



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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**Item 8**

21<sup>st</sup> June 2022

## TRAINING POLICY, PRACTICE AND PLAN

### Purpose of Report:

To present a training policy and practice statement for the Strathclyde Pension Fund together with a training plan for 2022/23.

### Recommendations:

The Committee is asked **to NOTE** the contents of this report and **to APPROVE** the training policy and practice statements set out in Appendix B and the 2022/23 training plan set out in Appendix D.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes  No  consulted: Yes  No

#### **PLEASE NOTE THE FOLLOWING:**

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## **1 Regulatory Background**

Appendix A sets out the legal and regulatory background to training requirements for those involved in the management of pension schemes together with the role of the Pensions Regulator in this regard.

## **2 Practice and Policy Statements**

CIPFA (the Chartered Institute of Public Finance and Accountancy) maintains a Code of Practice on Public Sector Pensions Finance Knowledge and Skills. The Code recommends that all organisations responsible for the financial management of public sector pension schemes should adopt CIPFA's practice and policy statements. These are set out in Appendix B.

## **3 Strathclyde Pension Fund - Training Plan 2022/23**

### **3.1 Objective**

The objective of the training plan is to ensure that all staff, Committee members and Board members with a role in the management and governance of the Strathclyde Pension Fund are fully equipped with the knowledge, skills and understanding to discharge the duties and responsibilities allocated to them.

### **3.2 Knowledge and Skills Framework**

The CIPFA framework sets out the following key areas:

- Pensions legislations and guidance
- Pensions governance
- Funding strategy and actuarial methods
- Pensions administration and communications
- Pensions financial strategy, management, accounting, reporting and audit standards
- Investment strategy, asset allocation, pooling, performance and risk management
- Financial markets and product knowledge
- Pensions services procurement, contract management and relationship management

Committee and Board members should have an understanding of the general principles in these areas. All members should have some understanding, and collectively the committee and board need to have sufficient knowledge and skills to carry out their respective functions.

Senior officers are required to have a detailed knowledge of their areas of responsibility.

A detailed Knowledge and Skills Framework including links to sources of information is attached at Appendix C.

### **3.3 Strategy**

Individual training needs will vary, and members are encouraged to assess their own requirements against the Knowledge and Skills Framework. The training plan will ensure that a variety of opportunities are available both for introductory training and for ongoing development on a regular basis. Training will be delivered using existing resources wherever possible. Members should

advise the Director of any specific training needs and these will be addressed either individually or collectively.

### **3.4 Plan**

The training plan for 2022/23 is set out in Appendix D.

### **3.5 Records**

Appropriate records of the learning activities of the committee and board and their respective members will be maintained.

### **3.6 Review and Assessment**

The Director of Strathclyde Pension Fund will assess overall training needs and objectives, and review the Training Plan annually.

## **4 Review of 2021/22 Training Plan**

The 2021/22 training plan was agreed at the Committee's meeting on 2<sup>nd</sup> June 2021.

Training offered and delivered during the year included the following.

- Induction training for new committee and board members
- Committee/ Board Briefings or workshops on:
  - Current Investment Environment (Oldfield Partners)
  - Investing in the UK Build to Rent Market (Legal & General)
  - Investing in Core Infrastructure (Equitix)
  - Climate Change (SPF Officers & Hymans Robertson)
  - UK Property Portfolio (DTZ))
- Attendance at external events (mostly virtual):
  - LGC Investment Seminar Scotland 2021
  - PLSA Local Authority Conference 2021
  - PLSA Annual Conference 2021
  - LGPS Scotland Training Event 2021
- Support in completing The Pensions Regulator's Public Service Toolkit

In addition, many agenda items considered at Committee and Board meetings are to note, for information.

## **5 Policy and Resource Implications**

### **Resource Implications:**

*Financial:* None.

*Legal:* See paragraph 1 and Appendix A.

*Personnel:* None.

*Procurement:* None.

## Equality and Socio-Economic Impacts:

*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.*

n/a

*What are the potential equality impacts as a result of this report?*

No significant impact.

*Please highlight if the policy/proposal will help address socio-economic disadvantage.*

## Climate Impacts:

*Does the proposal support any Climate Plan actions? Please specify:*

Not directly.

