Isle of Wight Council Pension Fund Knowledge and Development Policy

26 August 2026

1. Document information

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2. Contents

3. Purpose of Policy

3.1. This document has been prepared by Isle of Wight Council in its capacity as the administering authority of the Isle of Wight Council Pension Fund (the Fund), part of the Local Government Pension Scheme (LGPS).

3.2. The Pension Fund Committee approved a training strategy as part of the original knowledge and development policy in February 2025. The training strategy for the Fund, is set out in Appendix 1 to this policy. The purpose of the training strategy is to align the Fund's training initiatives with its overall objectives and priorities. To assist with implementation of the strategy, the fund has also adopted this knowledge and development policy.

3.3. This policy sets out expectations regarding behaviours, relevant knowledge and expertise, understanding, skills and competency requirements for individuals involved in management or a decision-making, scrutiny or oversight role relating to the Fund.

3.4. This policy is established to aid the Pension Fund Committee, Local Pension Board members, the Independent Person (to be appointed as a new role in 2026) and officers involved in management or a decision-making, scrutiny or oversight role relating to the Fund, in having the sufficient knowledge and understanding to ensure that all decisions, actions and other activities are carried out in an informed and appropriate way.

3.5. The ultimate aim is to ensure that the Isle of Wight Council Pension Fund is managed by individuals who have the appropriate levels of knowledge and skills.

3.6. This policy aims to meet existing knowledge and understanding requirements whilst taking into consideration the recent draft statutory guidance issued by the Secretary of State in accordance with the Local Government Pension Scheme (Amendment) Regulations 2026 and accompanying statutory guidance, which mandates new skills and requirements.

4. Introduction

4.1. The pensions landscape is characterised by a complex legislative framework. In addition to the LGPS legislative requirements, there are industry-wide statutes that apply in whole or in part to the LGPS, including the way in which schemes interact with state pensions, the tax system and The Pensions Regulator. The main drivers impacting knowledge and understanding requirements are outlined below.

4.2. Councillor development is important in contributing to the delivery of the Isle of Wight Council's strategic priorities and assists councillors fulfil their community leadership roles. The Councillor development 2021-2026 sets out the expectations regarding councillor's development. The document explains that much of the learning and support required of Councillors is undertaken through internal and Local Government Association face to face and on-line learning activities. There is also access to local, regional and national networks as well as officer support. The Councillor Development Document recognises that there may be some activities that may require more formal input or access to specialist training. The additional development requirements for pension fund committee members are outlined in this pension fund knowledge and development policy.

4.3. The Developing Our People Strategy, sets out the Isle of Wight Council's strategy for developing employees. Due to the specific knowledge and understanding requirements to administer and manage the LGPS, Senior Officers and individuals with delegated oversight or decision-making responsibilities relating to the Fund must demonstrate that they have adequate knowledge and development expectations as set out in this policy.

4.4. When considering pension-related matters, administering authorities must comply with general public law principles and act within a prudent framework. This includes compliance with the 'Seven Principles of Public Life', also known as the '**Nolan Principles'**, with which any holder of public office is expected to comply. Administering authorities also have a **fiduciary duty** under common law to discharge statutory responsibilities with care, skill, prudence and diligence when considering pension-related matters. These common law duties set the main overarching principles.

4.5. Since 2002, all LGPS funds have also been required to report upon their application and compliance with the **Myners principles** – these are six best practice statements relating to pension fund investment decision-making.

4.6. In line with the **Ministry of Housing, Communities and Local Government (MHCLG) Governance Compliance Statements – Statutory Guidance (November 2008)**, the Fund is required to publish a statement outlining how it complies with the requirements set out in the statutory guidance including the Myners principle of *"effective decision making",* which requires decisions to be made only by persons or organisations with the skills, information and resources necessary to make them effectively, and for LGPS pension committee members to have sufficient expertise to evaluate critically any advice they take.

4.7. The administering authority is also required to state how it complies with the following three principles:

- That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.
- That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.
- That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.

