that the Guarantor will meet pension payments until the value of the remaining liabilities is equivalent to the Closed Fund's remaining assets, the investment objective of the Closed Fund is to ensure that in due course the Closed Fund's assets will equate to its liabilities in as low a risk manner as possible. From that point onwards the Closed Fund should be able to meet its pension payments directly.

The Pensions Committee has translated its objectives into a suitable investment strategy for the Closed Fund. The investment strategy takes due account of the specific liability profile of the Closed Fund, together with the planned funding arrangements agreed with the Closed Fund's Guarantor.

The strategy is consistent with the Pensions Committee's views on residual asset management on the appropriate balance between maximising the long-term return on investments and minimising volatility and risk. The Committee is adopting a low-risk approach by investing in index-linked government bonds

The assets comprise:

- A portfolio of index-linked government bonds, managed by Sarasin and Partners LLP ("Sarasin") intended to broadly reflect an estimate of the duration of the liabilities the Fund is exposed to; and

- Cash held at the Fund's custodian and administrator, sufficient to meet pension payments until the next grant in aid payment, together with a small reserve

1. Credit Risk

The Closed Fund is subject to credit risk because it has cash balances and directly holds UK government bonds in a segregated account. Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Closed Fund to incur a financial loss. In the case of the UK government bonds, credit risk is minimal. Careful credit quality management by the Closed Fund's cash managers helps to mitigate this risk in respect of the cash holdings.

The Closed Fund also invests in a pooled investment vehicle through the State Street Liquidity Fund. It is therefore directly exposed to credit risk arising from this pooled fund investment vehicle and is indirectly exposed to credit risk arising on the underlying investments held by this same pooled fund investment vehicle.

Direct credit risk from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager and the regulatory environments in which the pooled manager operates.

The State Street Liquidity Fund is rated by credit rating agencies. It seeks to obtain and maintain a AAA rating from at least one of the internationally recognised rating agencies – S&P, Moody's and Fitch. The Pensions Committee manages and monitors the credit risk arising from its pooled investment arrangements by considering the nature of the arrangement, the legal structure and regulatory environment.

To minimise credit risk exposure on cash, most of the Closed Fund's cash is held in money market funds managed by the custodian State Street. These funds are invested across a wide range of cash instruments and have limited exposure to any individual institution. Furthermore, these monies are legally separated from EAPF's custodian, which serves to safeguard the investment in the case of default of the custodian. Assets held in both the Closed Fund's bank account and custodian accounts are held in accounts provided by banks that have an investment grade credit rating.

The values as at 31 March 2026 and 31 March 2025 are disclosed in the table below.

Fund	Balance as at 31 March 2026 £000	Balance as at 31 March 2025 £000
Money Market fund: State Street	29,967	24,522
Bank current account: National Westminster Bank plc	4,400	5,839
Total	**34,367**	**30,361**

2. Market Risk

a) Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Closed Fund could be exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Closed Fund (sterling). The Closed Fund invests in UK government bonds and the State Street Liquidity Fund. The State Street Liquidity Fund is composed of two sub funds, denominated in sterling and US dollars respectively. The Closed Fund is therefore not exposed to material currency risk.

The tables below show the fund structures for each mandate and set out the non-sterling currency exposures including which proportion of this is hedged back to sterling.

31 March 2026

Manager and fund(s)	Pooled / Segregated	GBP exposure (%)	Non-GBP exposure (%)	Non-GBP exposure hedged back to GBP (%)	Implied unhedged overseas currency exposure (£m)
Sarasin - Index Linked Gilts	Segregated	100	0	0	0
State Street – Cash	Pooled	98.9	1.1	0	0.3
Total		**99.9**	**0.1**	**0**	**0.3**

31 March 2025

Manager and fund(s)	Pooled / Segregated	GBP exposure (%)	Non-GBP exposure (%)	Non-GBP exposure hedged back to GBP (%)	Implied unhedged overseas currency exposure (£m)
Sarasin - Index Linked Gilts	Segregated	100	0	0	0
State Street – Cash	Pooled	98.7	1.3	0	0.3
Total		**99.9**	**0.1**	**0**	**0.3**

b) Interest Rate Risk

The Closed Fund's principal investments are subject to interest rate risk, defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Most of the investment assets of the Closed Fund are exposed to changes in 'real' yields. There is a small exposure to short term interest rates arising from the cash holdings, where changes in interest rates will change income received from cash.