*What are the potential climate impacts as a result of this proposal?*

None.

*Will the proposal contribute to Glasgow's net zero carbon target?*

N/a.

## Privacy and Data Protection Impacts:

### 6 Recommendation

The Committee is asked **to NOTE** the contents of this report and **to APPROVE** the Training Policy and Practice Statements set out in Appendix B and the 2022/23 Training Plan set out in Appendix D.

## Regulatory Background

### 1 Myners Principles/ CIPFA / LGPS Regulations

Training expectations for pension fund trustees were defined in the 2001 Myners Principles. They were revised and updated in the revised principles published in 2009. Principle 1 *Effective Decision Making* reads as follows.

*Administering authorities should ensure that:*

- *decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation; and*
- *those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.*

Administering authorities are required by the Local Government Pension scheme regulations, to state within their Statement of Investment principles the extent of their compliance with the principles and guidance and the reasons for any non-compliance.

### 2 CIPFA Code of Practice

During 2011 CIPFA launched a Code of Practice on Public Sector Pensions Finance Knowledge and Skills. The Code seeks to embed the requirements for the acquisition, retention and maintenance of appropriate knowledge and skills. The Code of Practice is underpinned by four key principles:

1. Organisations responsible for the financial administration of public sector pension schemes recognise that effective financial management, decision-making and other aspects of the financial administration of public sector pension schemes can only be achieved where those involved have the requisite knowledge and skills.
2. Organisations have in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of public sector pension scheme finance knowledge and skills for those in the organisation responsible for financial administration and decision-making.
3. The associated policies and practices are guided by reference to a comprehensive framework of knowledge and skills requirements such as that set down in the CIPFA Pensions Finance Knowledge and Skills Frameworks.
4. The organisation has designated a named individual to be responsible for ensuring that policies are implemented.

The Code of Practice recommends that all organisations responsible for the financial management of public sector pension schemes should adopt CIPFA's practice and policy statements. The proposed statements for adoption by the Strathclyde Pension Fund are set out in Appendix B.

### **3 The Pensions Regulator (TPR)**

#### **3.1 Background**

From 1<sup>st</sup> April 2015 the Pension Regulator (TPR) became responsible for regulatory oversight of public service pension schemes including the LGPS as a result of the Public Service Pensions Act 2013. In January 2015 TPR published a Code of Practice for the Governance and Administration of Public service Pension Schemes.

#### **3.2 TPR Code of Practice**

##### **3.2.1 Overview**

The code is particularly directed at scheme managers and the members of pension boards and is structured as a reference document to be used by them to inform their actions in the core areas of:-

- governing your scheme
- managing risks
- administering your scheme and
- resolving issues.

##### **3.2.2 Governing your scheme**

This part of the code covers:

- knowledge and understanding required by pension board members
- conflicts of interest and representation, and
- publishing information about schemes.

##### **3.2.3 Knowledge and Understanding**

The code provides that a member of the pension board of a public service pension scheme must be conversant with:

- the rules of the scheme, and
- any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

A member of a pension board must have knowledge and understanding of:

- the law relating to pensions, and
- any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board.

##### **3.2.4 Practical Guidance**

The legislative requirements about knowledge and understanding only apply to pension board members. However, scheme managers should take account of this guidance as it will support them in understanding the legal framework and enable them to help pension board members to meet their legal obligations.

Schemes should establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support their pension board members. Schemes should designate a person to take responsibility for ensuring that a framework is developed and implemented.

However, it is the responsibility of individual pension board members to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the pension board.

### **3.3 Public Service Toolkit**

The Pensions Regulator has developed a toolkit for anyone involved in the governance and administration of public service pension schemes. This includes scheme contacts, scheme managers, pension board members, administrators and professional advisers. The Public Service toolkit is an excellent means to learn about managing public service pension schemes and to increase knowledge and understanding. Training modules include the key areas of:

- Conflicts of interest
- Managing risks and internal controls
- Maintaining accurate member data
- Maintaining member contributions
- Providing information to members and others
- Resolving internal disputes and
- Reporting breaches of the law.

The toolkit is updated regularly.

