

ARRIVA PASSENGER SERVICES NATIONAL PENSION SCHEME

CHAIRMAN'S STATEMENT YEAR ENDED 5 APRIL 2022

Chairman's Statement

High level overview of money purchase assets

Section	Investment manager/ provider	Benefit basis
AVCs	Clerical Medical	Pure DC AVC funds
DC transfers-in (Clerical Medical)	Clerical Medical	Pure DC
DC transfers-in (notional LGIM)	Notional units based on a price feed from LGIM	Pure DC

Annual statement regarding governance of the Arriva Passenger Services National Pension Scheme ('the Scheme')

The Occupational Pension Schemes (Scheme Administration) Regulations 1996 ("the Administration Regulations") requires the Trustee to prepare an annual statement regarding governance, which should be included in the annual Trustee report and accounts. The governance requirements apply to all defined contribution ("DC") pension arrangements and aim to help members achieve a good outcome from their pension savings.

This statement issued by the Trustee covers the period from 6 April 2021 to 5 April 2022 and is signed on behalf of the Trustee by the Chair. A copy of this Statement will be made available to members of the Scheme on request and on publicly accessible websites including: www.arrivapensions.com.

This statement covers governance and charge disclosures in relation to the following:

1. The Default arrangement
2. Processing of core financial transactions
3. Member borne charges and transaction costs
 - a. Default arrangement
 - b. Self-select funds
 - c. Additional Voluntary Contributions
 - d. Illustrations of the cumulative effect of these costs and charges
4. Net Performance returns
4. Value for Members assessment
5. Trustee knowledge and understanding

The Trustee has also taken actions required to manage the Plan considering the COVID-19 pandemic and have incorporated additional commentary into this statement.

1. The Default Arrangement

The Trustee is required to design the default arrangement in members' interests and keep it under review. The Trustee needs to set out the aims and objectives of the default arrangement and take account of the level of costs and the risk profile that are appropriate for the Scheme's membership.

The Scheme has several different sections with benefits accrued in some of the sections on a money purchase basis (also known as defined contribution). The Trustee is responsible for investment governance of the Scheme. This includes setting and monitoring of the investment strategy of the Scheme's various money purchase investment options. All the money purchase sections are closed to new regular contributions, with the exception of the Additional Voluntary Contribution (AVC) scheme with Clerical Medical which continues to receive AVC payments and is also open to new joiners. The AVC scheme features a default arrangement for members who join and do not make an investment choice which is the BlackRock Cautious Lifestyle Option.

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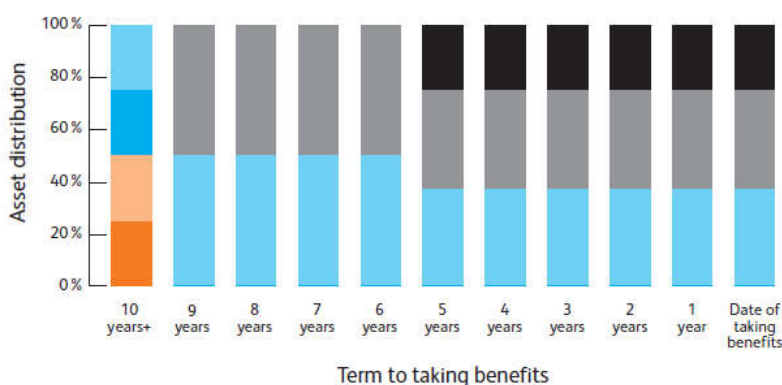
1. The Default Arrangement (continued)

The Trustee reviews the Scheme's investments regularly, including the default arrangement. The default was last reviewed on 23 September 2021. The next formal review will take place in three years' time.

