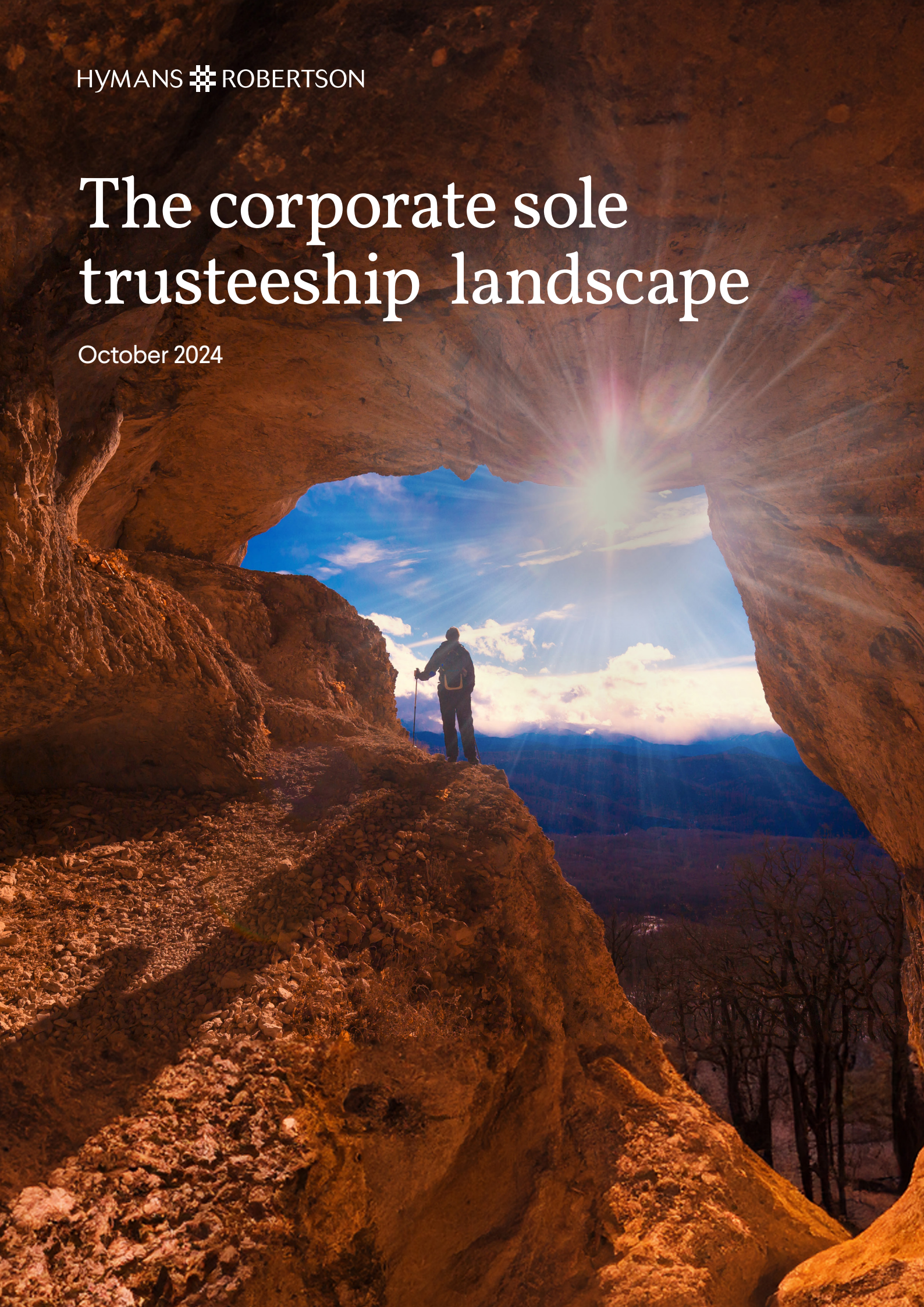


HYMANS # ROBERTSON

# The corporate sole trusteeship landscape

October 2024





# Summary

Welcome to our 2024 report on the professional corporate sole trustee market, looking at the sole trusteeship landscape over the past year.