The toolkit is available at:

<http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>

## **4 MiFID**

The Markets in Financial Instruments Directive is the EU legislation regulating firms providing services to clients linked to 'financial instruments' (shares, bonds, units in collective investment schemes and derivatives), and the venues where those instruments are traded. Strathclyde Pension Fund is generally treated as a Professional Client under MiFID II. This category applies to a client who possesses the experience, knowledge and expertise to make its own investment decisions and duly assess the risk those investment decisions incurs. If SPF was unable to demonstrate such experience, knowledge and expertise, the default treatment would be as a retail investor. Retail investors enjoy greater protection but restricted access to investments under MiFID regulations.

## Training Policy and Practice Statements

### Policy Statement

- Glasgow City Council, as administering authority for the Strathclyde Pension Fund, recognises the importance of ensuring that all staff and members charged with financial administration and decision-making with regard to the Fund and the local government pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.
- The Council therefore seeks to utilise individuals who are both capable and experienced and will provide or arrange training for staff and members of the pensions decision-making bodies to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

### Practice Statement

- Glasgow City Council, as administering authority for the Strathclyde Pension Fund, adopts the key recommendations of *the Code of Practice on Public Sector Pensions Finance Knowledge and Skills*.
  - The Council recognises that effective financial administration and decision-making can only be achieved where those involved have the requisite knowledge and skills.
  - Accordingly the Council will ensure that it has formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of the relevant public sector pension scheme finance knowledge and skills for those in the organisation responsible for financial administration and decision-making.
  - These policies and practices will be guided by reference to the comprehensive framework of knowledge and skills requirements as set down in the CIPFA Pensions Finance Knowledge and Skills Frameworks.
  - The Council will report on an annual basis how these policies have been put into practice throughout the financial year.
  - The Council has delegated the responsibility for the implementation of the requirements of the CIPFA Code of Practice to the Director of Strathclyde Pension Fund, who will act in accordance with the Council's policy statement, and with *CIPFA Standards of Professional Practice* (where relevant).
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Knowledge and Skills Matrix

| Area   | Knowledge and Skills  | Sources  |
|--|---|--|
| <p><b>Pensions legislations and guidance</b></p> | <p><b>General pensions framework</b></p> <p>A general understanding of the pensions legislative framework in the UK.</p> <p>A general understanding of other legislation that is relevant in managing an LGPS fund e.g. Freedom of Information, General Data Protection Regulations (GDPR) and local authority legislation.</p> <p><b>Scheme-specific legislation</b></p> <p>A general understanding of the legislation and statutory guidance specific to the scheme and the main features relating to benefits, administration, funding, governance, communications and investment including:</p> <ul style="list-style-type: none"> <li>▪ A general understanding of the LGPS (Scotland) Regulations 2018.</li> <li>▪ A general understanding of the LGPS (Scotland) (Management and Investment of Funds) Regulations 2010.</li> </ul> <p>An awareness of LGPS discretions and how the formulation of the discretionary policies impacts on the fund, employers and scheme members.</p> <p>A regularly updated awareness of the latest changes to the scheme rules and current proposals or potential changes to the scheme.</p> | <p>Induction Training</p> <p><a href="http://www.scotlgpsregs.org/landscape/relatedleg.php">http://www.scotlgpsregs.org/landscape/relatedleg.php</a></p> <p>Induction Training</p> <p><a href="http://www.scotlgpsregs.org/schemeregs/lgpsregs2018/timeline.php">http://www.scotlgpsregs.org/schemeregs/lgpsregs2018/timeline.php</a></p> <p><a href="http://www.lgpsregs.org/timelineregs/scot/maninvst/miidx10.htm">http://www.lgpsregs.org/timelineregs/scot/maninvst/miidx10.htm</a></p> <p>Administration Strategy</p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=16030">https://www.spfo.org.uk/index.aspx?articleid=16030</a></p> <p>Periodic committee papers.</p> |