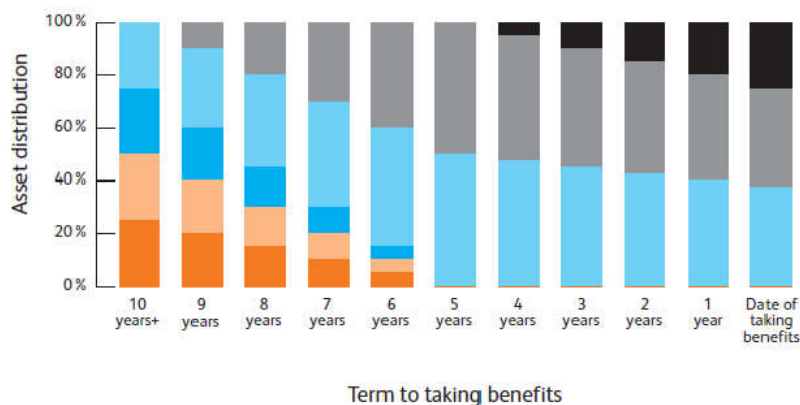
The objective of the default arrangement is to move members from higher return, higher risk investments to lower risk, lower return investments as they near their retirement age to reduce volatility and protect the value of their funds. This is intended to be appropriate for most members who are expected to purchase an annuity at retirement.

The BlackRock Cautious Lifestyle Option initially invests 50% in global equities and 50% in index-linked gilts and corporate bonds. At 10 years to retirement the fund begins to reduce the amount invested in global equities and a higher proportion in index-linked gilts and corporate bonds. At retirement the lifestyle will have a 25% allocation to cash and 75% allocation to index-linked gilts and corporate bonds. The BlackRock Cautious Lifestyle Option glidepaths for new contributions and existing pension savings are shown below. The glidepath shows how the allocation of different funds changes as members approach retirement.

New contributions



Existing contributions



■ UK Equity
 ■ Over 5 years Index-Linked Gilt
 ■ Over 15 years Gilt Index
■ World Equity
 ■ Corporate Bond Index
 ■ Cash

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1. The Default Arrangement (continued)

Investment strategy review

The default arrangement was formally reviewed during the period covered by this statement, on 23 September 2021. Whilst the review resulted in no immediate changes to the default arrangement, the Trustee and their investment advisers highlighted a number of areas for potential improvement – these are currently being looked at.

The review considered the needs of members as well as consideration of expected member outcomes at retirement and associated risks. The Trustee took advice from its investment adviser on all these aspects.

The Trustee undertakes a formal review of the default arrangement every 3 years and without delay after any significant change in investment policy or demographic profile of the Scheme). The next formal review is due to take place before 23 September 2024.

Performance Monitoring

The ongoing review process for the Scheme takes account of the performance of the funds compared to the funds' stated objectives. The Trustee remains satisfied with the performance of the default, given that its performance is broadly in-line with expectations.

Further details on the arrangements, including deemed defaults are set out in the Statement of Investment Principles, which is hosted on the member website (www.mypensionline.com/arrivadbscheme/library.aspx).

2. Processing of Core Financial Transactions

The Trustee has a specific duty to ensure that core financial transactions are processed promptly and accurately. Core financial transactions include the investment of contributions, transfer of member funds into and out of the Scheme, transfers between different investments within the Scheme and payments to and in respect of members/beneficiaries.

The bulk of the core financial transactions are undertaken on behalf of the Trustee by the Scheme administrator, Aon Solutions UK Limited (Aon). The Trustee also delegates administration to Aon for its AVC arrangements, although in some cases the member records are administered by the AVC providers.

In order to determine how well the administration is performing the Trustee has service level agreements ("SLA") in place with Aon. These SLAs detail a number of key administration processes to be performed and the target timescale within which each of these processes needs to be completed. There are SLAs in place for all core financial transactions. Under the current SLA, Aon aims to accurately complete all financial transactions within 10 working days.

The Trustee has also reviewed the key processes adopted by the administrator and output in order to minimise the risks of inaccurate or late payment of core financial transactions. Key processes include:

- Daily monitoring of the Trustee bank account
- Checks for all investment and banking transactions prior to processing
- All work processes are documented and subject to a peer review process, with work being calculated and independently checked by another member of the team.
- Aon also provide confirmation to the Trustee annually regarding the current position on common and conditional data as well as any amendments which may be required to rectify gaps in the data.
- Controls around administration and the processing of transactions are documented in the Plan risk register which is regularly reviewed

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2. Processing of Core Financial Transactions (continued)

The Trustee also receives annual updates on the Scheme's AVC arrangements including fund performance and updates on the AVC providers.