A professional corporate sole trusteeship is an arrangement where a professional trustee firm solely performs the role of a corporate trustee to a pension scheme. In the year to 31 March 2024, our market survey shows for the first year since 2017 a slowdown in the aggregate growth of sole trustee schemes. Professional trustee firms noted that a primary driver for this slowdown is the winding up of schemes, offsetting the number of new appointments.

The spread of roles that professional trustees are appointed for remains evenly split between sole trusteeship, chair of trustee and co-trustee roles. Most sole trustee schemes are small schemes, with assets of around £50m or less. However, we continue to see larger schemes adopting sole trusteeship, including six new schemes with assets exceeding £1bn.

## AT A GLANCE...



Professional trustees are estimated to represent **just under half** of all c 5,000 DB pension schemes.



Of the schemes appointing professional trustees, around **40%** of those appointments are as a sole trustee.



**Slowest year of growth** in professional corporate sole trustee appointments since 2017.



**Six new** professional corporate sole trustee appointments to **£1bn+ schemes** in the last year.

Please get in touch with us to find out more:



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# Market landscape

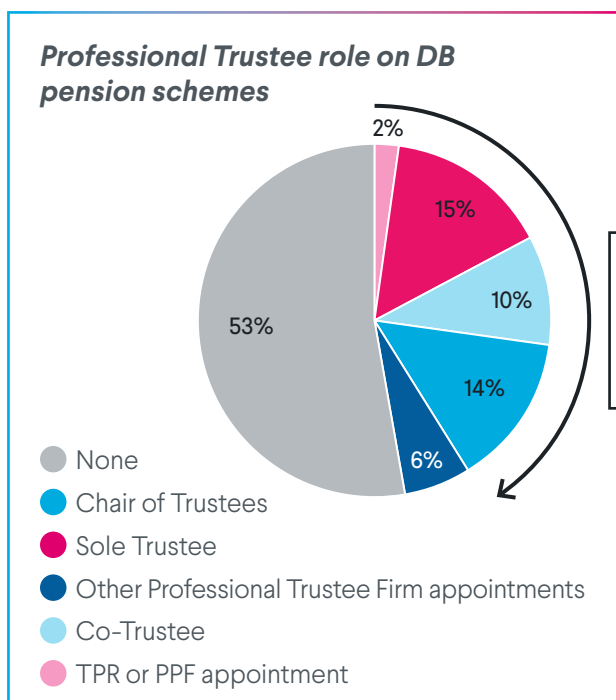
As of 31 March 2024, we estimate there are just under 5,000 DB pension schemes. The 11 professional trustee firms we surveyed represent around 40% of these DB schemes. An additional 20 to 30 small and mid-tier firms are estimated to account for another 6% of DB schemes.

Just over 800 schemes are governed by a professional corporate sole trustee across the 11 professional trustee firms we surveyed as at 31 March 2024. This includes 77 sole trustee appointments made by the Pensions Regulator (TPR) or to support schemes in assessment for the Pension Protection Fund (PPF). In aggregate, these **sole trustee schemes account for 17% of DB pension schemes at 31 March 2024.**

Over the year, the data also shows a slight decline in co-trustee roles, a role where the professional trustee is a member of a trustee board, but not the chair of trustees. Schemes looking to appoint a professional trustee need to carefully consider what role they are appointing a professional trustee to based on the needs of the existing trustee board. Hymans Robertson can help schemes appoint a professional trustee through our Professional Trustee Programme, led by Lisa Whitfield.

**We have observed a slowdown in the growth of these sole trustee numbers in the last year,** attributed to a number of factors but primarily the wind up of DB pension schemes. After completing a full scheme buy-in, schemes must wind up the pension scheme, a process that can take between two and four years typically. Some of these wind-ups in the year to 31 March 2024 might include very rapid wind ups of schemes who benefitted from funding improvements when yields rose towards the end of 2022. With full scheme buy-in volumes increasing significantly between 2022 and 2023 and many schemes now much closer to buyout funding levels, we might expect this trend to continue.