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|  | <p><b>Guidance</b></p> <p>A general understanding of the requirements of statutory guidance from the Responsible Authority, Scottish Government.</p> <p>A general understanding of the requirements of the TPR Code of Practice.</p> <p>An awareness of the requirements of guidance from the Scheme Advisory Board.</p> <p>An awareness of the requirements of guidance from the Government Actuary's Department.</p> <p>An awareness of other guidance relevant to the LGPS, such as from CIPFA.</p> | <p><a href="https://pensions.gov.scot/">https://pensions.gov.scot/</a></p> <p><a href="https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/further-resources/public-service-code-of-practice">https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/further-resources/public-service-code-of-practice</a></p> <p><a href="https://lgpsab.scot/">https://lgpsab.scot/</a></p> <p>Induction Training.</p> <p>Periodic committee papers.</p> |
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## Knowledge and Skills Matrix

| Area                       | Knowledge and Skills   | Sources   |
|----------------------------|--|---|
| <b>Pensions Governance</b> | <p>An awareness of the LGPS regulations main features and requirements relating to the pension scheme governance.</p> <p>An awareness of statutory and other guidance relation to pension scheme governance including statutory governance guidance, TPR Code of Practice, CIPFA/SOLACE, Scheme Advisory Board guidance and the Myners principles.</p> <p><b>Pension regulators, Scheme Advisory Board and other bodies</b></p> <p>A general understanding of how the roles and powers of the Scottish Government, TPR, the Pensions Advisory Service (now Money Helper) and the Pensions Ombudsman relate to the workings of the scheme. A general understanding of the role of the Scheme Advisory Board and how it interacts with other bodies.</p> <p><b>General constitutional framework</b></p> <p>A general understanding of the role of the administering authority in relation to the LGPS.</p> <p>A general understanding of the role of pension committees in relation to the fund, administering authority, employing authorities, scheme members and taxpayers.</p> | <p><a href="https://www.scotlgpsregs.org/sc-hemeregs/govregs2015/ssi2015-60.php">https://www.scotlgpsregs.org/sc-hemeregs/govregs2015/ssi2015-60.php</a></p> <p>Induction Training</p> <p><a href="https://www.thepensionsregulator.gov.uk/en/about-us/how-we-regulate-and-enforce">https://www.thepensionsregulator.gov.uk/en/about-us/how-we-regulate-and-enforce</a></p> <p><a href="https://www.pensionsadvisoryservice.org.uk/">https://www.pensionsadvisoryservice.org.uk/</a></p> <p><a href="https://www.pensionsombudsman.org.uk/">https://www.pensionsombudsman.org.uk/</a></p> <p>Induction Training</p> <p>SAB guidance:</p> <p><a href="https://lgpsab.scot/fiduciary-duty-guidance/">https://lgpsab.scot/fiduciary-duty-guidance/</a></p> |

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|  | <p>An awareness of the role and statutory responsibilities of the CFO and monitoring officer.</p> <p><b>Fund specific governance</b></p> <p>A strong understanding of the terms of reference and delegated responsibilities of the pension committee (including any sub-committees), the pension board and any other delegated responsibilities to senior officers.</p> <p>A general understanding of the stakeholders of the fund and the nature of their interests.</p> <p>A general understanding of who the key officers responsible for the management of the fund are, how the pension team is structured and how services are delivered.</p> <p>A general understanding of the fund's strategies, policies and other key documents.</p> <p>A general understanding of how risk is monitored and managed, and the fund's current key risks.</p> | <p>Annual Governance Report</p> <p>Terms of Reference</p> <p><a href="https://www.glasgow.gov.uk/councillorsandcommittees/committee.asp?bodyid=17&amp;bodytitle=Strathclyde+Pension+Fund+Committee">https://www.glasgow.gov.uk/councillorsandcommittees/committee.asp?bodyid=17&amp;bodytitle=Strathclyde+Pension+Fund+Committee</a></p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=15814">https://www.spfo.org.uk/index.aspx?articleid=15814</a></p> <p>Actuarial Valuation Reports</p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=14494">https://www.spfo.org.uk/index.aspx?articleid=14494</a></p> <p>Policy Documents</p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=16026">https://www.spfo.org.uk/index.aspx?articleid=16026</a></p> <p>Risk Strategy</p> |
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|  | <p>A general understanding of how conflicts of interest are identified and managed.</p> <p>A strong understanding of how breaches in law are recorded and managed, and if necessary reported to TPR, including each individual's personal responsibility in relation to breaches.</p> <p>A general understanding of the fund's knowledge and skills policy and associated training requirements.</p> <p>An awareness of the fund's process for dealing with complaints, including its Internal Dispute Resolution Procedure.</p> <p>A general understanding of how the effectiveness of the fund's governance is reviewed.</p> <p><b>Service Delivery</b></p> <p>A general understanding of the required budget and resources needed to manage and administer the fund.</p> <p>A general understanding of the annual business planning cycle and budget setting.</p> <p>A general understanding of the fund's key performance indicators and other performance measures.</p> <p>A general understanding of the fund's business continuity policy and cyber security policy.</p> | <p><a href="https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/scheme-management">https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/scheme-management</a></p> <p>Training Plan</p> <p>Committee Reports</p> <p>Internal Audit Reports</p> <p>Business Plan</p> <p><a href="https://www.glasgow.gov.uk/councillorsandcommittees/viewDoc.asp?c=P62AFQDNZLDXNT810G">https://www.glasgow.gov.uk/councillorsandcommittees/viewDoc.asp?c=P62AFQDNZLDXNT810G</a></p> <p>Risk Policy</p> <p>Risk Register</p> |
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|  |  | <a href="https://www.spfo.org.uk/index.aspx?articleid=20464">https://www.spfo.org.uk/index.aspx?articleid=20464</a> |
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Knowledge and Skills Matrix