Based on the reporting set out above, the Trustee considers that the majority of the Scheme's core financial transactions were processed promptly and accurately over the year.

3. Member Borne Charges and Transaction costs

The Trustee should regularly monitor the level of charges borne by members through the investment funds. These charges comprise:

- Charges: these are explicit, and represent the costs associated with operating and managing an investment fund. They can be identified as a Total Expense Ratio (TER), or as an Annual Management Charge (AMC), which is a component of the TER;
- Transaction costs: these are not explicit and are incurred when the Scheme's fund manager buys and sells assets within investment funds but are exclusive of any costs incurred when members invest in or sell out of funds.

The Trustee is also required to confirm that the TER on the default arrangement has not exceeded 0.75% p.a. (the charge cap) and produce an illustration of the cumulative effect of the costs and charges on members' retirement fund values as required by the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018.

The Trustee has set out the costs and charges that are incurred by members, rather than the employer, over the statement year in respect of each investment fund available to members. These comprise the TER and insofar as we are able to obtain, transaction costs and total member borne costs for the year to 31 March 2021.

The charges and transaction costs have been supplied by the Clerical Medical who are the Scheme's AVC provider. All transaction costs have been obtained and included in the table below. Where transaction costs have been provided as a negative cost, these have been set to zero by the Trustees.

The Scheme's AVC arrangement has a TER of 0.50% per year for all of its funds.

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3. Member Borne Charges and Transaction costs (continued)

Fund	TER ¹ (% p.a.)	Transaction Costs ¹ (% p.a.)	Total Costs ¹ (% p.a.)
BlackRock Cautious Lifestyle	0.50	0.00 – 0.03	0.50 – 0.53
Self-Select Funds			
BlackRock Aquila Connect World (ex UK) Equity Index*	0.50	0.00	0.50
BlackRock Aquila Connect Corporate Bond AllStocks*	0.50	0.00	0.50
BlackRock Aquila Connect UK Equity Index*	0.50	0.08	0.58
Clerical Medical Balanced	0.50	0.20*	0.70 ¹
BlackRock Aquila Connect Over 5 Year Index-Linked Gilts Index*	0.50	0.03	0.53
Clerical Medical UK Growth Fund	0.50	0.44*	0.94 ¹
Clerical Medical Cautious	0.50	0.13*	0.63 ¹
BlackRock Aquila Connect Over 15 Years UKGilt Index*	0.50	0.00	0.50
Clerical Medical Retirement Protection	0.50	0.08*	0.58 ¹
Clerical Medical Non-Equity	0.50	0.07*	0.57 ¹
Clerical Medical Halifax	0.50	0.00*	0.50 ¹
Clerical Medical International Growth	0.50	0.72*	1.22 ¹
Clerical Medical Cash*	0.50	0.01*	0.51 ¹
Clerical Medical Adventurous Pension	0.50	0.29*	0.79 ¹
Clerical Medical Balanced Fund of Funds	0.50	0.20*	0.70 ¹
Clerical Medical Far Eastern Pension	0.50	0.73*	1.23 ¹
Clerical Medical North American Pension	0.50	0.48*	0.98 ¹
Clerical Medical Japanese Pension	0.50	0.10*	0.60 ¹
Clerical Medical European Pension	0.50	0.32*	0.82 ¹

*Denotes component of default investment strategy. The Trustees requested transaction data to 31 March 2022, however, Clerical Medical were unable to provide this data and therefore the data shown is as of 31 March 2021. ¹Total costs includes transaction costs as of 31 March 2021 which was the latest data made available.

Illustrations of the cumulative effect of costs and charges

From 6 April 2018 the Occupational Pension Schemes (Administration and Disclosure) (Amendment) Regulations 2018 introduced new requirements relating to the disclosure and publication of the level of costs by the trustees and managers of a relevant scheme. These changes are intended to improve transparency on costs.

