

Training Policy 2021/22



Surrey
Pension
Fund

Our Mission



To deliver **first-class service** to **Surrey Pension Fund stakeholders** through **strong partnerships** with scheme members, employers, the Border to Coast Pool and the wider **LGPS community**.

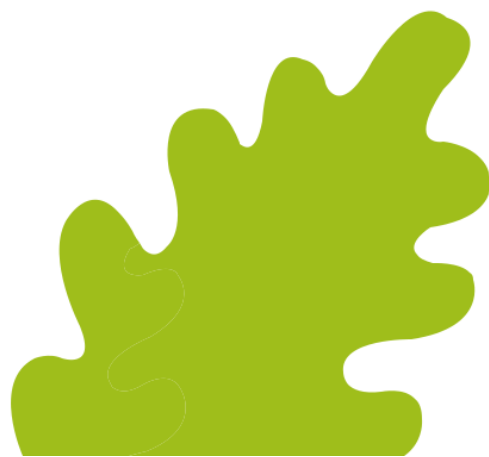
The **highest standards of corporate governance** are **fundamental** to our approach underpinned by **informed decision making** **Environmental, social and Governance considerations**, risk **management** and use of **technology**.





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Introduction

Surrey Pension Fund is committed to providing training to those involved in the governance of the Fund and to ensure members have the necessary skills and knowledge to act effectively in line with their responsibilities.

The purpose of the training policy is to:

- 🌿 Equip members and officers with the necessary skills and knowledge to be competent in their role.
- 🌿 Provide those with responsibility for governing the Fund to evaluate the information they receive and effectively challenge it where appropriate.
- 🌿 Support effective and robust decision making.
- 🌿 Meet the required needs in relation to the Fund's objectives.

It is important that members in both Fund Committee and the Local Board commit to participating in appropriate training events to ensure that they have the necessary skills required to support them in their decision-making role.

Pension Board Specific requirement

In accordance with Section 248A of the Pensions Act 2004 and redrafted by the Pensions Act 2013, every member of the Surrey Local Pension Board must be conversant with:

- 🌿 The rules of the Local Government Pension Scheme (LGPS), such as the Transitional Regulations and the Investment regulations.
- 🌿 Any document recording policy about the administration of the Surrey Pension Fund which is for the time being adopted in relation to the Surrey Pension Fund.

Local Pension Board members should also have knowledge and understanding of:

- 🌿 The law relating to pensions
- 🌿 Such other matters as may be prescribed.

Induction training

Local Pension Board members must complete induction training within the first three months of their appointment. This consists of an online training course provided in a Public Sector Toolkit by the Pensions Regulator (TPR) as part of TPR Trustee Toolkit.

The Pensions Regulator Toolkit

The TPR Trustee toolkit provides a guide to understand the Governance and administration requirement in the public service schemes Code of Practice no.14.

The toolkit includes nine Essential learning for trustee compulsory modules and seven Public Sector Toolkit compulsory online learning modules that must be completed successfully to pass the induction training.

The nine essential learning for trustee compulsory modules test Board members knowledge in the following key areas:

- 🌿 Introducing pension schemes;



- ✻ The trustee's role;
- ✻ Running a scheme;
- ✻ Pensions law;
- ✻ An introduction to investment;
- ✻ How a defined benefit scheme works;
- ✻ Funding your defined benefit scheme;
- ✻ Defined benefit recovery plans, contributions and funding principles;
- ✻ Investment in a defined benefit schemes.

The seven Public Sector Toolkit compulsory modules test Board members knowledge in the following key areas:

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

Although the toolkit is designed with Board members in mind, however in the view of the Fund the material covered is of equal relevance to members of the committee.

The Pension Regulator website is available at:

<https://trusteetoolkit.thepensionsregulator.gov.uk/>

Markets in Financial Instruments Directive II (MIFID II)

Surrey Pension Fund need to demonstrate a high level of skills and knowledge across the Fund Committee and Local Board to enable the Fund to opt-up and be recognised as an professional investor rather than a retail investor to continue to receive advice and access to investment products at a level commensurate with the types of investment required for the Fund.

Failure to adequately demonstrate a high level of collective skills and knowledge across the Pension Fund Committee and Local Pension Board could result in the loss of professional investor status and therefore access to the appropriate investment opportunities.

