



Local Government and Elections (Wales) Act 2021

2021 asc 1

PART 7

MERGERS AND RESTRUCTURING OF PRINCIPAL AREAS

CHAPTER 4

REMUNERATION ARRANGEMENTS FOR NEW PRINCIPAL COUNCILS

142 Directions to Independent Remuneration Panel for Wales

- (1) The Welsh Ministers may direct the Independent Remuneration Panel for Wales (“the Panel”) that it must perform its payment and pension functions in relation to—
 - (a) the shadow council for a new principal area established under merger regulations or restructuring regulations, and
 - (b) the principal council for that area, for the financial year in which the transfer date falls.
- (2) For the purposes of subsection (1), the Panel’s payment and pension functions are the functions under the following sections in Part 8 of the 2011 Measure—
 - (a) section 142 (payments to members), and
 - (b) section 143 (members’ pensions).
- (3) Accordingly Part 8 of the 2011 Measure applies in the case of a council to which a direction under subsection (1) relates; but in its application by virtue of this subsection Part 8 is subject to—
 - (a) subsection (4), and
 - (b) section 143.
- (4) Where Part 8 of the 2011 Measure applies by virtue of subsection (3)—
 - (a) the shadow council is a relevant authority for the purposes of that Part,

Status: This is the original version (as it was originally enacted).

- (b) the Panel may exercise its functions under Part 8 of the 2011 Measure in relation to the principal council for the new principal area before the council has been established (including by way of imposing a requirement to which the council will be subject once it is established); accordingly, for those purposes that Part is to be read as if the council is, before it is established, a relevant authority,
 - (c) where the transfer date does not fall on 1 April, the references in section 142 to a financial year include a reference to part of the financial year in which the transfer date falls,
 - (d) section 143A (functions of the Independent Remuneration Panel for Wales in respect of remuneration of chief executives) does not apply by virtue of subsection (3) (but see section 145(6) in this Chapter, which applies section 143A in any event), and
 - (e) section 146 (first annual report of Panel) does not apply (but see section 143(9) in this Chapter).
- (5) In exercising functions by virtue of this section in relation to a principal council for an area which has or had a designated shadow council, the Panel may, in relation to times before and after the council will consist of councillors elected at the first ordinary election—
- (a) make different decisions under section 142(1) of the 2011 Measure;
 - (b) set different amounts under subsection (3) of that section;
 - (c) make different determinations under subsection (4) of that section;
 - (d) set different percentages or other rates or indices under subsection (6) of that section;
 - (e) make different decisions under section 143(2) and (3) of the 2011 Measure.

143 Reports of Panel relating to shadow councils and new principal councils

- (1) This section applies where Part 8 of the 2011 Measure applies in the case of a council by virtue of a direction under section 142.
- (2) The first report under Part 8 of the 2011 Measure that relates (wholly or partly) to the shadow council for the new principal area (“the first report”)—
 - (a) must be published no later than the date specified in the direction under section 142 for that purpose, and
 - (b) may be an annual report or a supplementary report, subject to the requirement imposed by virtue of paragraph (a) and the requirements under sections 147(2) and 148(1) and (1A)(a) of the 2011 Measure.
- (3) Section 148(1A)(b) of the 2011 Measure (time limit on publication) does not apply in relation to the first report if it is a supplementary report.
- (4) Where any annual report or supplementary report relates (wholly or partly) to—
 - (a) the shadow council, or
 - (b) the principal council for the new principal area and that council will not be established at the time of publication of the report,
 the Panel must take the step set out in subsection (5).
- (5) The Panel must, before publishing the report under section 147 of the 2011 Measure, send a draft of the report to the following (if the Panel is not already required to do so under section 147(8)(a) of the 2011 Measure)—

- (a) the merging councils or restructuring councils whose areas are to be merged to create the new principal area;
 - (b) the shadow council (if established);
 - (c) the persons (if any) specified for that purpose in the direction under section 142.
- (6) A supplementary report may impose on the merging councils or restructuring councils whose areas are to be merged to create the new principal area, or on the shadow council—
 - (a) requirements of a kind specified in section 150(1) or (3) of the 2011 Measure;
 - (b) requirements of a kind specified in section 151(1) of that Measure.
- (7) Where a supplementary report relates (wholly or partly) to the shadow council, section 150(2) of the 2011 Measure applies in relation to that report (to the extent that it requires a payment to be made to or by the shadow council) as it applies in relation to an annual report.
- (8) The references in sections 153, 154 and 157 of the 2011 Measure to requirements imposed by an annual report include a reference to requirements imposed by a supplementary report by virtue of this section.
- (9) An annual or supplementary report must specify in relation to the council for the new principal area (whether it is a shadow council or a principal council at the time of publication) the information mentioned in section 146(3) of the 2011 Measure.
- (10) The matters required by virtue of this section and section 142 to be included in a report of the Panel in relation to the financial year in which the transfer date falls must be included in the annual report for that financial year.
- (11) But, if the Panel considers it appropriate to do so, it may at any time before the transfer date publish a supplementary report in relation to so much of that first financial year as falls on or after that date.

144 Guidance to Panel

The Panel must have regard to any guidance issued by the Welsh Ministers about the exercise of its functions in accordance with sections 142 and 143.

145 Pay policy statements

- (1) A transition committee must publish recommendations as to the pay policy statement to be prepared by the shadow council for the new principal area.
- (2) The recommendations must be published no later than six weeks before—
 - (a) where the shadow council is an elected shadow council, the date on which elections to the shadow council are to take place, or
 - (b) where the shadow council is a designated shadow council, the date on which the shadow council is to be established.
- (3) A shadow council must prepare and approve (and may amend) a pay policy statement in accordance with sections 38(2) to (5) and 39(1), (4) and (5) of the [Localism Act 2011 \(c. 20\)](#)—
 - (a) for the period beginning with the approval of the pay policy statement and ending immediately before the transfer date, and

- (b) for the first financial year in which there will be a principal council for the new principal area.
- (4) Accordingly, sections 38(2) to (5) and 39(1), (4) and (5), 41(1) and (2) and 42(1) and (2) of the Localism Act 2011 apply; and where those provisions apply by virtue of this subsection—
 - (a) the shadow council is, for the purposes of those provisions, a relevant authority within the meaning of Chapter 8 of Part 1 of that Act,
 - (b) the period mentioned in subsection (3)(a) is to be treated for the purposes of those provisions as a financial year, and
 - (c) section 39(5) of that Act is to be read as if for “on the authority’s website” there were substituted “on a website”.
- (5) No chief officer (within the meaning of section 43(2) of the Localism Act 2011) may be appointed or designated by the shadow council until the pay policy statement under subsection (3) has been prepared and approved.
- (6) Section 143A of the 2011 Measure (functions of the Independent Remuneration Panel for Wales in respect of remuneration of chief executives) applies in relation to a shadow council, subject to paragraph 1(7) of Schedule 12; and accordingly a shadow council is a qualifying relevant authority for the purposes of that section.
- (7) In this section, “transition committee” means a transition committee established under Schedule 11—
 - (a) in relation to merger regulations, or
 - (b) in relation to restructuring regulations which make provision for there to be a shadow council.