SCOTTISH STATUTORY INSTRUMENTS

2000 No. 74

PENSIONS

The Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Amendment Regulations 2000

Made - - - -	*13th March 2000*
Laid before the Scottish Parliament - - - -	*17th March 2000*
Coming into force - -	*7th April 2000*

The Scottish Ministers, in exercise of the powers conferred upon them 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, and such representatives of other persons likely to be affected by the Regulations as appeared to them to be appropriate in accordance with section 7(5) of that Act, and not having considered consultation with any individual local authority desirable, hereby make the following Regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Amendment Regulations 2000.

(2) These Regulations shall come into force on 7th April 2000.

Amendment of Regulations

2. The Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 1998(**2**) are amended in accordance with regulations 3 to 6 of these Regulations.

General definitions

3. In regulation 2, after the definition of "securities" insert–

""statement of investment principles" means the statement referred to in regulation 9A(1);".

(**1**) 1972 c. 11. 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).

(**2**) S.I. 1998/2888.

Terms of appointment of investment managers

4. In regulation 7–

(a) in paragraph (5), delete "and" at the end of sub paragraph (b) and at the end of sub paragraph (c) add–

"; and

(d) the administering authority's statement of investment principles."; and

(b) in paragraph (7), after the words "which would contravene" insert the words "the administering authority's statement of investment principles,".

Statement of investment principles

5. After regulation 9, insert the following regulation:–

"**Statement of investment principles**

9A.—(1) An administering authority must, after consultation with such persons as they consider appropriate, prepare, maintain and publish a written statement of the principles governing their decisions about investments.

(2) The statement must cover their policy on–

(a) the types of investments to be held;

(b) the balance between different types of investments;

(c) risk;

(d) the expected return on investments;

(e) the realisation of investments;

(f) the extent (if at all) to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments; and

(g) the exercise of the rights (including voting rights) attaching to investments, if they have any such policy.

(3) The first such statement must be published on or before 3rd July 2000.

(4) The written statement must be revised from time to time by the authority in accordance with any material change in their policy on the matters referred to in paragraph (2) and the statement as revised must be published.".

Amendment of Schedule 1

6.—(1) In Part I of Schedule 1–

(a) for paragraph 9 substitute the following:–

"**9.** All investments in units or other shares of the investments subject to the trusts of unit trust schemes managed by any one body (but see paragraph 14).

9A. All investments in open-ended investment companies where the collective investment schemes constituted by the companies are managed by any one body.

9B. All investments in units or other shares of the investments subject to the trusts of unit trust schemes and all investments in open-ended investment companies where the unit trust schemes and the collective investment schemes constituted by those companies are managed by any one body (but see paragraph 14).."; and

(b) in paragraph 14, for "and 9" substitute ", 9 and 9B".