Delivery of training

Training and development support for committee members and officers will be delivered through a variety of methods including. The training for Officers will also be made available for the Section 151 when applicable

Committee members	Officers
Pension Regulator on-line toolkit	Training for qualifications from recognised professional bodies (e.g. CIPFA)
Attending seminars, courses and external events	Attending seminars, courses and external events
Investment advisor/Actuary training	Circulated reading material
Circulated reading material	One to One
Fund manager training	



Regular updates from officers	
In-house	

Where appropriate training will be provided jointly for the Committee, Local Board and officers. In consultation with the chairman, expression of interest will be sought from members to attend relevant trainings throughout the year.

Training Plan

To be effective, training must be recognised as a continual process and will be centred on 3 key points

- 🌿 The collective knowledge of the committee
- 🌿 The general pensions environment
- 🌿 Coping with changes (e.g. legislation)

On joining the fund committee or Local Board, induction will be provided. This will involve covering their roles and responsibilities to allow them to participate in decision making.

An induction file will also be provided to new members and it will contain key documents relevant to the Fund and other useful information.

As part of their commitment to good scheme governance, Board members shall endeavour to attend at least two Local Pension Board meetings per year.

Training plans will be developed at least on annual basis. There will be updates as required taking account of the identification of any knowledge gaps, changes in legislation, key legislation (e.g. triennial valuation) and receipt of updated guidance.

Knowledge and Skills Framework

There are six areas of knowledge and skills that have been identified as the core requirements of those working in LGPS. They are:

- 🌿 Pensions legislative and governance context
- 🌿 Pensions accounting and auditing standards
- 🌿 Financial services procurement and relationship management
- 🌿 Investment performance and risk management
- 🌿 Financial markets and products knowledge
- 🌿 Actuarial methods, standards and practices

Fund Committee and Local Board are expected to have collective understanding and officers are expected to have detailed understanding of these areas of knowledge and skills.

Acquiring, Monitoring and Reviewing knowledge and Skills

Committee and Local Board members must ensure they have appropriate degree of knowledge and understanding to carry out their stewardship role. Therefore, members should invest sufficient time in their learning and development alongside their responsibilities and duties.



In order to ensure Pension Committee and Board members have sufficient breadth of knowledge and understanding, they are encouraged to undertake a personal training needs analysis and annual review of their skills, competencies and knowledge to identify any gaps or weaknesses.

The pension regulator has provided training needs analysis template to support this process. The document can be found at www.tpr.gov.uk/ps-knowledge.

SAB Good Governance Review, July 2019

The SAB Good Governance Review published in July 2019, also proposed enhanced training requirements for the Section 151 Officer as well as Pensions Committee Members on par with Local Pensions Board Members.

Officer Training

It is important that Officers in the fund have the necessary skills and knowledge to carry out the tasks of managing the Fund's investments and administering the payment of benefits. The knowledge and skills required of staff are set out in their job descriptions, including any formal qualifications required for the role. Officers should be familiar with the requirements of the CIPFA Code of Practice on Knowledge and Skills and should have knowledge of the six areas of the framework.

Officers will attend relevant training events and seminars during the year to ensure they remain up to date with latest requirements. In additions, officers are also required to keep up to date with relevant issues effecting the pension fund.

For officers, there will be particular focus on the following areas:

1. **Public Sector Pension Governance** – Understanding the guidance and regulations in relation to local pension boards, and keeping up-to-date with how other Funds are working with their boards, in order that the Pension Board can be supported effectively and add value to the governance of the Fund.
2. **New Investment Arrangements** – Understanding the implications of how the Financial Conduct Authority (FCA) will implement the Markets in Financial Instruments Directive (MiFIDII) and how Surrey Pension Fund will comply.
3. **New Investment Products** – Keeping up-to-date with what the market is offering, in order to assess the validity of new products for investment by the Surrey Pension Fund.
4. **Accounting Issues** – Keeping up-to-date with the latest CIPFA guidance on the format of the Pension Fund Statement of Accounts and the content of the Annual Report.
5. **Pensions Admin Regulations** – Understanding the latest guidance and interpretation of changes to LGPS Regulations and their impact on procedures.
6. **Pensions Admin Systems** - Keeping up-to-date with updates/new releases to the software system Altair, passing training onto all staff.
7. **Actuarial methods, Standards and Practises** – Understanding the work of the actuary and the ways in which actuarial information is produced



Officers Training Budget 2021/22 (Estimated costs)

Training	Cost
External Training – LGA	
Three members of staff attending four LGA courses @ £280 + VAT pp (Estimated 2021 cost)	£3,360
External Training – Professional Courses	
Two members of staff studying the Foundation Degree in Pensions Administration and Management @ £3,095 + VAT pp (Estimated 2021 cost)	£6,190
CIPP Membership @ £130 + VAT pp (Estimated 2021 cost)	£260
Five members of staff studying the Certificate in Pensions Administration @ £1,595 + VAT pp (Estimated 2021 cost)	£7,975
CIPP Membership @ £130 + VAT pp (Estimated 2021 cost)	£650
Five members of staff studying Management & Project Courses @ £1,500 + VAT pp (Estimated 2021 cost)	£7,500
External Training – Heywoods	
Two members of staff attending five Heywoods courses @ £507 + VAT pp (Estimated 2021 cost)	£5,070
Total Estimated Training Costs	£31,005