The Closed Fund maintains an allocation to index linked government bonds. These help to match the sensitivities of the liabilities to interest rate and inflation movements. Under the Closed Fund's investment strategy, if interest rates fall, the value of these matching assets is expected to rise to help partially match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, these matching assets are expected to fall in value, as will the actuarial liabilities because of an increase in the discount rate.

Interest Rate Sensitivity Analysis

	Duration	
	As at 31 March 2026	As at 31 March 2025
Sarasin Index Linked Gilts	18.2	18.8

c) Other Price Risk

Other price risk arises principally in relation to 'growth' assets. However, the Closed Fund does not hold these types of assets, and is therefore not exposed to 'other price risk'.

The following is a summary of the risk exposures by Fund:

	Credit Risk	Market Risk		
		Currency Risk	Interest Rate Risk	Other Price Risk
Sarasin Index Linked Gilts			✓	
State Street Cash	✓	✓	✓	

Following analysis of historical data and expected investment return movement during the financial year, in consultation with its advisers, the Closed Fund has determined that the following movements in market price risk are reasonably possible for the 2025/26 reporting period.

As of 30 June 2025, the investment consultant changed its methodology to setting investment assumptions, reflecting a different philosophy with a more market-aware approach. As part of these changes, the assumed dispersion of market returns decreased relative to their previous approach, resulting in volatility figures as at 31 March 2026 materially below those assumed as at 31 March 2025. The analysis gives an overall fund volatility of 4.9% (2025: 9.5% based on assumptions provided by the Closed Fund's investment adviser as at 31 March 2025).

	1 year expected volatility (+/-) %	% of Fund	
		2026	2025
Sarasin Index Linked Gilts	5.5	87.4	89.1
State Street Cash	0.9	12.6	10.9
Total Fund Volatility	**4.9**	**100.0**	**100.0**

The potential price changes disclosed above are broadly consistent with a one-standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the investment adviser's most recent review.

Had the market price of the Closed Fund investments increased or decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is shown below):

	As at 31 March 2026	As at 31 March 2025
Total net investment assets (£000)	247,271	235,225
Percentage change (%)	4.9	(9.5)
Value on increase (£000)	259,440	257,622
Value on decrease (£000)	235,103	212,829

15. Funding arrangements as at 31 March 2025

In line with the Local Government Pension Scheme Regulations 2013, the fund's actuary undertakes a funding valuation every 3 years for the purpose of setting the Guarantor's employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2025. The next valuation will take place as at 31 March 2028.

The funding policy focuses on ensuring that sufficient assets are available to meet all liabilities as they fall due for payment. The Fund's benefits are underwritten by the Department for the Environment,

Food and Rural Affairs (Defra) who have agreed to a funding plan that involves half yearly cash injections to meet the following 6 months' expected benefit expenditure.

At the 2025 actuarial valuation, the fund was assessed as 80% funded (67% at the March 2022 valuation). This corresponded to a deficit of £60m (2022 valuation: £162m) at that time.

The level of contribution payable to the fund is not directly determined from the past service deficit position. Instead a cash flow approach is used where the contributions are paid by Defra on a 6 monthly basis depending on expected benefits and expenses payable from the Fund for the following 6 months. The projected payments at the 2025 actuarial valuation due from Defra over the 3 year period ending 31 March 2029 are shown in the table below:

Year	Projected payments due
2026/27	41,861
2027/28	36,709
2028/29	33,797

The projected payments allow for expected administration and investment expenses. They include unfunded pension payments.

The valuation of the fund has been undertaken using the projected accrued benefit method. The principal assumptions were:

Financial assumptions

	%	Descriptions
Investment return (Discount rate)	5.2	Yield on long term fixed interest Government bonds
Retail Price Inflation (RPI)	3.2	The difference between yields on fixed and index-linked Government bonds at the valuation date
Pension increases	2.6	CPI (assumed to be 1% less than RPI up to 2030 and 0% less than RPI thereafter)

Longevity assumptions

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI2024 model with core parameterisation except, an initial additional parameter of 0.25% for males and females and a long-term rate of improvement of 1.5% p.a. for both women and men. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

Pensioners	Males	Females
Current pensioners	20.3 years	23.6 years
Future pensioners*	20.4 years	24.3 years

* Figures assume members are aged 60 as at 31 March 2025

Commutation assumption

It is assumed that future retirees will take 50% of the maximum additional tax-free lump sum up to HMRC limits.

