

18 years of Independence

September 2024

Back in 2006, Avgi Gregory and Mark Hodgkinson took the decision to set up an independent firm, focused on supporting the governance and management of pension schemes. Next week, Muse Advisory turns 18, and whilst the business has grown up, the values and principles established in those early days are still the bedrock of what drives the Muse team.

A helicopter view

We have had the privilege of working with hundreds of schemes over the years, from the very largest in the country, to some of the smallest. Looking at the latest scheme statistics, we have worked with nearly 60% of the private sector schemes within the top 200 schemes in the country, as well as a number of the leading public sector schemes. Adding up the numbers for those schemes, our work has supported the running of schemes responsible for more than 10 million members, and over £800bn in assets.

The value of independence

We have talked a lot over recent months about independence, and why we believe that is valuable to both our clients, and us as a team. In a market where there are many conflicts, being independently owned gives us a clear focus on delivering the best outcomes for our clients (trustees and sponsors), and in turn, their members.

When I speak to our clients, a consistent message is that our independence makes a difference to the way that we are able to support them, their scheme, and their members. We look for the best possible outcome for them, rather than having any preconceived ideas as to what the right answer might be because that might help to support our business.

Consolidation of some aspects of pension scheme management can make sense and deliver benefits, but we believe very strongly that having a range of voices around the table leads to better outcomes. Having a Trustee Board that leads on setting the strategy, with a strong and separate pensions team (or executive) tasked with delivering that strategy, supported by independent advisers and providers, will nearly always lead to better outcomes. Sometimes it might take a little longer to get the right outcome, but that is a good thing. As TPR stated in a blog at the end of 2021, Trustee Board meetings should be uncomfortable at times, and if they are not, is that because of the prevalence of Group Think?

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Diverse thinking and challenge delivers better results

Strong governance will lead to more challenge, to ensure that the decision taken is the very best one available. A decision with no challenge may be made more quickly, and might still be a good decision, but could a better outcome have been achieved? Would all of the potential challenges have been duly considered, and will the Trustee Board be able to demonstrate that they fulfilled their duties with due care and diligence? No one has the benefit of a crystal ball, but learning from best practice and having the benefit of several experienced heads around the table at those critical times can deliver something close.

Having been in what feels like a constant state of change in our industry over the past 18 years, with a new Pension Schemes Bill on the agenda, we cannot see that changing. Trustee Boards need to know that their advisers are there to support them when and where they need help. They want to know that the decisions that they take are the best ones available given all the relevant facts and information, and we plan to continue to provide that support and challenge to our clients for many years to come.