In addition to the wind-up of sole trustee governed schemes over the year, the data shows a notable net decline in the overall number of TPR and PPF appointments. However, due to the nature of these appointments there is an expectation that these are more volatile than ongoing appointments. As a result, based on data from the 11 firms surveyed, only 2% of all DB schemes have a professional trustee appointed by TPR or by the PPF.

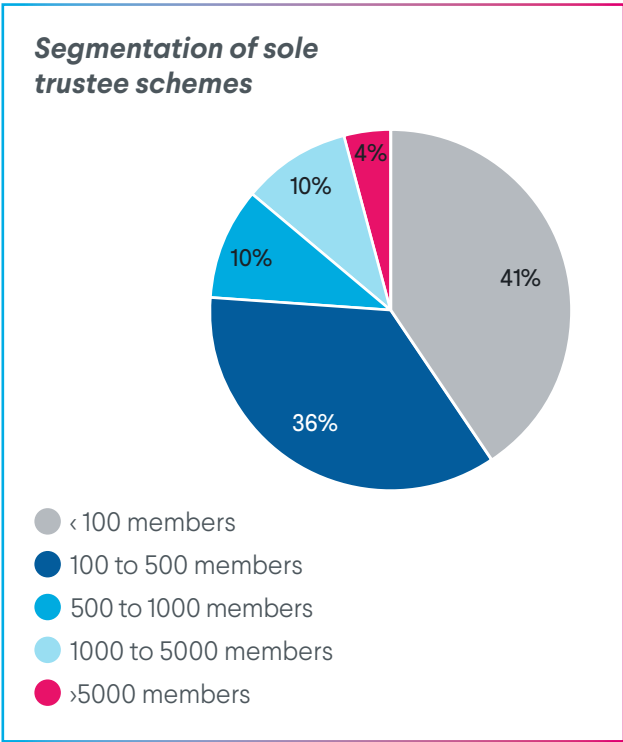


Source: Hymans Robertson survey

It's often the case that pension schemes appoint a professional trustee to a trustee board prior to the appointment as sole trustee. Whilst funding improvements resulting in scheme wind ups have been noted as a primary influence it may also be the case that we are seeing a one-off slowdown in this transition process or a broader slowdown in the adoption of sole trusteeship.

Most sole trustee appointments are still at the smaller end of the market. Around 40% of appointments are for schemes with fewer than 100 members, and 80% are for schemes with fewer than 500 members. Most sole trustee schemes are therefore expected to have assets of around £50m or less. However, over the year to 31 March 2024, **six schemes with assets above £1bn moved to a sole trustee approach**, bringing the total count up to 17 and signalling sole trusteeship is still a flourishing option for schemes large schemes.

If you have any questions, or would like to discuss anything further, please [get in touch](#).



