

Title of Report	PAY POLICY STATEMENT 2025/26	
Presented by	Councillor Keith Merrie MBE Infrastructure Portfolio Holder	
Background Papers	Personal files of employees (confidential) and information held on the I-Trent software system.	Public Report: Yes
Financial Implications	There are no direct financial implications arising for the Council in this report.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	There are requirements under the Localism Act 2011 that need to be taken into account when preparing and publishing the pay policy statement. Those requirements have been considered in preparing the statement at Appendix 1 and are referenced in the detail of the statement itself.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	This report contains the pay arrangements for the most senior employees of the Council.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	The Council is required by the Localism Act 2011 to prepare and approve a pay policy statement in respect of each financial year, before the commencement of that financial year. This report has been produced to provide the relevant information.	
Recommendations	THAT COUNCIL APPROVES THE PAY POLICY STATEMENT FOR 2025/26 AS ATTACHED AT APPENDIX 1 OF THIS REPORT.	

1.0 BACKGROUND

- 1.1 Under Section 38 of the Localism Act 2011, the Council is required to produce a Pay Policy Statement for each financial year, which must be approved by full Council before the beginning of the financial year to which it relates.
- 1.2 The Statement must set out the Council's policies in relation to:
 - Senior Officers
 - Its lowest paid employees; and
 - The relationship between the pay of Senior Officers and the pay of other employees
- 1.3 For the purposes of this statement 'pay' includes basic salary, bonuses and all other allowances arising from employment.
- 1.4 The proposed Pay Policy Statement shown below at Appendix 1 sets out the Council's policy and explains the processes that apply to performance management and assessment. The Policy Statement also details the other benefits payable to Senior Officers and the approach to the engagement of Interim Senior Officers who may be in receipt of a previous public sector pension.
- 1.5 In accordance with the requirements of the Localism Act 2011, the statement details the Council's pay multiple, which is the relationship between the median average pay of the Council's workforce compared to the salary of the most Senior Officer (the Chief Executive).

Pay Policy Statement 2025/26

1.0 Introduction

- 1.1 This Statement sets out the Council's policies in relation to the pay of its workforce, particularly its Senior Officers, in line with Section 38 of the Localism Act 2011. In accordance with that Act, the Statement is required to be approved by Full Council each year. The Statement will be published on the Council's website. The Council is committed to an open and transparent approach to the pay and benefits that apply to its workforce.
- 1.2 This Statement sets out the Council's policies relating to the payment of the workforce particularly:
- Senior Officers
 - Its lowest paid employees.
 - The relationship between the pay of Senior Officers and the pay of other employees
- 1.3 For the purposes of this statement 'pay' includes basic salary, bonuses and all other allowances arising from employment.

2.0 Objectives of this Statement

- 2.1 This Statement sets out the Council's key policy principles in relation to pay. The Council has employment law and contractual responsibilities in relation to the pay and benefits of its existing employees and these have been considered when formulating this Statement.
- 2.2 This Statement aims to ensure the Council's approach to pay and benefits attracts and retains a high performing workforce whilst ensuring value for money. It sits alongside the information on pay that the Council already publishes as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency.

3.0 Basic Salaries of Senior Officers

- 3.1 For the purposes of this Statement, Senior Officers are defined as those posts paid on Chief Executive or Chief Officer conditions of service.
- 3.2 In North West Leicestershire District Council twelve posts are engaged under Chief Executive or Chief Officer terms and conditions of service. The Council has three relevant salary bandings – the Chief Executive Band, which applies to one post, a Director Band which applies to three posts, and a Head of Service Band which applies to eight posts.

- 3.3 The following posts are determined to be statutory, Chief or Deputy Chief Officer posts in the Council:

Chief Executive (Head of Paid Service and Returning Officer),

Strategic Directors – (3), (One Director is the S151 Officer)

Head of Legal and Support Services (Monitoring Officer),

Head of Finance (Deputy S151 Officer),

Head of Human Resources and Organisation Development,

Head of Housing,

Head of Planning and Infrastructure,

Head of Community Services,

Head of Regeneration and Property,

Joint Strategic Planning Manager (Jointly funded Partnership post, but an employee of North West Leicestershire District Council).

The Head of Revenues and Benefits is also at this level but is employed directly by Hinckley and Bosworth Borough Council as part of a shared service arrangement under that Council's terms and conditions of employment.