| Area   | Knowledge and Skills   | Sources   |
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| <p><b>Funding strategy and actuarial methods</b></p> | <p>An awareness of the LGPS regulations main features and requirements relating to funding strategy and the setting of employer contributions including associated guidance.</p> <p>A general understanding of the role of the fund actuary.</p> <p>A general understanding of the funding strategy statement and the expected delivery of the funding objectives.</p> <p>A general understanding of the key risks to the fund relating to the funding strategy.</p> <p><b>Valuations</b></p> <p>A general understanding of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring.</p> <p>An awareness of the costs to the employer including employer contributions and early retirement strain costs.</p> <p>An awareness of the different types of employer that participate in the fund</p> <p>A general understanding of the importance of employer covenant, the relative strengths of the covenant across the fund's employers, and how this impacts the funding strategy adopted.</p> <p>A general understanding of any legislative and/or benefit uncertainty and the impact of</p> | <p>Funding Strategy</p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=16031">https://www.spfo.org.uk/index.aspx?articleid=16031</a></p> <p>Induction Training/ Actuarial Valuation Training</p> <p>Actuarial Valuation</p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=14494">https://www.spfo.org.uk/index.aspx?articleid=14494</a></p> <p>Funding Strategy</p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=16031">https://www.spfo.org.uk/index.aspx?articleid=16031</a></p> |

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|  | <p>this on the funding strategy.</p> <p>A general understanding of the Scheme valuation and other work carried out by the Government Actuary's Department and the impact this has on the valuation process (i.e. cost management process/Section 13 report).</p> <p><b>New employer and exits</b></p> <p>A general understanding of the implications of including new employers into the fund and of the exit of existing employers.</p> <p>A general understanding of the relevant considerations in relation to the different types of new employer, e.g. outsourcings, alternative delivery models and also the considerations in relation to bulk transfers.</p> | <p>Committee Reports</p><br><p>Administration Reports</p><br><p>Administration Reports</p> |
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Knowledge and Skills Matrix

| Area   | Knowledge and Skills   | Sources   |
|--|--|---|
| <p><b>Pensions administration and communications</b></p> | <p>An awareness of the LGPS regulations main features and requirements relating to:</p> <ul style="list-style-type: none"> <li>- administration and communications strategies,</li> <li>- entitlement to and calculation of pension benefits,</li> <li>- transfers in and out of the scheme,</li> <li>- employee contributions and</li> <li>- the delivery of administration and communications.</li> </ul> <p>including associated guidance.</p> <p>A general understanding of the fund's pensions administration strategy including how it is delivered (including, where applicable, the use of third party suppliers and systems) performance measures and assurance processes.</p> <p>A general understanding of the fund's communications policy including how it is delivered (including, where applicable, the use of third party suppliers and systems), performance measures and assurance processes.</p> <p>A general understanding of best practice in pensions administration, e.g. performance and cost measures.</p> <p>A general understanding of the fund's processes and procedures relating to:</p> <ul style="list-style-type: none"> <li>- member data maintenance and record-keeping including data improvement</li> </ul> | <p>Induction Training</p> <p>Policy Documents</p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=16026">https://www.spfo.org.uk/index.aspx?articleid=16026</a></p> <p>Pension Administration Strategy</p> <p>Communications Policy</p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=16032">https://www.spfo.org.uk/index.aspx?articleid=16032</a></p> <p>Administration Reports</p> <p>Administration Reports</p> |