16. Actuarial present value of promised retirement benefits (IAS26)

In addition to the triennial funding valuation, the fund's actuary also undertakes a valuation of the pension fund liabilities on an IAS19 basis every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year.

In order to assess the value of the benefits on this basis, the actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 15). The actuary has also valued ill health and death benefits in line with IAS19.

The actuarial value of promised retirement benefits at the accounting date, calculated in line with International Accounting Standard 19 (IAS19) assumptions and considering funding benefits only, is estimated to be £271m (2025: £320m). This figure is used for statutory accounting purposes by Defra. The assumptions underlying the figure are set out in Defra's statutory accounts. The figure is only prepared for the purposes of IAS19 and has no validity in other circumstances. In particular, it is not relevant for calculations undertaken for the funding purposes and setting contributions payable to the Fund.

Assumptions used Year ended 31 March 2026	% p.a.
Investment return (Discount rate)	**5.60**
Pension increase rate (CPI)	**2.55**

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2025, with core parameterisation, initial adjustment of 0.25%, standard smoothing (Sk7) and a long term rate of improvement of 1.5% p.a. for both males and females.

Sensitivity analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Sensitivity to assumptions 31 March 2026	Approximate % increase to liabilities	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount rate	4	12
1 year increase in member life expectancy	1	4
0.1% p.a. increase in Salary Increase Rate	4	12

17. Current assets

	2026 £000	2025 £000
Cash at bank	4,400	5,839
Debtors		
Overpaid pensions due to be returned	230	264
VAT debtor	286	243
Total	**4,916**	**6,346**

Analysis of debtors

Overpaid pensions due to be returned to the fund represent recoveries being made from members who have had funds paid across after they have died.

18. Current liabilities

	2026 £000	2025 £000
Creditors		
Administration and investment expenses	782	714
PAYE	681	638
Supplementary PI and interest	63	82
Tax payable on refunds	45	45
Benefits payable	29	26
Other – amounts due to Active Fund	-	6
Total	**1,600**	**1,511**

Analysis of creditors

No funds are due to the Environment Agency Active Pension Fund (2025: £6k) in respect of administration expenses and VAT reclaimed.

19. Related party transaction

During the year ended 31 March 2026 there have been the following related party transactions:

- Pensions administration costs of £313k (2025: £254k) were recharged to the Closed Pension Fund by the Environment Agency;
- One Member of the Committee was in receipt of pension benefits from the Closed Fund which is paid in accordance with the Fund Rules; and
- Benefits payable exclude £5.0m (2025: £5.0m) for historical unfunded pensions liabilities of the Environment Agency in respect of compensatory added years and water company pension scheme charges paid via the pension's administrator. This has been recharged to the Environment Agency and funded by Grant-In-Aid from Defra.
- £nil is due to the Environment Agency Active Fund (2025: £6k) in respect of administration expenses.

20. Impairment losses

For the year to 31 March 2026 the Fund has recognised an impairment loss of less than £0.1m (2025: less than £0.1m) for the non-recovery of pensioner death overpayments.

21. IAS10: Authorisation for issue

The Environment Agency Closed Pension Fund Annual Report and Financial Statements are laid before the Houses of Parliament by Defra. In accordance with IAS10 these financial statements have been authorised for issue by the Accounting Officer on the same date as the Comptroller and Auditor General's independent auditor's report.

The annexes

The annexes included within this report are unaudited.

Annex 1 – Government Funding Agreement

Extract from a letter sent on 15 April 2004 by Paul Boateng (Chief Secretary to the Treasury) to the Rt Hon Margaret Beckett (Secretary of State for the Environment).

Environment Agency Closed Pension Fund

"Thank you for your letter of 18 March requesting a change in the arrangement agreed in the 2002 spending review for funding the liabilities of the Environment Agency Closed Pension Fund. I am prepared to agree to the revised arrangements you suggest for the 2004 spending review baseline year. The funding of the Environment Agency Closed Pension Fund will remain ring-fenced and will reduce over time in line with the unwinding of the liability".

Paul Boateng

Extract from a letter sent on 15 July 2004 by the Rt. Hon Margaret Beckett (Secretary of State for the Environment) to Sir John Harman (Chairman of the Environment Agency).