4.8. Since the introduction of the original Myners principles, there have been significant changes in the legislative and governance frameworks affecting the LGPS, including new LGPS Investment Regulations, the Public Service Pensions Act 2013; the introduction of the Pension Regulators, Code of Practice, the launch of the UK Stewardship Code; and the introduction of the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills (and accompanying Knowledge and Skills Frameworks) and more recently, draft Local Government Pension Scheme (Amendment) Regulations 2026 and associated draft statutory guidance issued by the Secretary of State.

4.9. In addition to general public law principles, the main legislative and statutory guidance issued by the Secretary of State are set out below including best practice codes issues by other relevant bodies such as the Pension Regulator, Financial Conduct Authority ("FCA"), and Chartered Institute of Public Finance and Accountancy ("CIPFA").

4.10. **Regulation 55A of the LGPS Regulations 2013** sets out that an administering authority must prepare a Training Strategy setting out how the authority will ensure that any persons to whom Regulation 55B(1) or (2) (administering authorities: knowledge and understanding requirement for relevant persons) applies will meet the knowledge and understanding requirement in paragraph (3) of that regulation.

4.11. **Regulation 55B(4) of the LGPS Regulations 2013** states the degree of knowledge and understanding required by paragraph (4) is that appropriate for the purposes of enabling that person to properly exercise their functions that have been delegated by the administering authority in accordance with guidance issued by the Secretary of State

4.12. **The Pensions Regulator's ("TPR") code of practice** refers to the **Public Service Pensions Act 2013** and the **Pensions Act 2004**, which includes the knowledge and understanding requirements of pension board members. The draft statutory guidance issued by the Secretary of State in accordance with the

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Local Government Pension Scheme (Amendment) Regulations 2026 reinforces the importance of Fund's complying with the TPR code. Individuals are expected to have knowledge and understanding of the TPR General Code to discharge their roles and responsibilities.

4.13. The **CIPFA Pension Panel's guidance on Principles for Investment Decision Making and Disclosure in the Local Government Pension Scheme**, set out practical comments on how funds can apply the revised Myners principles

4.14. This is supported by the CIPFA **Knowledge and Skills Frameworks** which helps Fund's to determine the required knowledge and skills for officers, members of the Pension Committee[1] and Local Pension Board[2] members. The frameworks are supported by a **Code of Practice[3] on LGPS Knowledge and Skills.** This provides guidance to the administering authority to help embed the requirements for identifying the adequacy of, acquiring and maintaining of appropriate knowledge and skills.

4.15. Due to changes to the way fund investments have been managed in recent years including investment pooling arrangements, the **Investment Pooling Governance Principles for LGPS Administering Authorities** sets out that pension committees should expect additional training to enable decisions relating to investment pooling.

4.16. Furthermore, since the **Markets in Financial Instrument Directive 2014/65 ("MiFID II")** came into effect, all local authorities have been classified as "retail clients" unless they are opted-up to an "elective professional client" status. Under the Authorised Contractual Scheme ("ASC") regulations and as part of the investment pooling requirements, the Isle of Wight Council (as the administering authority), is required to demonstrate sufficient knowledge and understanding to be classified as a 'professional client' and to enable the Fund to continue to access funds which assets have been invested in and which are not usually offered to retail clients. The administering authority is required to demonstrate knowledge and understanding of officers and Committee members that make investment related decisions. The number of hours of training completed each year also needs to be evidenced. A lack of evidence of adequate knowledge and understanding and reclassification to 'retail status' is likely to have a detrimental effect on availability of investment options.

4.17. Given the high bar expected of pension fund committee members in relation to their knowledge and skills, it is important that individuals understand what is

[1] Knowledge and Skills Framework for LGPS Committee Members and Officers (CIPFA, 2021)
[2] Local Pension Boards: A Technical Knowledge and Skills Framework (CIPFA, 2015)
[3] Code of Practice on LGPS Knowledge and Skills (CIPFA, 2021)

expected of them. Incoming members of the pension committee or board should be aware that their responsibilities and duties begin from the date they take up their post. Behaviours, relevant knowledge and expertise, understanding, skills and competency requirements for individuals involved in management or a decision-making, scrutiny or oversight role relating to the Fund should be clearly outlined to all parties in any pre-appointment information. On election/appointment, the administering authority will ensure that comprehensive inductions are organised within three months or before their first meeting, whichever is sooner, for individuals new to their role.

