

LOCAL GOVERNMENT (WALES) ACT 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Section 25 – Directions to the Independent Remuneration Panel for Wales to perform relevant functions

53. **Section 25** enables the Welsh Ministers to direct the Panel to carry out its functions under sections 142 and 143 of the Local Government (Wales) Measure 2011, (which concern the payments which may or must be made to members of certain local authorities and their entitlement to pensions), in relation to members of a shadow authority, and members of a proposed principal local authority for the first financial year of its operation.
54. In making determinations about payments to members of shadow authorities, section 25(4)(a) has the effect of requiring the Panel to take into account the financial impact of doing so on the shadow authorities themselves; a similar consideration will apply to making determinations for new principal local authorities.
55. **Section 25(4)(b)** has the effect that the Panel will be required to impose requirements to avoid the duplication of payments to those who are members of more than one authority at the same time (such as being members of a merging authority and of the related shadow authority at the same time).
56. In the case of a voluntary merger, the new principal local authority will come into being on 1 April 2018. Under regulations made under section 7(1)(f), the members of the shadow authority will become the members of the new principal local authority for the first few weeks of its existence, exercising the functions of that new authority. Following the first elections to the new authority (probably to be held in May 2018), a new body of elected members will take over, and the members inherited from the shadow authority will stand down. Subsection 25(5) addresses this by enabling the Panel, in making determinations for the first financial year of the new authority, to make different determinations for the periods before and after the first set of elections.