Environment Agency Closed Pension Fund

The Environment Agency Closed Pension Fund is in actuarial deficit. Current valuations indicate that the assets available will not meet its future liabilities and the Fund will be exhausted by autumn 2006. Section 173 of the Water Act 1989 gave me the function of providing funding to enable the liabilities of the Fund – a public service, final salary, funded pension scheme – to be met. I propose to exercise this function through stabilisation of the Fund and annual top up payments from April 2006.

The assets of the Fund should be allowed to run down (rather than be liquidated) and then stabilised through annual top up payments using section 173 provisions of the Water Act 1989, thus meeting ongoing liabilities on a pay as you go basis. The Chief Secretary to the Treasury has agreed to this and that we should retain financial cover sufficient to fund annual costs from 2006/07.

Actuarial valuations indicate that the Fund will fall below the £100m mark – the equivalent of a little over annual outgoings in the latter half of 2005/06. I therefore propose to top up the Fund in April/May 2006 and again in September/October 2006 by a total amount equivalent to its annual outgoings as determined by actuarial forecasts. This will be repeated in subsequent years, with the amount proportionate to the actual Fund liabilities.

I confirm that the implementation of these proposals will not either dilute or remove my statutory funding function under section 173 of the Water Act 1989. The Fund pensioners will not see any change in how their individual pensions are paid, and they can be certain that their entitlement will be met. I would therefore commend these arrangements to you, to the Agency's Pensions Committee and to the Fund's members.

Margaret Beckett

Memorandum of understanding

Between: The Secretary of State for Environment, Food and Rural Affairs of Nobel House, 17 Smith Square, London SW1P 3JR ('the Secretary of State'); and

The Environment Agency – Pensions Committee of Rio House, Waterside Drive, Almondsbury, Bristol, BS32 4UD ('the Agency').

Background

(i) The Environment Agency Closed Fund ('the Closed Fund') is vested in, and required to be maintained by, the Environment Agency by regulation 2(1) of the Local Government Pension Scheme (Environment Agency) Regulations 1996.

(ii) Before 1989, the Water Authorities Superannuation Fund ('WASF') served the former Regional Water Authorities in England and Wales. Under the Water Act 1989 their water supply and sewerage functions were transferred to newly created water companies, together with the relevant employees. The pension liabilities and assets in respect of such employees were transferred from the WASF to the new water company pension schemes. The pension liabilities and assets in respect of the remaining employees, and also of the former employees and pensioners, were transferred with the WASF to the National Rivers Authority ('the NRA'), which set up a pension fund for its own employees ('the Active Fund') into which were transferred the pension liabilities and assets in respect of the said remaining employees.

(iii) Following the transfer of active employed members to both the water company pension schemes and the Active Fund, the only remaining members of the WASF were deferred and pensioner members. No further members were admitted to it, so that it became a closed scheme ('the Closed Fund'). The Secretary of State and the NRA accepted the possibility that, in due course, the Closed Fund could have insufficient resources to meet its pension liabilities. With effect from 1 April 1996 the Agency assumed the functions of the NRA and the Closed Fund is now known as the Environment Agency Closed Fund.

(iv) The Closed Fund is maintained for the purposes of Section 7 of the Superannuation Act 1972, and accordingly the Secretary of State has the function conferred by Section 173 of the Act to make such payments into the Closed Fund as may be considered appropriate in respect of the actual and prospective liabilities falling from time to time to be met out of the Closed Fund for the benefit of its members ('the Closed Fund members').

(v) As at 31 March 2004, the Closed Fund's FRS 17 valuation indicated that it had a net deficit for accounting purposes of £826,600,000 and its actuarial valuation indicated that it had a funding level of 21% which corresponded to a net past service reserve deficit of £880,000,000. The value of the liability under both valuations is sensitive to future mortality rates, inflation rates, and the discount rate used.

(vi) This Memorandum of Understanding sets out the mechanism whereby the Secretary of State will exercise the function under section 173 of the 1989 Water Act with a view to addressing the deficit in the Closed Fund.

(vii) This Memorandum has been agreed between the Secretary of State and the Environment Agency and the arrangements for funding the Closed Fund have been approved by Her Majesty's Treasury pursuant to that section, as indicated in the letter of 15 April 2004 from the Chief Secretary to the Secretary of State, subject to the conditions referred to in that letter.