- 3.4 There have been changes to the senior team during 2024/25. The Head of Legal and Support Services left the Council in November 2024 and a successor was appointed and commenced in January 2025. The Head of Human Resources is due to retire in March 2025, and a successor is due to start in April 2025. These appointments followed a selection process conducted by the members Appointments Committee.
- 3.5 The Heads of Service are all located within a salary range £64,241 to £74,525 (9 incremental points), the Director salary range is £87,545 to £97,842 (6 incremental points) and the Chief Executive Salary range is £134,373 to £143,715 (4 incremental points). In addition, the Head of Legal and Support Services receives a payment of £5,670 per annum for undertaking the role of Monitoring Officer.
- 3.6 The cost-of-living increase for the 2024/25 financial year was agreed at national level for Chief Executive and Chief Officers pay bands at a percentage increase of 2.5% on all salary points.
- 3.7 Negotiations are currently underway at national level to determine the pay awards for the financial year 2025/26.
- 3.8 The salaries of all Senior Officers have been set previously by formal meetings of elected members.
- 3.9 The Directors and Heads of Service are all subject to a continuous appraisal process and are required to report on their progress against the Council Delivery Plan and performance indicators to Cabinet and the Corporate Scrutiny Committees on a quarterly basis.

3.10 Increments for all employees including Senior Officers are paid on an annual basis until the maximum of the scale is reached. The Chief Executive, or her nominated representative, has the discretion to award and withhold increments of officers' dependant on satisfactory or unsatisfactory performance. The Council's policy is to appoint senior officers at the minimum point of the salary band unless experience or market factors and conditions necessitate an appointment at a higher incremental point on the scale. The overriding consideration is to appoint the best person for the job.

4.0 Car Allowance payments made to Senior Officers

4.1 It is a requirement of the contracts of all Senior Officers that they be on a call-out rota to be available for Service Emergencies or to act in the event of a civil, local, or national emergency. The rota provides for 24/7 365 days a year cover.

4.2 Due to the need to respond to emergencies out-of-hours and being on-call, Senior Officers have either a Car Lease or car allowance.

4.3 The annual car leasing value to Senior Officers varies depending on the year renewal date of their vehicle and the relative value of "benchmark" vehicles in the Car Leasing scheme, which change from time to time. The actual current Council contributions range between £2,897 and £4,545 per annum (for the Senior Officers in this Statement).

4.4 All Officers with a lease car are tied to a four-year contract, with penalties payable if they terminate the contract prematurely. Officers are responsible for their own car insurance and petrol / diesel costs. If Officers with a lease car use the car for business mileage, they are reimbursed at 16.6p per mile. This rate is reviewed periodically by reference to the National Conditions of Service petrol element. This mileage rate has not changed during the 2024/25 financial year.

5.0 Local Government Pension Scheme

5.1 All Council employees may join the Local Government Pension Scheme (LGPS). The Scheme is a statutory scheme with contributions from employees and from employers. For more comprehensive details of the local government pension scheme see: <http://www.lgps.org.uk/>

5.2 Neither the Scheme nor the Council adopt different policies regarding benefits for any category of employee and the same terms apply to all staff. The Council policies relating to pension discretions are being reviewed as a separate report to this meeting at Agenda item. The reviewed discretions apply to all employees (and former employees) in the workforce equally. The Council will consider each case on its merits. There is no scope for the discretions to be applied more favourably to Senior Officers.

5.3 The LGPS is an optional benefit. If senior officers are members of the scheme the employee contribution rates range between 8.5% and 11.4%. The Council also contributes to the LGPS if officers join at a rate of 22.7% of salary.

6.0 Professional Fees

- 6.1 The Council reimburses the cost of professional fees for Senior and other Officers where it is essential to the performance of the job role.

7.0 Election fees

- 7.1 In accordance with the national agreement the Chief Executive and some of the senior officers in this statement are entitled to receive and retain the personal fees arising from performing the duties of returning officer, acting returning officer, deputy returning officer or deputy acting returning officer or similar election support roles.
- 7.2 Fees for returning officer and other electoral duties are identified and paid separately for local government elections, elections to the UK Parliament and other electoral processes such as referenda. As these relate to performance and delivery of specific elections duties, they are distinct from the process for the determination of pay for Senior Officers and are separate employment contracts filled by the Returning Officer. The fees are set externally by legislation and based on a formula linked to the number of electors. The election fees do not apply to all the officers in this statement, but where applicable, they cover a range of duties from Election count supervisors to the Returning officer for elections.

8.0 Employment Stability Policy

- 8.1 The Council has previously determined that its “Employment Stability Scheme” will apply to all employees of the Council including Senior Officers. The Employment Stability Policy provides that actual weekly pay will be used when calculating an employee’s redundancy payment and the number of redundancy weeks payable is the statutory number of weeks redundancy multiplied by a factor of 1.5. This means that the maximum number of weeks payable, depending on age and service, is forty-five. The National Local Government Pension Scheme Regulations provide those employees aged over 55 years of age gain automatic payment of their pension if they are made redundant by the Council and there can then be an associated pension Capital cost payable by the Council. The government has announced that the regulations are scheduled to change in April 2028 when the earliest age a deferred pension can be paid will be at 57 years of age.
- 8.2 The Employment Stability Policy also includes the potential for any employee (including Senior Officers) who is at risk of being made redundant to receive salary protection for three years on a stand-still basis if they are redeployed to a lower graded post. It should be noted that in practice, this is a very rare occurrence and would be subject to the necessary approvals in line with the Council’s constitution.

