



# Sole Trusteeship and Small Schemes

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### Context

The sponsor is a UK distributor of industrial maintenance, repair and overhaul products. The pension scheme has assets in excess of £100m and was supported by a lay trustee board that only met quarterly with a consequential impact on the speed and effectiveness of decision-making particularly in the area of investment strategy. With no professional trustee as part of the trustee board, the sponsor decided to move to a sole trusteeship model with all the outgoing trustees forming a panel to run the selection process. Having decided the firm which would best safeguard the interests of the membership, the board took the decision to appoint ITS, led by Janine, as the sole professional trustee.

### The Challenge

The priority was to build a structure to allow more rapid decision making in relation to “business as usual” matters and to ensure an effective and efficient dialogue between the sponsor and the sole trustee that was more strategic in nature with better investment decisions as a core objective. The Company was also keen to deal with the Scheme’s DC section, which was felt to be sub-optimal in nature.

### Our Approach

On appointment ITS immediately moved to agree processes with the third-party consultants and administrators for papers and advice to be issued in a “real time” manner rather than revolving around quarterly meetings. We also held an immediate initial meeting with the sponsor to discuss their strategic objectives for the Scheme. Following further discussions, this led to development of a plan to make changes to the Scheme’s investment strategy and to improve the quality of outcomes available to members of the Scheme’s defined contribution section.

### The Outcomes

Working closely with the Company, we chose an accredited master trust into which DC section members were transferred.

With the DC section transferred and a journey plan in place for the remaining DB section, a much more collaborative working relationship between the sponsor and the sole trustee was achieved, leading to increased deficit contributions from the sponsor into the remaining DB section, thereby reducing risk to the remaining membership