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To the listed addressees

<http://www.sppa.gov.uk>

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david.lauder@scotland.gsi.gov.uk

Your ref:
Our ref: LGT/01/27/00

11 November 2009

Dear Sir/Madam

**DRAFT REGULATIONS - THE LOCAL GOVERNMENT PENSION SCHEME
(MANAGEMENT AND INVESTMENT OF FUNDS) (CONSOLIDATION AND AMENDMENT)
(SCOTLAND) REGULATIONS 2010**

1. As you know, on 16 July 2009 SPPA began a consultation exercise (which ended on 9 October) on possible changes to the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 1998 ("the 1998 Regulations"). Of the responses received (copies of which can be viewed on request) the majority were content with the proposals.
2. I now attach draft regulations relating to those proposed changes. You will note that the opportunity has also been taken to consolidate the 1998 Regulations.
3. Your technical comments on the draft regulations are now invited and they should be returned to SPPA **NO LATER THAN FRIDAY 18 DECEMBER 2009**.
4. The consultation exercise in July also proposed an amendment to the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008, requiring administering authorities to publish a pension fund annual report. Since then, stakeholders have suggested, and SPPA has agreed, that a number of other, minor, changes should be made to those Regulations and also to the Local Government Pension Scheme (Benefits, Membership and Contributions)(Scotland) Regulations 2008. Draft regulations introducing these changes will be the subject of a separate consultation exercise.
5. The proposed changes mentioned at paragraph 1 were set out in Annex A to the consultation letter of 16 July, and these are summarised in the attached Annex A in the regulation order that they appear in the draft regulations.
6. Please note also that regulations 2 and 4 have been amended to make references to the new Regulations which comprise the 2008 LGPS Scheme and which are consequential on the coming into force of the new scheme on 1 April 2009. Other drafting amendments have been

made so as to make the Regulations easier to understand and gender neutral. More generally, I would urge consultees to read through the draft Regulations carefully as the numbering is now slightly different to that of the 1998 Regulations.

Separate audit of LG pension funds

7. In response to the 16 July consultation exercise some stakeholders have asked that the Regulations be amended to provide for a separate audit of the Local Government pension funds. This issue is under consideration.

Handling your response

8. All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

9. A Respondent Information Form is also provided at Annex B for completion and return to SPPA. Using this form will simplify our task of collating responses and will make the process more efficient.

Next steps in the process

10. Where respondents have given permission for their response to be made public these will be made available to the public in the Scottish Government Library after the consultation period. We will check all responses where agreement to publish has been given for any potentially defamatory material before logging them in the library. You can make arrangements to view responses by contacting the SG Library on 0131 244 4556. Responses can be copied and sent to you, but a charge may be made for this service.

11. Once the consultation has closed we will consider all responses when preparing the final Regulations.

Completed information

12. The completed Respondent Information Form and any comments you wish to make should be returned, by the deadline of **18 December 2009**, to Jean Steel, Policy Officer, Scottish Public Pension Agency, 7 Tweedside Park, Tweedbank, Galashiels TD1 3TE (tel: 01896 893229).

13. Copies of these proposals and Respondent Information form can be accessed on the [Pension Reforms & Taxation](#) area of the SPPA website. Your responses and completed Respondent Information form can be sent electronically to locgovpensionsreform@scotland.gsi.gov.uk. If you would prefer to have a set of these consultation documents and draft regulations sent to you in hard copy, please do not hesitate to contact jean.steel@scotland.gsi.gov.uk to request a set.

Comments and complaints

14. Information on the Scottish Government Consultation Process can be found in Annex B of this letter. If you have any comments about how this consultation exercise has been conducted, please contact Chad Dawtry by telephone on 01896 893221 or by e-mail to chad.dawtry@scotland.gsi.gov.uk. If you wish to discuss the proposals for the new

scheme in more detail please do not hesitate to contact myself either by telephone on 01896 893227 or by e-mail to david.lauder@scotland.gsi.gov.uk.

Yours faithfully



D Lauder
Policy Manager, LGPS

Addressees

COSLA
TGWU
GMB
STUC
UNISON
AMICUS
Secretary, LGPC
Educational Institute for Scotland
Union of Construction, Allied Trades and Technicians
Audit Scotland
National Association of Pension Funds
Scottish Local Government Pension Scheduled Bodies
Scottish Local Government Pension Funds
CIPFA
Women's National Commission
Other Relevant Government Departments
SOLACE
SLARC
NAC