To help members understand the impact that costs and charges can have on their retirement savings, the Trustee has provided two illustrations of their cumulative effect on the value of typical scheme members savings over the period to their retirement.

The illustrations have been prepared having regard to statutory guidance, selecting suitable representative members, and are based on several assumptions about the future which are set out in the appendix.

Members should be aware that such assumptions may or may not hold true, so the illustrations do not promise what could happen in the future and fund values are not guaranteed. Furthermore, because the illustrations are based on typical members of the Scheme they are not a substitute for the individual and personalised illustrations which are provided to members in their annual Benefit Statements.

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3. Member Borne Charges and Transaction costs (continued)

Illustrations of the cumulative effect of costs and charges (continued)

Each illustration, A and B is shown for a different type of member invested in the BlackRock Cautious Lifestyle Option, as this is the arrangement that most of our members have their retirement savings in. Each illustration is shown as a chart and a table as follows:

- The Chart shows a projection of the member's retirement savings at retirement age, with and without costs and charges applied.
- As the projected retirement savings are dependent on investment returns as well as the level of costs and charges, we have also included some comparison figures with other investments in the Tables. For comparison purposes, we also show the projected retirement savings if the typical member were invested in a higher risk profile fund - BlackRock Aquila Connect UK Equity Index - which has a higher expected return and higher charges, and a lower risk profile fund – BlackRock Aquila Connect Over 15 Years UK Gilt Index - which has a lower expected return and lower charges.

All projected fund values are shown in today's terms, and do not need to be reduced further for the effect of future expected inflation.

Illustration A: is based on a Scheme member who has 13 years to go until their retirement at age 65. The member has a current fund value of £2,350 and is invested in the BlackRock Cautious Lifestyle Option.

Projected Pension Account in today's money, based on figures for the year to 31 March 2022									
Age	BlackRock Cautious Lifestyle Option			BlackRock Aquila Connect World (UK) Equity Index			BlackRock Aquila Connect Over 15 Year Index-Linked Gilts Index		
	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges	Before charges	After charges	Effect of charges
	£	£	£	£	£	£	£	£	£
51	2,423	2,398	25	2,498	2,470	28	2,308	2,285	23
55	2,538	2,473	65	2,738	2,661	77	2,246	2,190	56
60	2,617	2,486	131	3,189	3,013	176	2,147	2,041	106
65	2,600	2,408	192	3,715	3,411	303	2,052	1,902	150

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3. Member Borne Charges and Transaction costs (continued)

Illustrations of the cumulative effect of costs and charges (continued)

Illustration B: is based on a Scheme member who has 36 years to go until their retirement at age 65. The member has a current fund value of £3,400 and is invested in the BlackRock Cautious Lifestyle Option.

Projected Pension Account in today's money, based on figures for the year to 31 March 2022									
Age	BlackRock Cautious Lifestyle Option			BlackRock Aquila Connect UK Equity Index			BlackRock Aquila Connect Over 15 Years UK Gilt Index		
	Before charges	After charges	Effect of charges	Before charges	Before charges	After charges	Effect of charges	After charges	Before charges
	£	£	£		£	£	£		£
29	3,506	3,470	36	29	3,506	3,470	36	29	3,506
30	3,561	3,505	56	30	3,561	3,505	56	30	3,561
35	3,845	3,688	157	35	3,845	3,688	157	35	3,845
40	4,153	3,881	272	40	4,153	3,881	272	40	4,153
45	4,485	4,083	402	45	4,485	4,083	402	45	4,485
50	4,843	4,296	547	50	4,843	4,296	547	50	4,843
55	5,230	4,520	710	55	5,230	4,520	710	55	5,230
60	5,394	4,544	850	60	5,394	4,544	850	60	5,394
65	5,358	4,402	956	65	5,358	4,402	956	65	5,358

Members are advised to consider both the level of costs and charges and the expected return on investments (i.e. the risk profile of the strategy) in making investment decisions.

