

## The Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010

### Guidance under regulation 12(3)

Each Local Government Pension Scheme fund administering authority is required by **regulation 12(3)** of the above Regulations, SSI 2010/233, to state in its statement of investment principles (SIP) – which concerns the principles governing its decisions about the investment of fund money - the extent to which the authority's policy, as set out in that statement, complies with guidance given by the Scottish Ministers.

An authority must also, to the extent that it does not comply with such guidance, give in its SIP the reasons for that non-compliance.

**This is the relevant guidance under regulation 12(3) from the Scottish Ministers to LGPS fund administering authorities, with effect from 5<sup>th</sup> July 2010.**

An administering authority should refer to the guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA) on 11 December 2009, called Investment Decision-Making and Disclosure in the Local Government Pension Scheme: A Guide to the Application of the Myners Principles (ISBN 978-1-84508-219-2).

This sets out, in a way that is appropriate for the Local Government Pension Scheme Funds, the six revised principles on investment decision-making for occupational pension schemes that were agreed in 2009 by the Investment Governance Group's Local Government Pension Scheme (LGPS) sub-committee. CIPFA's guidance was developed in consultation with the sub-committee.

The publication costs £50 for public sector purchasers and can be obtained from the CIPFA shop at [www.cipfa.org.uk/shop](http://www.cipfa.org.uk/shop), telephone 020 7543 5602, or write to CIPFA at 3 Robert Street, London WC2N 6RL.

A fund administering authority should report in its SIP on the extent to which it complies with the six principles, as set out in the above-mentioned CIPFA guidance. In the interests of transparency, if an authority does not comply with that guidance in any respect, it should describe the relevant aspects of its practice and give the reasons for them.

(Please note that the guidance issued by CIPFA in 2002 on the application of the original ten Myners principles to LGPS Funds - to which regulation 9A(3A) in the 1998 investment regulations referred - is no longer relevant.)

The Scottish Ministers will keep this guidance under regulation 12(3) under review and will reissue it in a revised form from time to time, as necessary in the light of relevant developments.