



# Helping With The Challenges Of Running A DB Scheme - Mentoring Lay Trustees

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## Context

We were approached by the sponsor for a poorly funded scheme with significant legacy issues, on the basis that they wished to move the trustee board for the pension scheme to a sole trusteeship model due to a general lack of progress on key issues and a desire to improve governance.

## The Challenge

The sponsor was keen to ensure that every avenue was explored to support the scheme and the sponsor – as a matter of urgency. The trustees were concerned about the strength of the sponsor’s covenant but were focussed on the forthcoming valuation and the likelihood of regulatory involvement.

## Our Approach

We identified the key value in retaining the historic knowledge and experience to best resolve some important legacy issues. Through a mixture of coaching, technical support and hands-on assistance, we supported the existing trustee board, helping them implement effective business planning and risk management/mitigation.

Issues identified included the potential for the scheme not to be PPF eligible and for planned corporate activity to damage the sponsor and scheme.

Having identified the key risks, we helped them focus their limited resources on cost-effective, focussed advice.

## The Outcomes

With the right advice and our support, the trustees felt confident that they had a clear and deliverable plan to address the issues faced by the scheme. Importantly, they were able to make key decisions and engage confidently with the sponsor and its advisers. Contingency plans were developed and covenant support put in place. Activity levels and trustee effectiveness were greatly increased, without losing the legacy experience.