Assumptions and data for illustrations:

The following assumptions have been made for the purposes of the above illustrations:

- Annual salary growth and inflation is assumed to be 2.5% per annum
- The starting fund values used in the projections is representative of the average for the Scheme
- The projected annual returns on assets are:
 - BlackRock Aquila Connect World (ex UK) Equity Index: 3.1% p.a.
 - BlackRock Connect UK Equity Index: 3.1% p.a.
 - BlackRock Aquila Connect Corporate Bond All Stocks: 0.1% p.a.
 - BlackRock Aquila Connect Over 5 Year Index-Linked Gilts Index: 0.9% p.a.
 - BlackRock Aquila Connect Over 15 Years UK Gilt Index: 0.9% p.a.

For the BlackRock Cautious Lifestyle Option, the projection considers the changing proportion invested in the different underlying funds. All funds shown above are underlying funds.

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3. Member Borne Charges and Transaction costs (continued)

Assumptions and data for illustrations (continued)

- The transaction costs have been averaged over a two-year period in line with statutory guidance to reduce the level of volatility, and a floor of 0% pa has been used for the transaction costs if these were negative in any year so as not to potentially understate the effect of charges on fund values over time.
- Data used is as at 31st March 2022, unless stated otherwise.

4. Net performance returns

The Occupational Pension Schemes (Administration, Investment, Charges and Governance Amendment) Regulations 2021 introduced new requirements for Trustees of DC pension schemes. From 1 October 2021, the Trustee are required to calculate and state the return on investments from their default and self-select funds, net of transaction costs and charges.

i) Default Lifestyle

The Trustee calculated the return on investments, as far as they were able to do so. The net investment returns for members within the default lifestyle (based on the asset allocation as at the end of the Scheme Year) to 5 April 2022 were as follows:

Age of member at beginning of period (years)	1 Year to 5 April 2022 (%)
25	6.6
45	6.6
55	4.1

Source: BlackRock. Isio calculations.

Notes:

- Data provided by BlackRock, the Scheme's default strategy underlying manager, as Clerical Medical were unable to provide the data. We will work Clerical Medical to ensure they're able to provide this in future.
- BlackRock have been unable to provide 5-year returns for this year's report.
- Returns are calculated as the annual geometric mean.
- Age-related returns for members in lifestyle strategies assume annual switching in the glidepath.

ii) Self-select funds

The net investment returns for members within self-select funds with no lifestyling during the periods of 5 April 2021 to 5 April 2022 were as follows:

Fund	1 Year to 5 April 2022 (%)	5 Years to 5 April 2022 (% p.a.)
BlackRock Aquila Connect World (ex UK) Equity Index*	14.2	n/a
BlackRock Aquila Connect Corporate Bond All Stocks*	-5.0	n/a
BlackRock Aquila Connect UK Equity Index*	12.3	4.6
Clerical Medical Balanced	n/a	n/a

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4. Net performance returns (continued)

BlackRock Aquila Connect Over 5 Year Index- Linked Gilts Index*	4.8	n/a
Clerical Medical UK Growth Fund	n/a	n/a
Clerical Medical Cautious	n/a	n/a
BlackRock Aquila Connect Over 15 Years UK Gilt Index*	-7.0	n/a
Clerical Medical Retirement Protection	n/a	n/a
Clerical Medical Non-Equity	n/a	n/a
Clerical Medical Halifax	n/a	n/a
Clerical Medical International Growth	n/a	n/a
Clerical Medical Cash*	n/a	n/a
Clerical Medical Adventurous Pension	n/a	n/a
Clerical Medical Balanced Fund of Funds	n/a	n/a
Clerical Medical Far Eastern Pension	n/a	n/a
Clerical Medical North American Pension	n/a	n/a
Clerical Medical Japanese Pension	n/a	n/a
Clerical Medical European Pension	n/a	n/a

Source: BlackRock. Isio calculations.

Notes:

- The Trustee, via their advisers, requested net performance data for the Clerical Medical funds listed above, however they have not been able to provide this for the report. We will work with them to ensure they're able to provide these in future.
- Returns are calculated as the annual geometric mean.

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5. Value for Members assessment

The Administration Regulations requires the Trustee to assess charges and transactions costs borne by members and the extent to which those charges and costs represent good value for money for members.

