

Press Information

Press Release

'Trustee Governance Survey Highlights that the Trustee role continues to be demanding' says Independent Trustee Services Ltd

- *¼ of respondent not confident that they have necessary time or resources*
- *1 in 7 not confident in the strength of the employer covenant*

23rd February 2009, London: Independent Trustee Services Ltd (ITS) have today launched the results of their first Survey on Trustee Governance. ITS found that around a quarter of respondents were not very confident they had the resource and/or time available for trustee training sufficient to meet either their individual needs, or those of the trustee board as a whole. In addition, just over half had not completed the Regulator's Trustee Toolkit online training.

Mike Edis, ITS Director, commented: "This reinforces our experience that lay trustees often struggle to handle the increasing demands of both their "day job" and trustee responsibilities. This is particularly true for smaller schemes which face the challenges of cost constraints, skills shortages and the reluctance of members to step forward as trustees. The Trustee Toolkit is a good "one stop shop" for trustees to address their TKU needs, so it is disappointing that more trustees are unable to take advantage of this useful resource. We frequently find that some of the most effective training happens during the course of trustee meetings via our coaching and mentoring lay trustees."

ITS found that around 1 in 7 respondents was either not very, or not at all, confident in the covenant strength of the employer. 1 in 10 was not confident in their ability to identify the factors and information to make judgements in this area. Moreover, almost a third had not agreed a process with the sponsor to enable them to monitor the covenant effectively on a regular basis.

Mike Edis, commented: "Post the "Credit Crunch", trustees' concern about the sponsor is not surprising. The fact that this figure is not higher may be due to a combination of factors. There will certainly be a time lag in the reporting process, so that trustees may not know the current financial position of the employer. Of perhaps greater concern is the high proportion of trustees that are not monitoring the covenant. "

Notes to Editors

This survey on Trustee Governance was conducted by Independent Trustee Services Limited in November and December 2008. Responses were invited online and via email from a large number of pension scheme trustees with fund sizes of up to £330m. The results are based on a reflective sample of 65 responses.

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About Independent Trustee Services Limited

Independent Trustee Services Ltd (ITS) was established in February 1991 and provides professional trustee services to ongoing pension schemes as well as working with the Pensions Regulator, Pension Protection Fund and insolvency and Turnaround professions. The high quality of its service is derived from the experience of its management team and staff Board members of ITS each have significant experience in the pensions industry and are recognised by their peers as specialising in their field.

For more information, please visit ITS website: www.itslimited.org.uk