9.0 Whole-time service

- 9.1 All Senior Officers are expected to devote the whole of their service to the Authority and are excluded from taking up additional business, ad hoc services, or additional appointments without consent. Officers at a senior level are restricted from being involved in specified political activities, and all employees of the Council are bound by a code of conduct. Senior Officers are expected to work the hours required to complete the job, subject to a minimum of 36.25 hours per week. No additional payments are normally made for out-of-hours working, and there is an expectation that Senior Officer Roles will include on-call and out-of-hours meetings and duties. The hybrid working scheme introduced across the Council in 2021 applies to Senior Officers subject to these minimum requirements.

10.0 Other Benefits

- 10.1 The Senior Officers' terms and conditions of Service are determined at National level according to the following frameworks: National Joint Council for Chief Executives Conditions of Service National Joint Council for Chief Officers Conditions of Service. These frameworks provide the details of conditions of service such as annual leave, sick pay, maternity allowances, training, and development etc.

11.0 Pay Relationships

- 11.1 The Localism Act 2011, requires the Council to set out its policy relating to the relationship between the pay of its Senior Officers and the pay of the rest of its employees. The Council has not previously set its pay structure of any group of employees by reference to a pay multiple. The Council has previously set the pay rates for different groups through processes of job evaluation, market comparability and the prevailing economic and market conditions. These can vary enormously from time to time and between the many occupational groups comprising the Council's workforce.

The Council has defined its lowest paid employees as those on the lowest pay grade the Council operates, who are not undergoing an apprenticeship. The Council agreed to pay the "Voluntary Living Wage" rate as a minimum wage figure in April 2014, and this rate was updated in October 2024 to £24,027 per annum.

- 11.2 The Localism Act requires Councils to calculate the pay multiples between the highest and lowest earners. The median average pay of the Council's workforce in January 2025 was £31,586 per annum which, when compared to the salary of the most highly paid Senior Officer at £140,529 per annum, produces a pay ratio multiple of 4.45. The ratio has decreased slightly from last year when the ratio was 4.5.

12.0 Approach to pensioners and Interim Managers

- 12.1 The Localism Act requires an explanation of the Council's policy in relation to the arrangements that might apply where it could appear that the public sector is paying an individual twice through a salary and a pension for doing the same job. This Council's view is that it is not good value for money for the taxpayer to make a person redundant (and pay a pension if they are aged 55 years and over) for them to then return to the same job. The Council will not condone this approach. However, it should be noted that there may be circumstances where the Council may employ individuals who are in receipt of a public sector pension for new roles where they are the best person for the job. An example of this may be the employment of ex-services or "blue light" personnel, to a different role in this Council. There might be risks of age or disability claims if the Council was to adopt a contrary position.
- 12.2 The Council has used Interim Managers to fill short-term vacancies or to undertake specific projects where there are capacity issues, or a shortage of a particular skill set within the Council's own workforce. This may mean that the Council could engage Interim Managers who are in receipt of a public sector pension from other previous employment where an appropriate assessment has been completed on the value-for-money of the proposed arrangement for the Council. Such assessments will be completed by the Head of the Paid Service in consultation with the Leader of the Council.
- 12.3 Interim chief officers are recruited through an executive search provider. Their appointment is delegated to the Head of Paid Service (the Chief Executive) in the Constitution. The pay arrangements are set according to market conditions at the time, and may include direct employment by the Council, or engagement through an employment agency, or via an approved HMRC umbrella company. Interims are engaged for short term periods to support the work of the Corporate Leadership Team when posts are temporarily vacant.

Currently one interim deputy chief officer is engaged by the Council in the role of Deputy Monitoring Officer.

13.0 Review and Changes

- 13.1 The Council will review this Statement annually, or if amendments need to be made before the date of the scheduled review, in year to Full Council. Any significant amendments or changes to the legislation which may affect the pay and benefits of Senior Officers will be determined according to the Council's Constitution or legislation by the relevant Committee / Panel / Council meeting.

Policies and other considerations, as appropriate	
Council Priorities:	The Corporate Leadership Team is key to the delivery of all the Council's priorities.
Policy Considerations:	Pay policy for senior officers.
Safeguarding:	None
Equalities/Diversity:	No direct considerations.
Customer Impact:	The Corporate Leadership Team is responsible for the Customer impacts of the Council's work.
Economic and Social Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	The report will be provided to the recognised trade unions.
Risks:	Detailed in the corporate risk register.
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