



# Pension Fund Training Policy

## February 2026

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## Policy Objectives

The objectives of this training policy are to:

- Ensure administering Officers of the Orkney Islands Council Pension Fund and Members of the Pension Board and the Pension Fund Sub-committee have the appropriate knowledge and expertise to effectively fulfil their role.
- Develop the skills and knowledge to support effective and robust decision making, ensuring that the Fund meets its objectives and decisions are well founded and comply with Regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Ministry for Housing, Communities and Local Government (MHCLG).
- Provide Members of the Pension Board and the Pension Fund Sub-committee with the skills to evaluate the information they receive and effectively challenge it where appropriate.

## Key Principles

The Pension Fund Sub-committee recognises that effective financial administration, scheme governance and decision-making can only be achieved where those involved have the requisite knowledge and skills.

Accordingly, the Pension Fund Sub-committee will ensure that it has the necessary resources to discharge its pensions administration responsibilities and that all staff and members charged with financial administration, governance and decision-making about the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

# Regulatory Requirements

## 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.
- 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.

## **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 recognised 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 Pensions Regulator (TPR)

From 1 April 2015 The Pension Regulator (TPR) became responsible for regulatory oversight of public service pension schemes including the LGPS because 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.

In 2024, TPR published a new General Code of Practice (GCoP) for all pension schemes including the public sector. This became effective on 28 March 2024. This new code consolidates and updates ten existing codes of practice into a single set of clear and consistent expectations for scheme governance and administration. The GCoP applies to all pension schemes, both public and private.

The “Knowledge and Understanding Requirements” section of the GCoP mandates that the governing body, or pension board, must demonstrate that, collectively, they possess the skills, knowledge, and experience necessary to effectively manage the scheme. The governing body should:

- Have a balance of skills and experience throughout the board and be able to demonstrate this.
- Be able to apply its knowledge to governing the scheme.
- Have enough skills to judge and question advice or services provided by a third party.
- Be able to identify and address skills gaps.
- Have enough understanding of industry good practice and standards to assess scheme performance and its service providers.
- Keep records of the learning activities of individual members and the body as a whole.
- Be able to demonstrate steps it has taken to comply with the law.
- Have and maintain training and development plans to ensure that individual and collective knowledge and understanding is kept relevant and up to date.

## Training Needs Assessment

The GCoP on Public Sector Pensions Finance Knowledge and Skills, together with supporting Framework and guidance documentation provides additional support for assessing the training needs of individual members and officers, using self-assessment tools. Members and officers are encouraged to carry out the self-assessment to identify training needs.

Members may then wish to approach relevant senior officers to discuss how individual training needs can be met. In doing so it is, however, important for members to appreciate that an in-depth knowledge of all the core knowledge areas is neither assumed nor necessary. In many cases what the framework expects is only an understanding or awareness of an area, and knowledge of where more detailed knowledge can be sought.

The training needs self-assessment will be issued to members of the sub-committee, board and officers periodically to determine levels of knowledge and identify areas where further training is required.

## The Training Plan

The Council's approach to training will be supportive and provide Pension Fund Sub-committee members, Pension Board members and senior officers with regular sessions that will contribute to and advance their level of skills and knowledge. This will include regular events to cover the latest developments in the Local Government Pension Scheme, investment strategy and performance monitoring.

A training plan will be produced annually and presented to the Pension Fund Sub-committee for approval in February each year. All members must participate in at least one training event, or equivalent to five hours training, as a minimum requirement, each financial year.

The training plan will set out how levels of understanding will be assessed, and how the knowledge and skills requirements and other regulatory requirements will be supported through training events over the next financial year.

Training requirements for key individuals will be identified having regard for:

- Topics identified in relevant frameworks or in publications by relevant bodies (e.g. CIPFA, TPR etc).
- The business plan of the fund.
- Current or topical issues.

In addition, members and officers should make use of the Pension Regulator's Trustee Toolkit. This online resource will enable users to target the areas of knowledge they feel would benefit them most by completing individual modules at a time that is convenient.

The Toolkit consists of 11 modules, 9 of which are relevant to defined benefit schemes such as Orkney Islands Council's Pension Fund, as follows:

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

## **Pension Board Specific Requirements**

Members of the Pension Board are required to have the capacity to take on the role of assisting the Scheme Manager in relation to compliance with scheme regulations and the requirements of the Pensions Regulator.

In addition, in accordance with Section 248A of the Pensions Act 2004 which was introduced to make provision relating to pensions and financial planning for retirement, it is expected that every individual who is a member of a Local Pension Board will receive training, and as a result:

- Be conversant with the regulations governing the Local Government Pension Scheme, such as the Transitional Regulations and the Investment Regulations.
- Be conversant with any policy document relating to administration of the Fund.
- Have knowledge and understanding of the law relating to pensions.
- Have knowledge and understanding of such other matters as may be prescribed.

## **Training Delivery**

Training is delivered through a variety of mediums including:

- Formal reports and presentations to the Pension Fund Sub-committee and the Pension Board.
- Specific training sessions/conferences/seminars provided by Council Officers, investment managers and investment advisors, including national bodies.
- Other briefings and associated research material.

The methods of delivery used are:

- In person.
- Hybrid.
- Documentation.

## Monitoring and Reporting

Attendance at all training events is documented by the Accountancy team in a training log, which records the subjects covered and the duration of each session.

In line with the CIPFA Code of Practice, a disclosure will be made in the Fund's Annual Report and Accounts that covers:

- How the Skills and Knowledge framework has been applied.
- What assessment of training needs has been undertaken.
- What training has been delivered against the identified training needs.

An annual training update will be presented to the Pension Fund Sub-committee each February. This report will summarise the training undertaken in the previous 12 months and outline the training plan for the forthcoming year.

## Review

This policy will be reviewed on a regular basis and updated where necessary.