

Training Policy

2023/24



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Training Policy 2023/24

Introduction

1. Surrey Pension Team (SPT) is committed to providing training to those involved in the governance of the Surrey Pension Fund (the Fund) and to ensure Pension Fund Committee and the Local Pension Board members have the necessary skills and knowledge to act effectively in line with their responsibilities.
2. The objectives of this training policy are to:
 - a. Ensure the Fund is managed, and its services delivered, by members and officers with the appropriate knowledge and expertise to be competent in their role.
 - b. Provide those with responsibility for governing the Fund to evaluate the information they receive and effectively challenge it where appropriate.
 - c. Support effective and robust decision making, ensuring decisions are well founded and comply with Regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC).
 - d. Ensure an understanding of the operation and administration of the Surrey Pension Fund.
 - e. Meet the required needs in relation to the Fund's objectives.
3. It is important that members in both the Pension Fund Committee and the Local Pension 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.
4. In addition, officers responsible for the management and administration of the LGPS will be expected to receive appropriate training to fill any knowledge gaps identified and seek to maintain their knowledge.
5. The Fund will demonstrate compliance with its training plan on a yearly basis through the Annual Report.

Local Pension Board

6. 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:
 - a. The rules of the Local Government Pension Scheme (LGPS), such as the Transitional Regulations and the Investment regulations.
 - b. 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.
7. Local Pension Board members should also have knowledge and understanding of:
 - a. The law relating to pensions
 - b. Such other matters as may be prescribed.

Induction training

8. On joining the Pension Fund Committee or Local Pension Board, all new members will receive a Member Induction Handbook and access to the LGPS Online Learning Academy (LOLA) and the Surrey Pension Team Governance SharePoint site.
9. The LGPS Online Learning Academy (LOLA) contains LGPS specific learning modules, and the Surrey Pension Team Governance SharePoint site contains a documents hub, materials from previous training courses and details of the upcoming training available.
10. Local Pension Board members must complete, by their first meeting or within the first three months of their appointment if earlier, the online training courses provided in the Public Service Toolkit by the Pensions Regulator (TPR), and within the first six months of their appointment, the TPR Trustee Toolkit.
11. Local Pension Board members must complete, within the first twelve months of their appointment, the online training courses available on the LGPS Online Learning Academy (LOLA), with the first introductory module being completed before their first meeting.
12. Local Pension Board members must attend the LGA three-day training course which covers the Fundamentals of the LGPS at the earliest opportunity, and within the first twelve months of their appointment.

13. Local Pension Board members must familiarise themselves with the Surrey Pension Fund website and the information held on the site.

14. Local Pension Board members must assess their training needs by completing the training needs analysis template that the Pension Regulator has provided to support this process. The document can be found at:
<https://trusteetoolkit.thepensionsregulator.gov.uk/mod/page/view.php?id=337>

15. Whilst Local Pension Board members must complete the training, it is a requirement of the Surrey Pension Fund that Pension Fund Committee members also complete the training within the required timescales set out above.

The Pensions Regulator Toolkit

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

17. The toolkit includes ten Essential Learning for Trustee compulsory modules and seven Public Service Toolkit compulsory online learning modules that must be completed successfully to pass the induction training.

18. The ten 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 scheme
- Pension scams.

19. The seven Public Service 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.

20. Although the toolkit is designed with Local Pension Board members in mind, it is the view of the Fund that the material covered is of equal relevance to members of the committee.

21. The Pension Regulator website is available at:

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

Markets in Financial Instruments Directive II (MIFID II)

22. 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 a 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.

23. 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

24. Training and development support for committee/board members and officers will be delivered through a variety of methods including:

| Committee/Board members | Officers |
|--|--|
| Pension Regulator on-line toolkit | Pension Regulator on-line toolkit |
| LGPS Online Learning Academy (LOLA) | LGPS Online Learning Academy (LOLA) |
| Surrey Pension Team Governance SharePoint site | Surrey Pension Team Governance SharePoint site |
| LGA Fundamentals training course | LGA Fundamentals training course |
| Attending seminars, courses, and external events | Attending seminars, courses, and external events |
| Investment advisor/Actuary training | Investment advisor/Actuary training |
| Circulated reading material | Circulated reading material |
| Fund manager training | Training for qualifications from recognised professional bodies (e.g. CIPFA) |
| Regular updates from officers | Surrey Pension Team Training Academy SharePoint site |
| In-house | In-house |

25. 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.

26. Training events will be advertised to members via the LGPS Senior Officer weekly email and on the Surrey Pension Team Governance SharePoint site as and when they are notified to officers. Members are expected to make officers aware of any events that are of interest.

Training Plan

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

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

28. As part of the commitment to good scheme governance, there are four Local Pension Board meetings and four Pension Committee meetings per year.

29. All members and officers will be expected to complete a minimum of 4 hours training per financial year, in addition to any induction training.

30. Surrey Pension Fund Board and Pension Committee members should also commit sufficient time to prepare for meetings and obtain and keep under review their knowledge and understanding.

31. Training plans will be developed at least on an 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

32. 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

33. 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

34. 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.

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

36. The Pension Regulator has provided training needs analysis template to support this process. The document can be found at:
<https://trusteetoolkit.thepensionsregulator.gov.uk/mod/page/view.php?id=337>

37. Periodically, the Pension Committee and Board members knowledge will be independently assessed and benchmarked against other Administering Authorities. Any gaps in knowledge will be incorporated into the future training plans. Taking part in this assessment is a compulsory element of the policy.

Officer Training

38. 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.