There is no legal definition of "good value" or the process of determining this for scheme members. Therefore, working in conjunction with our advisers, Isio, the Trustee has developed a framework to make an assessment as to whether our members receive good value from the Scheme relative to the costs and charges they pay.

The Trustee has considered the benefits of membership under the following categories: Charges, scheme governance, investments, administration, retirement support and member communications. Benchmarking relative to other pension arrangements or industry best practice guidelines is also undertaken.

The Trustee beliefs have formed the basis of the analyses of the benefits of membership. These are set out below along with the main highlights of their assessment.

Charges

- **The Trustee believes that charges incurred by members should be comparable to schemes with a similar profile to the Plan.**

The charges incurred by members of the Plan are relatively high when compared to the DC market generally. However, considering the size of membership and value of assets invested are comparable to similar schemes.

Scheme governance

- **The Trustee believes in having robust processes and structures in place to support effective management of risks and ensure members interests are protected, increasing the likelihood of good outcomes for members**
- Governance covers the time spent by the Trustee to ensure the Scheme is run in compliance with the law and regulation, including taking account of the interests of its members.
- The Trustee believes that good governance is key to ensuring that a framework exists and is actively in use to help deliver better member outcomes.
- The Trustee regularly reviews and updates the Scheme's governance processes and procedures to make sure that these meet industry best practice.

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5. Value for Members assessment (continued)

Investments

- **The Trustee believes that a well-designed investment portfolio that is subject to regular performance monitoring and assessment of suitability for the membership will make a large contribution to the delivery of good member outcomes**
- The DC Section of the Scheme provides members with a range of lifestyle strategies and self-select fund options, covering a range of member risk profiles and asset classes.
- The investment funds available have been designed, following advice from the Scheme's investment adviser, with the needs of members in mind and are currently being reviewed to ensure they remain appropriate for members.
- In addition, the Scheme has a range of legacy AVC funds. The Trustee believes that these legacy AVCs compare favourably to the market and intend to review them in due course.

Administration

- **The Trustee believes that good administration and record keeping play a crucial role in ensuring that scheme members receive the retirement income due to them. In addition, that the type and quality of service experienced by members has a bearing on the level of member engagement.**
- As noted above, the Trustee has appointed Aon to provide administration services to the Scheme.
- The Trustee is satisfied that Aon has sufficient checks in place to monitor and report on the standard of the administration service.
- The Trustee Board regularly monitors the Scheme administration via quarterly reporting.

Member communications

- **The Trustee believes that effective member communications and delivery of the right support and tools helps members understand and improve their retirement outcomes.**
- The Scheme provides members with regular, clear communications regarding the choices open to them, as well as annual benefit statements and 'at retirement' communications.
- A variety of communication media are used, including access to well-developed online tools and helpful information around retirement planning via the Scheme's member website (www.mypensionline.com/arrivadbscheme).

Retirement support

- The Trustee believes that members should receive the support that they need in order to make effective decisions in relation to how to use their retirement savings and to implement their decisions.
- Due to the nature of the Plan it is difficult to offer members access to the full range of flexible retirement options now available to members of many other DC arrangements. The Trustees will consider approaches to allow members to use their funds in a flexible manner in a more user friendly way.

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5. Value for Members assessment (continued)

Using this as a framework, Isio assessed the value for members offered by the Scheme.

The Trustee's assessment concluded that the charges and transaction costs borne by Scheme members represents average value for members relative to the benefits of Scheme membership. The Trustees are currently considering a number of areas arising from this assessment and will provide more details on action taken in next year's Chair's Statement.

Trustees' Knowledge and Understanding

Sections 247 and 248 of the Pensions Act 2004 set out the requirement for the Trustee to have appropriate knowledge and understanding of the law relating to pensions and trusts, the funding of occupational pension schemes, investment of scheme assets and other matters to enable them to exercise their functions as a Trustee properly. This requirement is underpinned by guidance in the Pension Regulator's Code of Practice 7.

The comments in this section relate to the Plan as a whole and not solely the DC Section.

