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SCOTTISH STATUTORY INSTRUMENTS

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**2003 No. 580**

**LOCAL GOVERNMENT  
COUNCIL TAX**

**The Local Government Pension Reserve  
Fund (Scotland) Regulations 2003**

*Made* - - - - 26th November 2003  
*Laid before the Scottish  
Parliament* - - - - 27th November 2003  
*Coming into force* - - 20th December 2003

The Scottish Ministers, in exercise of the powers conferred by section 93(2)(d) of the Local Government (Scotland) Act 1973(1) and section 93(4) of the Local Government Finance Act 1992(2) and of all other powers enabling them in that behalf, hereby make the following Regulations:

**Citation, commencement, interpretation and extent**

1.—(1) These Regulations may be cited as the Local Government Pension Reserve Fund (Scotland) Regulations 2003 and shall come into force on 20th December 2003.

(2) In these Regulations “local authority” means a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994(3).

**Establishment of Local Government Pension Reserve Fund**

2.—(1) Every local authority shall establish a fund for the purposes of section 93(2)(d) of the Local Government (Scotland) Act 1973 and section 93(4) of the Local Government Finance Act 1992 and shall pay into or out of such fund deficits and surpluses that arise within pension funds.

(2) For the purposes of paragraph (1) “pension fund” means a fund or scheme in respect of—

(a) the Local Government Pension Scheme (Scotland) Regulations 1998(4);

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(1) 1973 c. 65. Section 93(2)(d) was inserted by section 41(1) of the [Local Government in Scotland Act 2003 asp 1](#).  
(2) 1992 c. 14. Section 93(4) was amended by, and section 93(5) was inserted by, section 41(2) of the [Local Government in Scotland Act 2003 asp 1](#). Section 93(6) was inserted by [S.S.I. 2003/567](#).  
(3) 1994 c. 39.  
(4) S.I.1998/366, as amended by S.I. 1998/1129 and 1999/787 and S.S.I. 2000/199, 2001/23, 2001/460, 2002/311; and as modified for particular purposes by S.I. 1998/364.

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*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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- (b) the Teachers Superannuation (Scotland) Regulations 1992(5);
- (c) the Police Pensions Regulations 1987(6);
- (d) the Firemen's Pension Scheme Order 1992(7);
- (e) any other regulations made under the Superannuation Act 1972 which would result in liabilities for that local authority(8).

TAVISH SCOTT

St Andrew's House, Edinburgh  
26th November 2003

Authorised to sign by the Scottish Ministers

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(5) S.I. 1992/280, amended by S.I. 1992/1025 and 1597, 1993/490 and 2513, 1994/1715 and 2699, 1995/840 and 1670, 1997/676, 1998/718, 1999/446 and S.S.I. 2000/366, 2001/152 and 291, 2002/288 and 2003/423.

(6) S.I. 1987/257, amended by S.I. 1987/341 and 2215, 1988/1339, 1989/733, 1990/805, 1991/1517, 1992/1343 and 2349, 1994/641, 1995/547, 1996/867, 1997/1429 and 2852, 1998/577, 2001/3649 and S.S.I. 2000/193 and 2001/459.

(7) S.I. 1992/129, amended by S.I. 1997/1829, 2309 and 2851, 1998/1010 and S.S.I. 2001/310.

(8) 1972 c. 11.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These regulations require each local authority to set up a fund which will record pension scheme deficits and surpluses for which local authorities have responsibility. This fund will be separate from the local authority's general fund, and anything accounted for in this fund will not form part of the local authority's general fund. This is to comply with section 12 of the Local Government in Scotland Act 2003, in terms of which it is the duty of local authorities to observe proper accounting practices. This includes those practices which by reference to any generally recognised code or otherwise, are regarded as proper accounting practices to be observed in the preparation and publication of accounts of local authorities. From this year local authorities will have to observe the CIPFA/LASAAC "Code of Practice on Local Authority Accounting in the UK: A Statement of Recommended Practice" which changes the way they account for pension scheme deficits and surpluses in line with Financial Reporting Standard 17 (FRS17).