



Using a pension scheme budget more efficiently

The issue

A scheme sponsor was concerned that **adviser fees were excessive**. PSIT was asked to tender for the position of independent chair of trustees. They needed someone who could assess whether cost savings could be achieved and manage advisers' costs in general.

What we did

PSIT observed a trustee meeting shortly before our formal appointment. We could immediately suggest a more efficient structure for future meetings and the use of advisers, for example:

- **changing the meeting venue** to the company's head office
- **cutting down the number of advisers** present at every trustee meeting
- ensuring all **advice requirements are discussed and budgeted for** in advance
- **PSIT taking on the trustee minute taking role** from the legal advisers
- removing the incumbent IFA and instead tender to appoint an investment adviser to provide **more relevant and tailored advice**
- **introducing transparency and a fixed fee basis** to the administrator's charging structure

We discussed all these changes openly with our co-trustees and the advisers before implementation so everyone was comfortable. PSIT's knowledge is critical for the new governance structure to work effectively as **we understand when advisers need to be approached for advice and when they do not**.

This was tested in the first year with a renegotiation of a property charge. PSIT and the employer openly discussed the employer's need to amend the charge to cover different properties. Once the trustees understood the employers' intentions, we liaised with the trustees' legal advisers to agree a final mortgage document which **met the employer's needs** and also **better protected the trustees'** position.

This was all **achieved with pre-agreed budgets** for PSIT's input and the legal advice.