39. The knowledge and skills required of staff are set out in their job descriptions, including any formal qualifications required for the role. The 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.

40. The knowledge required for each officer role is held in the SPT matrix and the officer's individual skills are measured against this matrix, and any training needs identified added to the individual's training plan.

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

42. For officers, there will be particular focus on the following areas:
- **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.
 - **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.
 - **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.
 - **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.
 - **Pensions Administration Regulations** – Understanding the latest guidance and interpretation of changes to LGPS Regulations and their impact on procedures.
 - **Pensions Administration Systems** - Keeping up to date with updates/new releases to the software system Altair, passing training onto all staff.
 - **Actuarial methods, Standards and Practices** – Understanding the work of the actuary and the ways in which actuarial information is produced.

Cost

43. Where there is a cost involved in providing the training, this will be paid by the Surrey Pension Fund.

44. A budget will be allocated for members and officers training in the Fund's business plan. Costs will depend on the levels of training and support required by individual members. Where possible, 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

45. To identify whether the objectives of the Policy are being met, fund officers will maintain a training log to record training attended by both members and officers.

46. Members must notify officers of any training they have completed, in order that the log be kept up to date.

47. Officers training is logged on the Surrey Pension Team training matrix.
48. Members and officers will be asked to confirm their training record every 12 months.
49. Pension Fund Committee and Local Pensions Board members will be required to carry out Self-Assessment Questionnaire on an annual basis to assess their overall level of 'Knowledge and Understanding'.
50. The self-assessment 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.
51. A report will also be presented to the Fund Committee and Pension Board on an annual basis setting out:
 - training attended by members in the previous year.
 - any actions required, such as review of the Training Plan.
52. Interim updates will be reported to the Fund Committee and Pension Board at each meeting.
53. Where a member has not completed the required training in the timeframes set out in this policy, the matter will be reported to the Fund Committee and Pension Board for action.
54. Membership of the Local Pension Board may be terminated due to a Local Pension Board member no longer being able to demonstrate to the Scheme Manager their capacity to attend and prepare for meetings, or to participate in required training or otherwise to carry out the requirements of the role appropriately.
55. Officers involved in the management and administration of the Fund are set annual objectives which will include an element of professional development. These objectives are monitored as part of each individual's annual appraisal referencing the Surrey Pension Team matrix.

Training and Development Opportunities 2023/24

Mandatory Training 2023/24

Board/Committee members are encouraged to attend the following training where this has not been previously completed.

| Title of session | Training Context | Timescale | Training Length | Audience | Complete |
|------------------------------|-----------------------------|---|-----------------|---|--|
| Fundamental Training – Day 1 | Legal Framework of the LGPS | October 2023 (TBC) London/Birmingham/ online options | 1 day | Committee, Pensions Board (Officers optional) | Mandatory for Board and Committee members. |
| Fundamental Training – Day 2 | LGPS Investments | November 2023 (TBC) London/Birmingham/ online options | 1 day | Committee, Pensions Board (Officers optional) | Mandatory for Board and Committee members. |
| Fundamental Training – Day 3 | Duties and Responsibilities | December 2023 (TBC) London/Birmingham/ online options | 1 day | Committee, Pensions Board (Officers optional) | Mandatory for Board and Committee members. |

Other Events 2023/24

The following optional events will support and develop knowledge and understanding of Officers and Pension Fund Committee and Local Pension Board members.

| Title of Session | Training Context | Timescale | Training Length | Audience | Complete |
|--|------------------|----------------------------------|-----------------|--|----------|
| LGA Webinars | McCloud update | Early 2023 (TBC), online | TBC | Officers | |
| The Local Authority Responsible Investment Seminar | TBC | April 2023, London | TBC | | |
| LGA Insight | Various | 15-18 May 2023, York | 4 days | Officers | |
| PLSA Investment Conference 2023 | Various | 6-8 June 2023, Edinburgh | 2 ½ days | Committee, Pensions Board and Officers | |
| PLSA Local Authority Conference 2023 | Various | 26-28 June 2023, Gloucestershire | 3 days | Committee, Pensions Board and Officers | |

| Title of Session | Training Context | Timescale | Training Length | Audience | Complete |
|--|-----------------------------|---------------------------------|-----------------|--|----------|
| CIPFA Public Finance Live 2023 | Various | 27-28 June 2023, London | 2 days | Committee, Pensions Board and Officers | |
| LGA Annual Conference and Exhibition | Various | 4-6 July 2023 Bournemouth | 3 days | Committee, Pensions Board and Officers | |
| LAPF Strategic Investment Forum | | July 2023, Hertfordshire | TBC | Committee, Pensions Board and Officers | |
| LGA Insight | Various | 4-7 September 2023, Bournemouth | 4 days | Officers | |
| Border to Coast Conference | The Pension Fund asset pool | 28-29 September, Leeds | 2 days | Committee, Pensions Board and Officers | |
| PLSA Annual Conference | Various | 17-19 October 2023, Manchester | 3 days | Committee, Pensions Board and Officers | |

| Title of Session | Training Context | Timescale | Training Length | Audience | Complete |
|--|-------------------|--|-----------------|--|----------|
| Responsible & Impact Investment Summit | TBC | October 2023, London | TBC | | |
| LAPFF | Engagement themes | TBC | | Committee, Pensions Board and Officers | |
| LGA Annual Governance Conference | Various | 18-19 January 2024, York | 2 days | Committee, Pensions Board and Officers | |
| LGPS Live | Various | First Wednesday of every month, online | ½ day | Committee, Pensions Board and Officers | |