4.18. The pension fund committee will monitor individual development plans and report on attendance/completion of essential learning required. The mandatory training requirements for individuals serving on or chairing the pension fund committee must be completed. Non completion of mandatory training may prevent councillors from becoming committee members at the beginning of a council term of office.

4.19. This policy looks to set out the minimum learning and development expectations for all Board and Committee members as well as officers involved in management or a decision-making, scrutiny or oversight role relating to the LGPS regardless of whether they are Councillors or employees of the administering authority or external individuals fulfilling statutory roles such as the Independent Person.

5. Aims and objectives

5.1. The Isle of Wight Pension Fund objectives relating to knowledge and skills are:

- The Pension Fund is managed, and its services are delivered, by individuals who have the appropriate relevant knowledge and expertise, understanding, skills and competencies, and that each individual will annually assess their knowledge and expertise to create an individual training plan to meet their role and responsibilities to reflect the changing complex regulatory environment.

- Individuals that have delegated responsibilities for the governance and decision making have sufficient expertise to be able to evaluate and challenge the advice they receive, manage conflicts of interest (for example, separate responsibilities relating to delegated decision making on behalf of the administering authority from scheme employer related matters) and ensure their decisions are robust and un-bias to enable them to approach matters with an open and independent mind, avoiding any pre-determination.

- The administering authority and its stakeholders are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the funds.

5.2. To assist in achieving these objectives, when considering investment decision making, the Fund will use best endeavours to ensure decision makers comply with **Myners principles,** as well as general public law principles and fiduciary duty requirements.

6. Scope

6.1. This policy applies to:

- Members of the Pension Committee (including substitute members);
- Members of the Local Pension Board including the independent chairman;
- Officers of the Fund, including the statutory Senior LGPS Officer, S151 Officer, and any other individuals involved in management or a decision-making, scrutiny or oversight role relating to the LGPS.; and
- the Independent Person.

7. Roles and Responsibilities

7.1. All Pension Fund Committee members, Local Pension Board members and Officers with responsibility in managing LGPS pension matters must:

- be aware that responsibilities and duties begin from the date they take up their post;
- demonstrate appropriate behaviours including participating constructively in meetings with an open and independent mind, avoiding any pre-determination bias and political bias;
- comply with relevant legislative requirements and the appropriate terms of reference, including the administering authority's code of conduct as well as additional codes and policies that are relevant to the administration of the Fund;
- ensure adequate time is allocated each year to undertake appropriate development (for example, evidence a minimum number of 15 hours training carried out annually relating to pensions) to carry out their role effectively and in line with expectations;
- complete 'essential learning' in a timely manner and participate in induction sessions where these are organised as set out in legislation/regulations and guidance;
- undertake an annual assessment to assess individual knowledge and understanding;

- take personal responsibility to ensure individual personal development plan and knowledge is maintained and development activities are recorded and reported appropriately to stakeholders;
- participate in development sessions organised or procured by the administering authority, where possible; and
- be aware that behaviour and knowledge will be regularly monitored by the Pension Fund Committee and reported to external stakeholders as required, and any non-compliance where a post-holder cannot demonstrate adequate attendance, training and/or knowledge and understanding, or appropriate behaviour to undertake their role, could result in individuals being asked to step down.

7.2. The administering authority will identify development opportunities having regard for the overall training strategy of the Fund as outlined in Appendix 1.

7.3. The administering authority will:

- develop an annual knowledge and development plan in line with the training strategy;
- facilitate the procurement of knowledge and development sessions to help Pension Fund Committee members, Local Pension Board, officers and any other individuals involved in management or a decision-making, scrutiny or oversight role relating to the LGPS;
- facilitate annual knowledge assessments; and
- promote the use of the Isle of Wight Council's learning hub to help individuals record their individual training and development records.

7.4. The administering authority is responsible for designating a person to take responsibility for ensuring that a training framework is developed and implemented. The Director of Finance and section 151 Officer (or their nominated individual officer) has been designated as the individual with ultimate responsibility for the internal controls and governance of the Fund. Day to day responsibility rests with the Strategic Manager: Pensions to ensure that Fund policies are implemented, including the delivery of the fund's Training Strategy.

