

7 Tweedside Park
Tweedbank
GALASHIELS
TD1 3TE

To the addressees listed below

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

Tel: 01896 89 3227
Fax: 01896 893214
david.lauder@scotland.gsi.gov.uk

Your ref:
Our ref: LGT/

1 November 2010

Dear Colleague,

LOCAL GOVERNMENT PENSION SCHEME IN SCOTLAND

GOVERNANCE COMPLIANCE STATEMENTS – GUIDANCE UNDER REGULATION 27 OF THE LOCAL GOVERNMENT PENSION SCHEME (ADMINISTRATION) (SCOTLAND) REGULATIONS 2008 (SSI 2008/228)

1. I enclose for your comments draft guidance which it is intended to issue for the purposes of regulation 27(1)(c) of The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008.
2. The draft results from the commitment given in the Heads of Agreement document issued in January 2008 by the Scottish Local Government Pensions Advisory Group (SLOGPAG) to introduce guidance for administering authorities relating to governance arrangements for Local Government Pension Funds.
3. Work on the draft was taken forward by the SLOGPAG Governance Sub-Group, taking as its guide work already produced in England and Wales by the Department of Communities and Local Government, using data on current practice gathered from the Scottish administering authorities.
4. The focus of this consultation exercise is the promotion of best practice as a product of effective joint working between COSLA, administering authorities, trades unions and the Scottish Government.
5. Some differences still exist about the extent to which the best practice reflected in this "guidance" is formally required by existing UK legislation and the EC Directive on Pension Schemes. The Group, however, have worked productively to introduce guidance which reflects their joint desire that governance of the Local Government funds in Scotland should best meet the needs of all affected parties.

6. For enquiries on this letter or the attached statutory guidance, please e-mail David Lauder (david.lauder@scotland.gsi.gov.uk) or telephone 01896 893000. A copy of this letter and the guidance will be available in the SPPA website at [Pension Reforms & Taxation](#).

7. I now attach a copy of a draft of the guidance and I should be grateful for any comments you may have on the contents of the guidance by close on **Friday 17th December 2010**.

8. Regulation 27 (2) states that the date by which administering authorities are required to publish their first statement is 31st March 2011. After considering the difficulty that such a date could impose on councils, SPPA has agreed with SLOGPAG to change the date to 30th September 2011. Draft miscellaneous amendment regulations including this change will be issued by SPPA for consultation shortly.

Handling your response

9. 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.

10. A Respondent Information Form is also provided at Annex A 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

11. 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.

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

Completed information

13. The completed Respondent Information Form and any comments you wish to make should be returned, by the deadline of **17 December 2010**, to Kim Linge, Policy Officer, Scottish Public Pension Agency, 7 Tweedside Park, Tweedbank, Galashiels TD1 3TE (tel: 01896 893229).

14. 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 sent to you in hard copy, please do not hesitate to contact kimberly.linge@scotland.gsi.gov.uk to request a set.

Comments and complaints

15. 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 me by telephone on 01896 893221 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