SCOTTISH STATUTORY INSTRUMENTS

2004 No. 134

PENSIONS

The Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Amendment Regulations 2004

Made - - - -	*17th March 2004*
Laid before the Scottish Parliament - - - -	*22nd March 2004*
Coming into force - -	*1st May 2004*

The Scottish Ministers, in exercise of the powers conferred by section 7 of the Superannuation Act 1972(**1**) and of all other powers enabling them in that behalf, after consultation with such associations of local authorities as appeared to them to be concerned, such representatives of other persons likely to be affected by the proposed regulations as appeared to them to be appropriate, and not having considered consultation with any individual local authority to be desirable, all in accordance with section 7(5) of that Act, hereby make the following Regulations:

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Amendment Regulations 2004.

(2) These Regulations shall come into force on 1st May 2004.

(3) These Regulations extend to Scotland only.

Amendment of Regulations

2. The Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 1998(**2**) are amended in accordance with regulation 3 of these Regulations.

Restrictions on investments

3.—(1) In regulation 11, for paragraph (2) substitute–

(**1**) 1972 c. 11 ("the Act"). The functions of the Secretary of State were transferred to the Scottish Ministers by virtue of the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 1999 (S.I.1999/1750), article 2, Schedule 1.

(**2**) S.I. 1998/2888, amended by articles 256 to 259 of S.I. 2001/3649, S.S.I. 2000/74, 2001/23 and 2003/138.

"(2) Subject to paragraph (2A), the percentages set out in Column 1 of Part I of Schedule 1 are the limits on the amount of each description of investment listed next to those percentages.

(2A) An administering authority may decide to increase those limits up to the limits set out in Column 2 of Part I of Schedule 1 (where a percentage is specified in that Column) in accordance with the requirements of regulation 11A.".

(2) After regulation 11 insert–

"**Requirements for increased limits**

11A.—(1) An administering authority which decides to increase limits under regulation 11(2A) must comply with the requirements of this regulation.

(2) The administering authority must have taken proper advice.

(3) The administering authority must take account of the factors set out in regulation 9(3).

(4) The decision of the administering authority must specify in writing–

(a) the description of investment to which it applies;

(b) the limit on the amount of the investment;

(c) the reason for that decision;

(d) the period for which the decision will apply;

(e) if the authority intend to review the decision before the end of the period in (d), the date when the decision will be reviewed; and

(f) that the decision complies with these Regulations.

(5) Where the period for which the decision will apply comes to an end, the limits will be those set out in Column 1 of Part I unless before the end of that period the administering authority reviews the decision in accordance with this regulation.

(6) A decision following a review to continue to use limits increased under regulation 11(2A), whether or not the increased limits have been altered must–

(a) take account of the matters set out in paragraphs (2) and (3); and

(b) specify the matters set out in paragraph (4).

(7) Before a decision under regulation 11(2A) or paragraph (6) can take effect, the administering authority must revise and publish the written statement of investment principles which they are required to maintain under regulation 9A to include the matters specified in paragraph (4).".

(3) For Part I of Schedule 1 substitute Part I as set out in the Schedule to these Regulations.

St Andrew's House, Edinburgh
17th March 2004

TAVISH SCOTT
A member of the Scottish Executive