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|  | <p>plans and relationships with employers for data transmission</p> <ul style="list-style-type: none"><li>- contributions collection.</li></ul> <p>An awareness of how the fund interacts with the taxation system in relation to benefits administration, including the annual and lifetime allowances.</p> <p>A general understanding of additional voluntary contribution (AVC) arrangements including:</p> <ul style="list-style-type: none"><li>- the AVC arrangements that exist</li><li>- the choice of investments to be offered to members</li><li>- the provider's investment and fund performance,</li><li>- the payment of contributions to the provider</li><li>- the benefits that can be received by scheme members,</li><li>- how and when the AVC arrangements, including the investment choices, are reviewed.</li></ul> | <p>Induction Training</p> <p>Prudential</p> <p><a href="https://www.pru.co.uk/rz/localgov/?utm_source=redirect&amp;utm_medium=301&amp;utm_campaign=/rz/localgov/scotland/avcs/">https://www.pru.co.uk/rz/localgov/?utm_source=redirect&amp;utm_medium=301&amp;utm_campaign=/rz/localgov/scotland/avcs/</a></p> |
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**Knowledge and Skills Matrix**

| Area  | Knowledge and Skills  | Sources  |
|---|---|--|
| <p><b>Pensions financial strategy, management, accounting, report and audit standards</b></p> | <p>A general understanding of the Accounts and Audit Regulations and legislative requirements relating to role of the committee and individual members in considering and signing off the fund's accounts and annual report.</p> <p>A general understanding of the various elements of income and expenditure to the fund, including the operational budget.</p> <p>A general understanding of the cashflows of the fund and how risks are managed to ensure appropriate cash is available to pay benefits and other outgoings.</p> <p>A general understanding of the role of both internal and external audit in the governance and assurance process.</p> | <p>Annual Report</p> <p>Business Plan</p> <p>Financial Statements</p> <p>Audit Reports</p> |

Knowledge and Skills Matrix

| Area  | Knowledge and Skills  | Sources  |
|---|---|--|
| <p><b>Investment strategy, asset allocation, pooling, performance and risk management</b></p> | <p>An awareness of the LGPS regulations main features and requirements relating to investment strategy, asset allocation, the pooling of investments and responsible investments including associated guidance.</p> <p><b>Investment strategy</b></p> <p>A general understanding of the key risks that the fund is exposed to and how a fund's investment strategy should be considered in conjunction with these risks.</p> <p>A general understanding of the risk and return characteristics of the main asset classes (equities, bonds, property), and the need to balance risk versus reward when determining the investment strategy.</p> <p>A general understanding of the role of these asset classes in long-term pension fund investing.</p> <p>A general understanding of the fund's cashflow requirements and how this impacts on the types on investments considered.</p> | <p>Induction Training</p> <p>Risk Policy</p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=20464">https://www.spfo.org.uk/index.aspx?articleid=20464</a></p> <p>Investment Strategy Review</p> <p>Statement of Investment Principles/ Investment Updates</p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=16026">https://www.spfo.org.uk/index.aspx?articleid=16026</a></p> <p>Business Plan/ IAP reports</p> |

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|  | <p><b>Total fund</b></p> <p>A general understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.</p> <p><b>Performance of the committee</b></p> <p>An awareness of the Myners principles and the need to set targets for the committee and to report against them.</p> <p>An awareness of the range of support services, provided to the committee who supplies them and the nature of the performance monitoring regime.</p> <p><b>Responsible Investment</b></p> <p>An awareness of the latest developments and requirements in the area of responsible investment.</p> <p>An awareness of the UK Stewardship Code and the United Nations Principles of Responsible Investment ('UNPRI') and whether the fund is a signatory to these.</p> | <p>Investment Reports</p> <p>Investment Advisory Panel reports</p> <p>Training Plan/Business Plan</p> <p>Responsible Investment Reports<br/>(included in Investment Updates and Annual Report)</p> <p><a href="https://www.spfo.org.uk/index.aspx?articleid=14484">https://www.spfo.org.uk/index.aspx?articleid=14484</a></p> |
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A general understanding of the fund's approach to responsible investment including how views on Environmental, Social and Governance issues are incorporated into the fund's investment strategy.