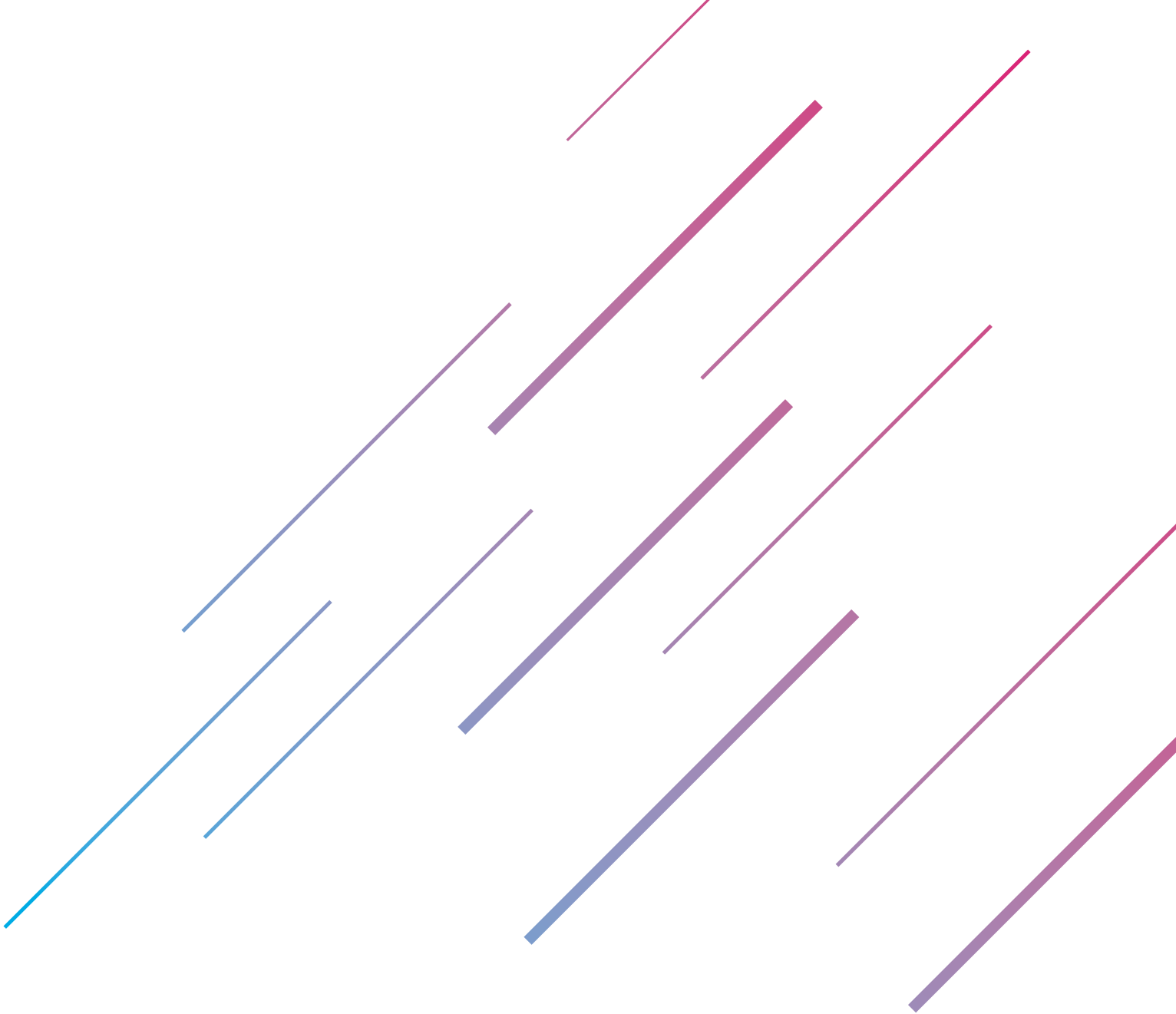
Source: Hymans Robertson survey



# Overview of survey respondents

Thank you to the following firms for completing our market survey. The following data was collected as part of our market survey. Information is effective at 31 March 2024.

	Firm	Number of DB trustee appointments	Number of sole trustee appointments	% of DB trustee appointments that are sole trustee
 <b>BESTrustees</b>	<b>BESTrustees</b>	150-200	<50	20%
 <b>Capital Cranfield</b>	<b>Capital Cranfield</b>	>300	100-150	37%
 <b>Dalriada</b>	<b>Dalriada</b>	200-250	100-150	56%
 <b>IGG</b> Independent Governance Group	<b>IGG</b>	>300	100-150	40%
 <b>LawDebenture</b>	<b>Law Debenture</b>	150-200	<50	26%
 <b>ndapt</b>	<b>ndapt</b>	<50	<50	44%
 <b>PAN TRUSTEES</b>	<b>PAN Trustees</b>	100-150	50-100	49%
 <b>Pi Partnership</b> Confident Modern Effective	<b>Pi</b>	50-100	<50	53%
 <b>ProPensions</b>	<b>ProPensions</b>	<50	<50	24%
 <b>Vidett</b> trustees.governance.experts	<b>Vidett</b>	>300	150-200	42%
 <b>ZEDRA</b>	<b>ZEDRA</b>	150-200	50-100	42%



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