

2005 No. 2004

PENSIONS, ENGLAND AND WALES

The Local Government Pension Scheme and Management and Investment of Funds (Amendment) Regulations 2005

Made - - - - - *19th July 2005*
Laid before Parliament *27th July 2005*
Coming into force - - - *17th August 2005*

The First Secretary of State, in exercise of the powers conferred by sections 7 and 12 of the Superannuation Act 1972(a), and after consultation with (a) such associations of local authorities as appeared to him to be concerned, (b) the local authorities with whom consultation appeared to him to be desirable and (c) such representatives of other persons likely to be affected by the Regulations as appeared to him to be appropriate, makes the following Regulations:

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Local Government Pension Scheme and Management and Investment of Funds (Amendment) Regulations 2005.

(2) These Regulations extend to England and Wales(b).

(3) These Regulations shall come into force on 17th August 2005, but the amendment made by regulation 7 shall have effect from 1st February 2005; the amendments made by regulations 3, 5 and 6 shall have effect from 1st October 2004 in England and 10th November 2004 in Wales.

The Local Government Pension Scheme Regulations 1997

2. The Local Government Pension Scheme Regulations 1997(c) shall be amended in accordance with regulations 3 to 7.

Further restrictions on eligibility

3. In regulation 6 (further restrictions on eligibility), in paragraph 9, for the words “Part-time employment as a member of a fire brigade maintained in pursuance of the Fire Services Act 1947 on terms under which the employee is or may be required to engage in fire fighting does not entitle the employee to be a member of the Scheme.” substitute—

“Retained or volunteer membership with a fire and rescue authority (within the meaning given to that term by section 1 of the Fire and Rescue Services Act 2004) on terms under

(a) 1972 c. 11; section 12 was amended by section 10 of the Pensions (Miscellaneous Provisions) Act 1990 (c. 7).
(b) The Secretary of State’s functions under sections 7 and 12 of the Superannuation Act 1972 in so far as they were exercisable in relation to Scotland were devolved to Scottish Ministers by section 63 of the Scotland Act 1998 (1998 c. 46) and article 2 of, and Schedule 1 to, the Scotland Act 1998 (Transfer of Functions to Scottish Ministers etc) Order 1999 (S.I. 1999/1750).
(c) S.I.1997/1612; the relevant amending instruments are S.I. 1999/1212, 2000/1164, 2001/1481, 2002/206, 2004/573 and 2004/3372.

which the retained or volunteer member is or may be required to engage in fire-fighting does not entitle the retained or volunteer member to be a member of the Scheme.”.

First instance decisions

4. In regulation 97(14) (first instance decisions)(a), for sub-paragraph (b) substitute—

“(b) “qualified in occupational health medicine” means—

- (i) holding a diploma in occupational medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA State; and for the purposes of this definition, “competent authority” has the meaning given by the General and Specialist Medical Practice (Education, Training and Qualification) Order 2003(b); or
- (ii) being an Associate, a Member or a Fellow of the Faculty of Occupational Medicine(c) or an equivalent institution of an EEA State.”.

Interpretation

5. In Schedule 1 (interpretation), in the definition of “Scheme managers”, insert “and rescue” after “fire”.

Scheme employers: fire and rescue authorities

6. In Schedule 2 (Scheme employers), for the words from “A fire authority” to “by section 27 of that Act” substitute—

“A fire and rescue authority within the meaning of the Fire and Rescue Services Act 2004.”

Scheme employers: conservation boards

7. In Schedule 2 (Scheme employers), add at the end—

“A conservation board established under section 86 of the Countryside and Rights of Way Act 2000(d).”.

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998

8. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998(e) shall be amended in accordance with regulations 9 to 11.

9. After regulation 11A(3) (requirements for increased limits)(f) insert—

“(3A) Where there is a decision to use the increased limits under regulation 11(2A) in relation to row 11 of Schedule 1, Part I, the additional risks of the increased limit must have been taken into account in addition to those factors set out in regulation 11A(3).”.

10. In regulation 11A(6)(a) (requirement for increased limits), replace “(2) and (3)” with “(2), (3) and (3A)”.

(a) Regulation 97(14) was inserted by S.I. 1999/1212.

(b) S.I. 2003/1250; as amended by S.I. 2004/1947.

(c) The Faculty of Occupational Medicine is a registered charity no. 1035415.

(d) 2000 c. 37; section 86 was amended by sections 118(2) and 120 of, and paragraph 23 of Schedule 7, and Schedule 9, to the Planning and Compulsory Purchase Act 2004 (c. 5).

(e) S.I. 1998/1831; relevant amending instruments are S.I. 1999/3259, 2000/2552, 2001/3649, 2002/1852 and 2003/2719.

(f) Regulation 11A was inserted by S.I. 2003/2719.

11. In Schedule 1 (limits on investments), in Part I, for the contents of the box at row 11 (all securities transferred (or agreed to be transferred) by the authority under stock lending arrangements) and column (2) (increased limits under regulation 11(2A)) of the table substitute “35%”.

Signed by authority of the First Secretary of State

19th July 2005

Phil Woolas
Minister of State
Office of the Deputy Prime Minister

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Government Pension Scheme Regulations 1997 (“the 1997 Regulations”) and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998 (“the 1998 Regulations”).

These Regulations apply to England and Wales. The amendment made by regulation 7 has effect from 1st February 2005. The amendments made by regulations 3, 5 and 6 have effect from 1st October 2004 in England and 10th November 2004 in Wales. Section 12 of the Superannuation Act 1972 provides that regulations made under section 7 of that Act may have retrospective effect.

The changes to the 1997 Regulations are as follows—

Regulations 3, 5 and 6 of these Regulations update references made by the Fire and Rescue Services Act 2004.

Regulation 4 updates the definition of “qualified in occupational health medicine” in regulation 97 of the 1997 Regulations.

Regulation 7 inserts “conservation boards” into the list of Scheme employers in Schedule 2 to the 1997 Regulations.

The changes to the 1998 Regulations are as follows—

Regulation 9 of these Regulations inserts a provision, regulation 11A(3A), to be addressed by administering authorities prior to making a decision to increase the limit on their investments in securities transferred by the authority under stock lending arrangements.

Regulation 10 makes a consequential amendment where, following a review, an administering authority has decided to continue to use the increased limit on their investments in securities transferred under stock lending arrangements.

Regulation 11 amends Part I of Schedule 1 to allow administering authorities to increase the limit on their investments in securities transferred by the authority under stock lending arrangements from 25% to 35% of the total of their pension fund investments.

A full regulatory impact assessment has not been produced for this instrument, as it has no impact on the costs of businesses, charities or voluntary bodies; neither does it have significant financial impact on any public bodies.

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