**Risk Management**

A general understanding about how to manage and reduce risk and lessen impact of risk on assets when it arises.

<https://www.spfo.org.uk/index.aspx?articleid=14486>

Risk Policy

<https://www.spfo.org.uk/index.aspx?articleid=16026>

Statement of Investment Principles

<https://www.spfo.org.uk/index.aspx?articleid=14498>

Knowledge and Skills Matrix

| Area   | Knowledge and Skills  | Sources   |
|--|---|---|
| <p><b>Financial markets and products knowledge</b></p> | <p><b>Financial markets</b></p> <p>A general understanding of the primary importance of the investment strategy decision.</p> <p>A general understanding of the workings of the financial markets and of the investment vehicles available to the pension fund and the nature of the associated risks.</p> <p>An awareness of the restrictions placed by legislation on the investment activities of LGPS funds.</p> <p><b>MiFID II</b></p> <p>A general understanding of MiFID II requirements relating to the knowledge of decision makers.</p> | <p>Induction Training</p> <p>Investment Reports</p> <p>Committee Briefings</p> <p>Training Plan</p> |

Knowledge and Skills Matrix

| Area   | Knowledge and Skills   | Sources  |
|--|--|--|
| <p><b>Pensions services procurement, contract management and relationship management</b></p> | <p><b>Understanding public procurement</b></p> <p>An awareness of the main public procurement requirements of UK and EU legislation and the use of national frameworks within the context of the LGPS.</p> <p><b>Fund suppliers</b></p> <p>Awareness of the key decision makers in relation to the fund's procurements.</p> <p>A general understanding of the fund's suppliers and providers, and their roles in the management of the fund.</p> <p>An awareness of how the fund's suppliers are monitored, including:</p> <ul style="list-style-type: none"> <li>- the Myners principles, and</li> <li>- the need for strategic objectives for investment consultants.</li> </ul> <p><b>Supplier risk management</b></p> <p>A general understanding of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting external suppliers and providers.</p> <p>A general understanding of how the pension fund monitors and manages the performance of their external suppliers and providers, including business continuity and cyber risk.</p> | <p>Induction Training</p> <p>Committee Reports</p><br><p>Committee Briefings</p><br><p>Investment Advisory Panel reports</p><br><p>Induction Training/ Committee Reports</p><br><p>Audit Reports</p> |

## Strathclyde Pension Fund - Training Plan 2022/23

i. **Introductory/refresher training** will be provided to all committee and board members at the earliest opportunity.

ii. **Regular Briefings**

The practice of holding a briefing session on a relevant or topical issue during each of the quarterly meetings of the Committee and Board will continue. Briefing papers will also be produced to update the Committee and Board in respect of significant developments in relevant areas.

iii. **Training Sessions**

*Ad-hoc* internal training sessions will be organised to deliver ongoing training and/or to address particular issues or decisions as they arise.

iv **Public Service Toolkit**

The toolkit is available at:

<http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>

Relevant staff, Committee members and Board members should use the toolkit to develop their own knowledge and understanding as they consider appropriate.

The toolkit includes brief assessments as part of each of its individual courses or modules. Completion of the modules will assist individuals in identifying any further training needs.

v. **Individual Assessment and Training**

Further training will be provided on the basis of individual needs identified through completion of the Public Service Toolkit courses or at other times. Committee and Board members should contact the Director or officers to discuss any individual training needs. Assessment of overall progress will be used as the basis for planning future briefings and training sessions.

vi. **External Training Events**

Committee and Board members will be advised of appropriate external training events which they may wish to attend. Some events will continue to be held virtually for the foreseeable future.

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