

SPN/LG CIRCULAR No.2/2007

The Secretary General
Convention of Scottish Local Authorities

The Chief Executive
Scottish Local Authorities

The Chief Executive
Water Authorities

The Principal Reporter
Scottish Children's Reporter Administration

The Chief Executive
Scottish Environment Protection Agency

The Director General
Strathclyde Passenger Transport Executive

The Clerk
Strathclyde Passenger Transport Authority

Payroll Department
Visit Scotland

SLARC
NAC

7 Tweedside Park
Tweedbank
Galashiels TD1 3TE
<http://www.sppa.gov.uk>

Telephone: 01896 893229
Fax: 01896 893230
jean.steel@scotland.gsi.gov.uk

Your ref:
Our ref: LGT/01/19/00

21st February 2007

Dear Sir/Madam

THE LOCAL GOVERNMENT PENSIONS Etc (COUNCILLORS AND VISITSCOTLAND) (SCOTLAND) AMENDMENT REGS 2007 - SSI 2007/71

I am writing about the above mentioned Amendment Regulations which come into force as follows:

Part 3 (VisitScotland) on 1st April 2007; and
for Councillors on 3rd May 2007.

These regulations amend the Local Government Pension Scheme (Scotland) Regulations 1998.

A copy of these amendment regulations can be accessed via the following link, [SSI 2007/71](#), additional copies can also be purchased from the Stationery Office.

Background

In January 2006 the Chairman of the Scottish Local Authorities Remuneration Committee (SLARC) submitted a report to the Scottish Ministers making certain recommendations with regard to the remuneration of councillors. The report also made recommendations on pension provision.

SLARC recommended that councillors should have access to a defined benefit pension scheme and that, in particular, the Local Government Pension Scheme (LGPS) should be available to councillors. The Committee specified that the scheme should:

- apply the same normal retirement age and employee contribution rate for councillors as others in the scheme;
- allow for the possibility of buying extra pension from their entry to the scheme; and
- be a career average scheme rather than final salary to reflect the possibility that councillors may hold positions of responsibility with higher remuneration at various points in their career.

The Minister agreed the Committee's recommendations and, in addition, stipulated that councillors re-elected in 2007 be given the choice to opt into an arrangement that would allow them to buy pension entitlement in respect of previous years served since 1995.

Effect of the Regulations

The Regulations provide access to the LGPS to councillors, taking on board the recommendations of SLARC, and also provide for the option mentioned above to purchase pension entitlement in respect of years served since 1995.

The Regulations also insert VisitScotland into the Schedule of Scheme Employers to allow staff of the new body access to membership of the scheme.

Consultation Process

The consultation process was conducted from 16 October to 25 November 2006, there were no significant comments received on the proposals. Technical points were taken into account when the Regulations were finalised.

Executive Note

The Stationery Office now publish an Executive Note alongside new Regulations. The Note briefly describes a Statutory Instrument and its purpose, and is prepared for the information of Parliamentary Committees which examine proposed regulations. A Regulatory Impact Assessment was also produced in respect of these Regulations and both this and the Executive Note can be accessed by clicking the following link. [Executive Note & RIA](#)

Please draw this circular to the attention of Pension Managers and Superannuation Sections. You may also wish to draw it to the attention of the Directors of Finance and Administration.

Any enquiries regarding this circular and the amending SSI should be made to David Lauder by telephone on 01896 893227 or by e-mail to david.lauder@scotland.gsi.gov.uk.

Yours faithfully



JEAN STEEL
Policy Officer, LGPS