

<b>Title of Report</b>	<b>PAY POLICY 2026/27</b>	
<b>Presented by</b>	Councillor Rushton Infrastructure Portfolio Holder	
<b>Background Papers</b>		<b>Public Report: Yes</b>
<b>Financial Implications</b>	There are no direct additional financial implications arising from approval of the Pay Policy Statement. All pay provisions are contained within existing approved staffing budgets.	
	<b>Signed off by the Section 151 Officer: Yes</b>	
<b>Legal Implications</b>	The Pay Policy Statement is required under Sections 38–43 of the Localism Act 2011 and must be approved by full Council each year. In determining pay, the Council must also comply with the Equality Act 2010, the Local Government Transparency Code 2015, and wider employment legislation.	
	<b>Signed off by the Deputy Monitoring Officer: Yes</b>	
<b>Staffing and Corporate Implications</b>	There are no direct staffing or corporate implications arising from this report.	
	<b>Signed off by the Head of Paid Service: Yes</b>	
<b>Purpose of Report</b>	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.	
<b>Recommendations</b>	<b>THAT COUNCIL APPROVES THE COUNCIL'S PAY POLICY STATEMENT 2026/27, AS ATTACHED AT APPENDIX 1 OF THIS REPORT.</b>	

## **BACKGROUND**

- 1.0 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.
- 1.1 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

- 1.2 For the purposes of this statement 'pay' includes basic salary, bonuses and all other allowances arising from employment.
- 1.3 The proposed pay policy statement attached 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.
- 1.4 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 is attached at appendix 1.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	- A well-run Council
Policy Considerations:	This report has no direct policy implications
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment, Climate Change and zero carbon:	None
Consultation/Community Engagement:	None
Risks:	Failure to complete this report could result in the council not meeting its statutory obligations and weakening transparency and governance around pay.
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## **APPENDIX 1.**

### **Pay Policy Statement 2026/27**

#### 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 the Statement. The Council ensures all pay differentials can be objectively justified and are based on a recognised job evaluation framework, ensuring compliance with equal pay legislation.
- 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 2025/26. The Head of Housing left the Council in June 2025, and a successor was appointed and commenced in November 2025. The appointment followed a selection process conducted by the members' Appointments Committee.
- 3.5 It should be noted for completeness that two posts at Service Manager Level are designated as a Deputy Chief Officers within the definition applied to the Council's Constitution because of their functions within the Council as Deputy Monitoring Officer. and Deputy Finance Officer . Their information has not been included within this statement because they are not engaged on Chief Officer terms and conditions of service.
- 3.6 The Heads of Service are all located within a salary range £66,296.56 to £76,909.46 (9 incremental points), The Director salary range is £90,346.7 to £100,973.36 (six incremental points) and the Chief Executive Salary range is £138,672.47 to £143,715 (four incremental points).

The cost-of-living increase for the 2025/26 financial year was agreed at national level for Chief Executive and Chief Officers pay bands at a percentage increase of 3.2% on all salary points.

Negotiations are currently underway at national level to determine the pay awards for the financial year 2026/27.

- 3.7 The salaries of all Senior Officers have been set previously by formal meetings of elected members.
- 3.8 The Strategic 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 and Community Scrutiny Committees on a quarterly basis.
- 3.9 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.
- 3.10 The Council currently employs 34 members of staff, inclusive of the officers referenced above, whose basic salary exceeds £50,000 per annum (pro-rated for part-time roles). Those not referenced above are posts with a designated post title of Team Manager.

#### 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 £3,003 and £4,140 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 2025/26 financial year.

#### 5.0 Local Government Pension Scheme

- 5.1 All Council employees may join the Local Government Pension Scheme. 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 Local Government Pension Scheme (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 Payment to statutory officers

- 7.1 Statutory officer roles are important safeguards to ensure the proper running of the authority and should be recognised and rewarded as such.
- the role of Head of Paid Service is an integral part of the Chief Executive’s role and is rewarded as part of the substantive role

- where the Section 151 or Monitoring Officer role is discharged at either the Director level it is rewarded as part of the substantive role and therefore no additional honorarium payment is payable
- where the Section 151 or Monitoring Officer role is discharged below Director level it is rewarded as an additional responsibility through an honorarium
- the deputising role for the Section 151 or Monitoring Officer role is also rewarded as an additional responsibility through an honorarium payment.

## 8.0 Election fees

- 8.1 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.
- 8.2 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.

## 9.0 Redundancy Policy

- 9.1 The Council has previously determined that its “severance scheme” will apply to all employees of the Council including Senior Officers. The Redundancy 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.
- 9.2 The Redundancy 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.

## 10.0 Whole-time service

- 10.1 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 the minimum requirements.

## 11.0 Other Benefits

11.1 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.

## 12.0 Pay Relationships

12.1 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.

12.2. Pay of the Council's Lowest Paid Employees. 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.

12.3 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 2024 (including overtime payments) was £ 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 4.50. The ratio has decreased slightly from last year when the ratio was 4.5. This change is due in part to the bottom-loaded pay award agreed at national level which had the effect of providing a higher percentage increase for employees in the lower bands of the salary scales. This meant the average increase in the median pay was 6.92% across the workforce which compares with an overall increase for the highest earner of 5.84% (including an increment progression).

## 13.0 Approach to pensioners and Interim Managers

13.1 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.

13.2 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.

13.3 Interim chief officer managers 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 no Interim chief officers are engaged by the Council.

#### 14.0 Review and Changes

14.1 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.