Payments into the Fund

(viii) The Closed Fund's funding level continues to deteriorate, and on actuarial advice it is assumed that the value of the assets will reduce to a level of between £50 million and £60 million by about April 2006. With effect from that date the Secretary of State will ensure that cash payments are made into the Fund each year totalling an amount equivalent to its total annual outgoings (defined as total anticipated payments to pensioners, transfers out of the Closed Fund, investment management or other agents' fees, administration costs, and all other liabilities or expenses whatsoever, less interest earned on such cash payments made to the Environment

Agency for the Closed Fund during the year) to be calculated and properly certified by the Environment Agency in accordance with actuarial advice received.

(ix) Such payments will be solely to finance the Closed Fund's annual outgoings and will be treated separately from the Environment Agency's mainstream finances. They will be made every 6 months, with the sums to be paid equalling the amount of the Fund's outgoings for the previous 6 months. The first payment into the Fund will be made in April 2006. These payments will continue until the liabilities of the Closed Fund have been met in full. Latest actuarial projections indicate that this will occur in 2062.

(x) These payments will be in the form of ring-fenced grant-in-aid from the Secretary of State and will be paid twice each year in April and October through the normal grant-in-aid procedures to the Environment Agency

(xi) The Environment Agency will provide the Secretary of State with a copy of actuarial advice received and such information as is reasonably required to illustrate how the payments certified as payable have been calculated. Any assets held in the Closed Fund in excess of the payments will be retained to protect against minor variations in outgoings until a certificate of the actuary to the Closed Fund confirms that their retention is unnecessary. A copy of any such certificate shall be provided by the Environment Agency to the Secretary of State.

(xii) Payments made by the Secretary of State into the Closed Fund will be reported in Defra's annual accounts together with the Closed Fund's liability in accordance with FRS 17 (or any replacement accounting standard).

Payments to pensioners

(xiii) Nothing in this Memorandum will affect the Environment Agency's role in the making of payments from the Closed Fund which are to be made in accordance with the Local Government Pension Scheme Regulations 1997 ('LGPS Regulations').

Control, monitoring and review

(xiv) The Environment Agency will manage the residual assets of the Closed Fund according to the high standards of financial integrity expected of those responsible for the management of public assets. The Environment Agency will invest any surplus funds, as required by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998 and in accordance with the Closed Fund's Statement of Investment Principles and Funding Strategy Statement. The Environment Agency's procedures and the accounts of the Fund will continue to be the subject of an annual external audit, and nothing in this Memorandum affects the need for an actuarial valuation of the Closed Fund as required by the LGPS Regulations.

(xv) For monitoring purposes, the Environment Agency will inform the Secretary of State of the Closed Fund's liabilities at the end of each financial year in accordance with FRS 17 (or any replacement accounting standard).

(xvi) This information will be used to update provisions in the annual accounts of Defra. Significant variations from profiled grant-in-aid payments will be fully justified by the Environment Agency.

(xvii) This Memorandum shall only be amended by the agreement in writing of both the Secretary of State and the Environment Agency.

Brian Bender
Accounting Officer
Defra
On behalf of the Secretary of State for
Environment, Food and Rural Affairs

Barbara Young
Accounting Officer
Environment Agency
On behalf of the Environment Agency
Date of signature: 17 May 2005

Annex 2 – Weblinks to Policy and Strategy documents

Introduction

In accordance with the Annual Report guidance published by the Scheme Advisory Board (SAB) in March 2024, the web links below signpost EAPF's statutory documents and other important policies.

The Environment Agency Closed Pension Fund:

- **Closed Pension Fund - Funding Strategy Statement**
- **Closed Pension Fund - Investment Strategy Statement**
- **Closed Pension Fund - Communications Policy Statement**

Please note that some of the documents at **www.eapf.org.uk/resources/publications/policies** may not be suitable for users with assistive technology. If you need a version of any of our documents in a more accessible format, please tell us what format you need by emailing us at **engage@eapf.org.uk** or calling 0800 121 6593.