8. Degree of knowledge and understanding required

8.1. The LGPS is a complex and multi-faceted scheme where the knowledge and skills required will extend across several disciplines, from accountancy, administration and audit into areas of investment and actuarial finance, as well as knowledge of the legislative and governance environment.

8.2. Pension Fund Committee, Local Pension Board, officers and any other individuals involved in management or a decision-making, scrutiny or oversight role relating to the LGPS, must aim to work towards a full understanding of the relevant issues that are pertinent to the role they undertake.

8.3. 'Essential Core Knowledge' sets out the minimum requirements for Pension Fund Committee, Local Pension Board, and officers and any other individuals involved in management or a decision-making, scrutiny or oversight role relating to the LGPS. Essential Code Knowledge is summarised below and in Appendix 2.

Essential Core Knowledge (minimum requirements)

8.4. **Core technical areas identified in the statutory guidance** issued by the Secretary of State in accordance with the Local Government Pension Scheme (Amendment) Regulations 2026, set out the basic knowledge and skills that individuals involved in managing and overseeing the fund should be able to demonstrate. These include:

1. pensions legislation and guidance;
2. pensions governance;
3. funding strategy and actuarial methods;
4. pensions administration and communication;
5. pensions financial strategy, management, accounting, reporting and auditing standards;
6. investment objectives, strategic asset allocation, pooling, performance
7. risk management;
8. pension services procurement, contract management and relationship management; and
9. key skills and behaviours

8.5. **TPR Public Sector toolkit** - all Pension Fund Committee members (including substitutes) and Local Pension Board members and any other individuals involved in management or a decision-making, scrutiny or oversight role relating to the LGPS, must also evidence completion of the TPR public service toolkit modules. The modules include:

1) Conflicts of interest
2) Managing risk and internal controls
3) Maintaining accurate member data
4) Maintaining member contributions
5) Providing information to members and others
6) Resolving internal disputes
7) Reporting breaches of the law

8.6. **The essential core training set out in section 8.4 and 8.5 above is mandatory and evidence of knowledge in these areas must be provided by decisions makers.** For ease of reference, the core essential training is outlined in Appendix 2.

8.7. **Administering authority mandatory training** - additional training may also be mandated by the administering authority in line with the Councillor Development document. Evidence must be available to demonstrate completion of mandatory training.

8.8. The priority and timescales of acquiring the basic essential knowledge will be assessed based on the date individuals started their position. It is expected that as a minimum, all basic and minimum requirements will be met within two years of a post-holder taking up their position.

8.9. **Annual Knowledge Assessments** - All Pension Fund Committee and Local Pension Board members are required to participate in knowledge assessments annually as issued by the administering authority. The results of the assessment will be used to identify individuals training plans and to help the administering authority procure suitable future learning material.

8.10. **Individual training records** - by individuals involved in management or a decision-making, scrutiny or oversight role relating to the LGPS must keep individual training plans and records. Demonstrating evidence of training completed annually is an essential requirement for all Committee members (including substitutes), Board members and any other individuals involved in management or a decision-making, scrutiny or oversight role relating to the LGPS. Records of learning and professional development should be kept up to date on the Isle of Wight Council Learning Hub: https://iwc.learningpool.com

8.11. **External Reporting** - Training completed during the year, will be disclosed in the Fund's Annual Report and Accounts and may also be disclosed in other documents as required by stakeholders. Reporting will aim to focus on how knowledge and understanding requirements have been considered and applied when decisions have been discussed or taken during meetings, especially when there are key strategic decisions or when voting is taking place.

8.12. Persistent non-completion of essential learning / development requirements may result in Pension Fund Committee members and/or Local Pension Board members being asked to take immediate remedial steps or failing that may be asked to step down should their knowledge and skills not be deemed adequate to enable them to discharge the duties and responsibilities allocated to them. The degree of knowledge and understanding required is that which is appropriate for the purposes of enabling the individual to properly exercise their delegated responsibility on behalf of the administering authority.