The Trustee has processes and procedure in place to meet the Pension Regulator's Trustee Knowledge and Understanding requirements (as set out in their Code of Practice No 7); some of which are identified below:

- The Trustee is conversant with the Scheme's legal documents and all of the documents which set out the Trustee's current policies, including the Trust Deed and Rules and the Statement of Investment Principles for the Scheme, along with the wider law relating to pensions and trusts. The Trustee reverts to the legal advisor for any clarification if required.
- A Trustee Board Evaluation is undertaken typically on an annual basis to obtain the Trustee Directors' views on their level of TKU and any training needs.
- The Trustee also has Sub-Committees in place for Governance, Funding and Investment and Discretionary Benefit matters. Each Sub-Committee is selected by a review of individual skillsets and selecting the most appropriate Directors for each Sub-Committee.
- Assessing training needs and considering whether any gaps exist in individual Trustees' knowledge and understanding.
- All Trustee Directors are encouraged to complete tPR's Trustee Toolkit.
- Subscription by the Trustees to tPR's emails and other publications

The Secretary to the Trustee maintains training logs for each individual Trustee, which supports the above.

Training completed by the Trustee Directors over the reporting period covered:

- TPR E-learning toolkit completed by all Trustees;
- Effective systems of governance & own risk assessment training
- Aon Trustee Training course;
- Scheme closure considerations;
- DC Master Trust training;
- PMI certificate in Trusteeship

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5. Value for Members assessment (continued)

Trustees' Knowledge and Understanding (continued)

In addition to the knowledge and understanding of the Trustee board, the Trustee has engaged with their appointed professional advisers regularly throughout the year to ensure that they run the DC Sections and AVC arrangements and exercise their functions properly and take professional advice where needed. In exercising their functions this has required knowledge of key scheme documents such as the Trust Deed & Rules, Trustee Report & Accounts and Statement of Investment Principles.

The Trustee has also carried out the following tasks over the reporting year (among others), which further demonstrates their knowledge and understanding:

- Retained up to date versions of Scheme documents (including the Trust Deed & Rules, the Trustees' Governance Policy document and the Scheme booklets), to help maintain a working knowledge of the Scheme;
- Made decisions on specific member cases, considering the requirements of the Scheme's governing documents (the Trust Deed & Rules), the Scheme's agreed policies/practices and also the wider law relating to pensions and trusts;
- Review of the Scheme's risk register;
- Carried out regular annual tasks, such as reviewing and signing off the Trustee Report & Accounts;
- Regularly (quarterly) monitored the performance of each individual investment fund, with advice from its investment adviser (Aon), against targeted benchmarks and the Scheme's overall aims and objectives;

There is a comprehensive induction process in place for new Trustee Directors. On appointment:

- New Trustee Directors undertake an induction process and are then encouraged to complete tPR's Trustee Toolkit within 6 months of appointment.
- All new Trustee Directors are provided with a welcome pack and bespoke one-to-one training with an adviser followed by attendance at a Trustee training course. The training received is recorded in a training log.

The Trustee also considered the impact of the COVID-19 pandemic on the Trustee board and put in place appropriate plans to ensure that the board could continue to perform effectively during this time. Specifically, the Trustee has reviewed:

- the regularity and format of Trustee meetings;
- key man risks; and
- Trustee decision making protocols and approvals processes.

The Trustee has subsequently taken steps by:

- holding more regular, shorter virtual Trustee meetings;
- identifying designated alternates on the Trustee board; and
- requesting that all advisers & providers ensure business continuity and appropriate Scheme governance during the pandemic.

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5. Value for Members assessment (continued)

Trustees' Knowledge and Understanding (continued)

During the year there were 6 Trustee Directors. These Directors had a range of backgrounds, experience and skills which helps to demonstrate the effectiveness and diversity of the Trustee Board.

Considering the training and tasks completed by the Trustee over the reporting year, the Trustee considers that they continue to meet the Pension Regulator's TKU requirements (as set out under Code of Practice No 7) and are confident that the combined knowledge and understanding of the Trustee, together with the input from their specialist advisers, enables them to properly exercise their functions as the Trustee of the Plan.

Signed on behalf of the Chair of Arriva Passenger Services Pension Trustees Limited