ANNEX 3 – Administration key performance indicators

Table A - Total number of casework

Ref	Casework KPI	Cases open as at 31.3.25	New cases created in the year	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and dependent members	1,412	1,219	1,855	70.5%	1,443	49.4%
A2	New dependent member benefits	2	232	229	97.9%	232	99.1%
A3	Deferred member retirements	131	1,068	1,108	92.4%	508	81.8%
A4	Deferred benefits	98	444	457	84.3%	498	81.2%
A5	Transfers in (including interfunds in, club transfers)	1,932	911	1,475	51.9%	535	21.2%
A6	Transfers out (including interfunds out, club transfers)	11	567	572	99.0%	539	98.0%
A7	Refunds	63	242	258	84.6%	448	86.0%
A8	Divorce quotations issued	5	144	142	95.3%	141	95.3%
A9	Actual divorce cases	19	27	33	71.7%	29	58.0%
A10	Member estimates requested either by scheme member and employer	36	1,009	1,025	98.1%	2,281	94.8%
A11	Aggregation cases	608	939	987	63.8%	975	58.9%
A12	Optants out received after 3 months membership	45	118	159	97.5%	214	82.3%

Table B - Time taken to process casework

Ref	Casework KPI	Suggested fund target*	% completed within fund target in year	% completed in previous year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	95.9%	93.4%
B2	Communication issued confirming the amount of dependents pension	10 days	99.8%	100.0%
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15 days	100.0%	93.1%
B4	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	99.5%	76.7%
B5	Payment of lump sum (both actives and deferred)	15 days	As per B5 & B6	As per B5 & B6
B6	Communication issued with deferred benefit options	30 days	100.0%	100.0%
B7	Communication issued to scheme member with completion of transfer in	15 days	99.2%	96.0%
B8	Communication issued to scheme member with completion of transfer out	15 days	100.0%	98.2%
B9	Payment of refund**	10 days	97.3%	81.8%
B10	Divorce quotation	45 days	See note ***	See note ***
B11	Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	15 days	91.2%	66.7%
B12	Member estimates requested by scheme member and employer	15 days	See B3 and B4	See B3 and B4

*Days in this column are a suggested fund target for completion and not the statutory timescale.
** Measured to dare case completed, not date payment made.
*** Separate SLA for Divorce quotations currently not available.

Table C - Communications and engagement

Ref	Engagement with online portals	Percentage as at 31 March	
C1	% of deferred member registered	61.2%	
C2	% of pensioner and survivor members	47.0%	
C3	% total of all scheme members registered for self-service	62.1%	
C4	Number of registered users by age	Age profile	
		16-25	368
		26-35	2,802
		36-45	4,321
		46-55	5,551
		56-65	5,848
		66-75	3,972
		76-85	1,686
		86-95	395
		96-105	26
C5	% of all registered users that have logged onto the service in the last 12 months	48.9%	
	Communication		
C6	Total number of telephone calls received in year	8,676	
C7	Total number of email and online channel queries received	20,438	
C8	Number of scheme member events held in year (total of in-person and online)	13	
C9	Number of employer engagement events held in year (in-person and online)	Unknown	
C11	Number of times a communication (i.e newsletter) issued to:		
	b) Deferred members	1	
	c) Pensioners	1	

Table D – Resources

Ref	Resources	
D1	Total number of all administration staff (FTE)	25
D2	Average service length of all administration staff	10 yrs
D3	Staff vacancy rate as %	0%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	1,605:1 *(approx.)*
D5	Ratio of administration staff (excluding management) to total number of scheme members	1,700:1 *(approx.)*

Table E - Data Quality

	Annual Benefit Statements	
E1	Percentage of annual benefit statements issued as at 31 August	97.7%
E2	Short commentary if less than 100%	Members over NPA were not issued a benefit statement. However, one of two letters were issued depending upon whether they left service pre/post 1 April 1998

	Data category	
E3	Common data score	Closed Fund – 93.94%
E4	Scheme specific data score	Closed Fund – 97.06%
E5	Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	2.4%
E6	Percentage of active, deferred and pensioner members with an email address held on file	71.8%

	Employer performance	
E7	Percentage of employers set up to make monthly data submissions	100%
E8	Percentage of employers who submitted monthly data on time during the reporting year	100%

Please note that the data within this table applies to casework under both the active and closed funds.

You may note differences in numbers between the KPI and membership movements section. This is because the KPI section shows details of when administration cases have finished whereas the membership movements section shows the actual date of the status change.

Enquiries

Any enquiries regarding this Report should be addressed to:

Pension Fund Management
Environment Agency
Horizon House
Deanery Road
BRISTOL
BS1 5AH

Email: **info@eapf.org.uk**

Enquiries concerning the Environment Agency Pension Scheme or entitlement to benefits should be addressed to:

Environment Agency Pensions Team
Capita
11b Lingfield Point
DARLINGTON
DL1 1AX

Tel: 0800 121 6593
Email: **info@eapf.org.uk**

The Annual Report and Financial Statements are also available on our website at www.eapf.org.uk

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