8.13. All members of the Pension Fund Committee are expected to have appropriate knowledge and skills relating to their LGPS duties. This is an individual requirement. However, the collective knowledge and skills of the committee will also be considered to ensure that the collective degree of knowledge and understanding is appropriate for the purposes of enabling the committee as a whole to properly exercise its delegated responsibility on behalf of the administering authority.

8.14. Given the role of the Local Pension Board to assist the administering authority, members of a Local Pension Board should have sufficient knowledge and understanding to challenge any failure by the administering authority to comply with the Regulations and other legislation relating to the governance and administration of the LGPS (which should be interpreted as including the Regulations and other legislation relating to investment and funding matters) and/or any failure to meet the standards and expectations set out the Pension Regulators General Code. 248A of the Pensions Act 2004 sets out this is an individual requirement (rather than collective requirement) which is supported by the England and Wales Scheme Advisory Board's non-statutory guidance on local pension boards, published 4 February 2015.The full list of topics that the Pension Regulator expects governing bodies (Pension Board’s) to have a working knowledge of is set out in Appendix 3.

8.15. In relation to the learning expectations for officers, the administering authority notes that CIPFA’s Code of Practice applies to “all individuals responsible for the management of the LGPS or who have a decision-making, scrutiny or oversight role”. As such, the administering authority will determine which officers fall within the definition (i.e. “LGPS senior officer”) and therefore to whom the CIPFA Framework should apply. As with the other roles, the degree of knowledge and understanding required is that which is appropriate for the purposes of enabling the individual to properly exercise their delegated responsibility on behalf of the administering authority. Accordingly, the administering authority will ensure senior officers have and retain relevant knowledge commensurate with the responsibilities they are undertaking.

8.16. Chief Finance Officers are expected to have as a minimum, statutory Section 151 responsibilities under the Local Government Act 1972 in respect of an administering authority.

9. Delivery Methods

9.1 The Fund recognises that individuals development needs vary and therefore the Fund's approach to development will be supportive and flexible and will use a variety of training tools. These may include:

- Using the TPR public service toolkit,
- LGPS Online Learning Academy (LOLA) and other e-learning facilities
- Courses, seminars, conferences and external events
- Internally developed sessions
- Manager and Advisor sessions provided at Committee/Board Meetings
- Shared learning with other Funds or frameworks
- Updates from officers and/or advisors
- Knowledge gained from other roles
- Self-study

9.2 Attendance at any training sessions organised outside the administering authority is encouraged. Prior to signing up, elected members must submit an application form as per the Councillor Development document and dashboard. Reimbursement of expenses will be considered in line with the Isle of Wight Member's Allowances Scheme as established under the Local Authorities (Members' Allowances) (England) Regulations 2003 (and any amendments to those regulations).

10. Review

10.1. This policy will be reviewed by the Isle of Wight Pension Fund Committee at least every three years, or more frequently should guidance be amended.

11. Related Documents

Isle of Wight Council Councillor development 2021-2026 Final Document

Isle of Wight Council – Developing Our People Strategy

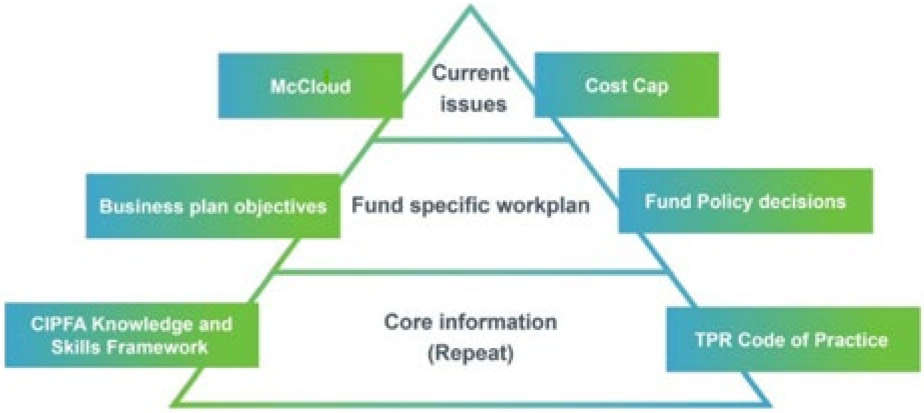
Isle of Wight Council Expenses Policy

12. Appendix 1: Training Strategy

Regulation 55A of the LGPS Regulations 2013 sets out that an administering authority must prepare a Training Strategy setting out how the authority will ensure that any persons to whom Regulation 55B(1) or (2) (administering authorities: knowledge and understanding requirement for relevant persons) applies will meet the knowledge and understanding requirement in paragraph (3) of that regulation.