The Pension Fund has a dedicated training manager and officers are regularly encouraged to attend training or study for a professional qualification. These qualifications sets out to ensure an in-depth understanding of the Local Government Pension Scheme (England and Wales) whilst providing management skills including time, project and operational management.

Training Delivered over last year





The recent training activity received by the Fund Committee and Local Board include the following:

- 🌿 Environmental, Social & Governance (ESG) Training for Pension Fund Committee
- 🌿 National Knowledge Assessment
- 🌿 Environmental, Social & Governance (ESG) Training for Local Pension Board



Training Plan 2021/22

The proposed training plan for Pension Fund Committee and Local Pension Board members for 2021/22 is as follows (please note this may be subject to change).

Title of Session	Training Context	Timescale	Training Length	Audience	Complete
PLSA Local Authority Conference	Various	18 -19 May 2021, Webinar	2 days	Committee, Pensions Board and Officers	
The Local Authority Responsible Investment Seminar	 Climate Regulation  Impact Investment  RI initiatives in the LGPS  Setting and delivering RI	28-29 April 2021, Webinar	2 days	Committee, Pensions Board and Officers	
CIPFA – Local Pensions Board Members Annual Full Day Event	Various	23 June 2021, London	1 day	Pensions Board	
LAPF Strategic Investment Forum	Various	5-6 July 2021, The Grove Hotel Hertfordshire	2 Days	Committee, Pensions Board and Officers	
CIPFA’s annual public finance conference	Various	7-8 July 2021, Webinar	2 days	Committee, Pensions Board and Officers	
Investment performance and risk management	Various	TBC	1 day	Committee, Pensions Board and Officers	
Actuarial Methods	Various	TBC	1 day	Committee, Pensions Board and Officers	
Pensions administration and SAB Good Governance	Various	TBC	1 day	Committee, Pensions Board and Officers	
Role of the Committee and pensions legislation	Various	TBC	1 day	Pensions Committee	



Procurement and relationship management	Various	TBC	1 day	Pensions Board	
Pensions governance	Various	TBC	1 day	Pensions Committee	
Accounting and audit standards for the Board	Various	TBC	1 day	Pensions Board	
Valuation training sessions	Various	TBC	1 day	Committee, Pensions Board and Officers	
Border to Coast Conference	Various	30 September – 1 October 2021, Leeds	2 days	Committee, Pensions Board and Officers	
PLSA Annual conference	Various	12 – 14 October 2021, Webinar	3 days	Committee, Pensions Board and Officers	
Fundamental Training – Day 1	Legal Framework of the LGPS	12 October 2021, London	1 day	Committee, Pensions Board and Officers	
Fundamental Training – Day 2	LGPS Investments	9 November 2021, London	1 day	Committee, Pensions Board and Officers	
Fundamental Training – Day 3	Duties and Responsibilities	2 December 2021, London	1 day	Committee, Pensions Board and Officers	
LAPFF, Bournemouth	Various presentations around the work of the LAPFF	8 – 10 December 2021	3 days	Committee, Pensions Board and Officers	



Cost

Where there is a cost involved in providing the training this will be paid by the Pension Fund. A budget will be allocated for members training in the Fund's business plan. Ultimately costs will depend on the levels of training and support required by individual members. Some training and support will be provided at nil cost through officers, existing material and online access, and as part of existing providers or advisors roles.

Training Monitoring and Reporting

In order to identify whether the objectives of the Policy are being met, Fund officers will maintain a training log to record trainings attended by both members and officers.

Pension Fund Committee and Local Pensions Board members will be required to participate in Hymans National Knowledge Assessment (NKA) to assess their overall level of 'Knowledge and Understanding'. The NKA will be in the form of a short self-assessment questionnaire to identify any perceived development needs. Training on the identified areas will be provided as necessary, including induction and on an ongoing refresher basis.

A report will be also presented to the Fund Committee and Pension Board on an annual basis setting out:

- Training provided/attended by members in the previous year.
- any actions required, such as review of the Training Plan.

Pension Fund Committee and Local Pensions Board members will be provided with details of forthcoming conferences, seminars and relevant training events as well as annual summary of the events attended.



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