The Fund uses the principles outlined in the diagram below to prioritise training initiatives and to ensure these are aligned with the fund's overall objectives and priorities. A training plan is set each year to ensure training sessions are organised and aligned with the funds business plan.

To assist with implementation of the strategy including ongoing maintenance and development of the committee’s knowledge and setting out how knowledge will be obtained and maintained, the fund has adopted a knowledge and development policy.



13. Appendix 2: Essential Core Knowledge

Pension Essentials:
Demonstrating knowledge and understanding of the nine core areas outlined below is a minimum requirement for effective management and oversight of the Pension Fund.

1. Pensions legislation and guidance
2. Pensions governance
3. Funding strategy and actuarial methods
4. Pensions administration and communications
5. Pensions financial strategy, management, accounting, reporting and audit standards
6. Investment objectives, strategic asset allocation, pooling, and pooling performance management
7. Risk management
8. Pension services procurement, contract management, and relationship management.
9. Key skills and behaviours

The Pension Regulator Public Service Toolkit:
The Pension Regulator Public Service Toolkit modules cover governance and administration of public service schemes and includes seven modules as per below. These must be completed by decision-makers as an essential minimum requirement for effective decision-making.

Course	What the course covers
Conflicts of interest	Learn what conflicts of interest are, how important it is to be aware of them and their potential impact. You will also find out how to manage conflicts.
Managing risk and internal controls	Learn how to identify, evaluate, manage and monitor scheme risks. You will also learn about internal controls used to mitigate risk.

Maintaining accurate member data	Learn about the requirements for maintaining complete and accurate member data. You will also learn about other records that must be kept.
Maintaining member contributions	Learn about the requirement to monitor member contributions and how to manage overdue contributions.
Providing information to members and others	Learn about the information that public service schemes are required to provide to members.
Resolving internal disputes	Learn about the requirement for schemes to have an internal dispute resolution procedure (IDRP).
Reporting breaches of the law	Learn about who must report breaches, deciding when to report a breach and how to submit a report.

14. Appendix 3: The Pension Regulator - Knowledge and Understanding Expectations

To enable Committee and Board members to ensure their knowledge and understanding is established and maintained, members of a governing body should comply with the points laid out below:

a) be able to demonstrate the basic level of knowledge and understanding needed to run their scheme within six months of their appointment;
b) start on a programme of learning immediately on appointment, if not before, in conjunction with a scheme-specific induction programme, if one is provided;
c) undertake advanced scheme-specific learning once a good understanding of the scheme has been obtained;
d) consider how they are meeting TPR's expectations of knowledge and understanding;
e) review their own knowledge and understanding and identify any gaps at least annually, particularly in relation to changes in legislation or their scheme;
f) keep records of any review of knowledge and understanding and steps taken to address any gaps; and
g) keep records of any alternative or further learning activity (for example, reading, attending conferences, sessions with the scheme advisers).

The Pension Regulator: Working Knowledge Expectations

Demonstrate a working knowledge of:

a. The roles, responsibilities, and duties of the governing body.
b. The governing body's liabilities and potential liability for decisions made.
c. The law relating to pensions and trusts.
d. The separation of the scheme's assets (if applicable) from any sponsoring employer.
e. Fiduciary duties and safeguarding the financial interests of all beneficiaries.
f. The responsibility to act prudently and according to the scheme rules.
g. Other legislation that might affect the scheme and the governing body, for example: – anti-discrimination – data protection.
h. The Pension Regulator codes of practice as they apply to the scheme.
i. Proposals for legislative change.
j. Tax treatment of pension schemes.
k. Main features of the state pension provision.
l. Key elements of automatic enrolment legislation.

The Pension Regulator expectations: demonstrate knowledge and understanding

The Pension Regulator expects Governing Bodies to meet the requirements below to demonstrate knowledge and understanding.

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