

Leicester City Council

Pay Policy Statement 2026/27

1 Introduction and Purpose

- 1.1 Section 38(1) of the Localism Act 2011 requires all local authorities in England and Wales to produce and publish a Pay Policy Statement for each financial year. The principle behind this requirement is to ensure transparency and accountability in local approaches to public sector pay, particularly in respect of senior staff, by enabling public scrutiny.
- 1.2 As specified in the Act, this requirement does not extend to schools and, therefore, the Statement does not include school-based employees. Leicester City Council's Pay Policy Statement is set out in accordance with the mandatory requirements of the Localism Act and also takes account of The Local Government Transparency Code 2015. It sets out information on the council's pay and conditions of service for its chief officers and the wider workforce.
- 1.3 The Pay Policy Statement is designed to enable communities to access the information they need to determine whether remuneration, particularly senior remuneration, is appropriate and commensurate with responsibility. It also helps ensure that policies on pay and reward for the most senior staff are clearly set within the context of the pay of the wider workforce.
- 1.4 The Act recognises that each local authority has the right to determine its own policy towards pay to address local priorities, the local marketplace, and its own economic circumstances. There is a requirement for the Pay Policy Statement to be approved by Full Council. Councils are encouraged to set up Remuneration Committees to oversee pay policy; councillors are also encouraged to have a significant role in determining pay. At Leicester City Council, decisions on terms and conditions are made by the Employees Committee or the Executive.
- 1.5 National negotiations regarding the 2026/27 pay awards for Chief Officers and Local Government Services employees are expected to commence in early 2026 and any resulting pay awards will come into effect from 1 April 2026. As such, the pay figures referenced within this statement are subject to change.

2 Wider Context

- 2.1 Leicester City Council is a unitary authority serving the largest city in the East Midlands region with a population of 388,348¹ in 2024. It is one of the largest employers in the city with a current workforce headcount of 6,281 (5,036 full-time equivalent) excluding schools.
- 2.2 The Council operates under a mayoral model of governance and provides a comprehensive set of local authority services to the population of the city. These

¹ Source: [Office of National Statistics](#)

include education, social services, environmental services, highways, economic regeneration, planning, libraries, museums, revenues and benefits, housing, parks, and open spaces amongst others.

- 2.3 The financial position of the Council has been difficult for over a decade and like many authorities, we have faced difficulties in being able to balance our budget. Due to the significant work undertaken to manage costs in demand-led services, and to make savings alongside an improved funding settlement we have, however, improved our financial position and no longer envisage requiring exceptional financial support (EFS) in the foreseeable future.
- 2.4 The budget for 2026/27, approved in February, continues the medium-term strategy established last year. Due to the improved outlook, the focus has moved from managing the immediate crisis to ensuring the longer-term financial sustainability of the budget.

3 Scope and Definitions

- 2.5 A key requirement of the Localism Act is to set senior pay in the context of pay for the wider workforce, and specifically its lowest paid staff.
- 2.6 This Pay Policy Statement covers all Leicester City Council employees except those employed in schools, apprentices and casual workers.
- 2.7 Most staff within the wider workforce, covered by this Pay Policy Statement, are paid in accordance with a pay structure (and its associated terms and conditions of service) that was implemented in 2011. This pay structure applies to all staff covered by the National Joint Council for Local Government Services (LGS). A revised version of this pay structure took effect from 1 April 2019 following a restructure of the LGS national pay spine.
- 2.8 There are a number of employees who are on terms and conditions from their previous employer which they have retained under the Transfer of Undertakings (Protection of Employment) Regulations. For this reason, some or all of this Pay Policy Statement may not apply to those employees.
- 2.9 The Statement includes policies on:
 - a) The level and elements of remuneration for Chief Officers
 - b) The remuneration of lowest paid employees
 - c) The relationship between the remuneration of Chief Officers and other officers.
- 2.10 Remuneration in the context of the Localism Act is defined widely to include salary, bonuses, performance related pay, allowances, fees, benefits in kind and contractual arrangements relating to any possible future severance payments.
- 2.11 The definition of Chief Officer includes Head of Paid Service², Strategic Directors and Divisional Directors.

² The Council does not have a post of Chief Executive but is still legally required to have a Head of Paid Service.

2.12 In line with the Local Government Transparency Code 2015, the Council publishes information showing the top three tiers of its structure, on its website:

[Performance and spending | Leicester City Council](#)

4. Senior Pay

- 4.1 Under the mayoral model, the Council retains a statutory role of Head of Paid Service who is also the Chief Operating Officer. The overall purpose of this post is to support the City Mayor and to work with the Corporate Management Team, Council and Executive to deliver the Council's vision, strategic aims, and objectives. The salary range for this post is £161,751 - £166,904. There are no additional performance or bonus payments applicable to this role.
- 4.2 Appendix 1 details each Chief Officer's substantive salary range and salary as of 31 March 2026. In line with the 2025/26 pay award for Local Authority Chief Officers each point on the pay scale for Chief Officers increased by 3.2% on 1 April 2025.
- 4.3 The conditions of service for Chief Officers are in accordance with the Joint Negotiating Committee for Chief Officers agreement and the local terms and conditions which apply to other staff. Chief Officers do not receive additional performance or bonus payments.
- 4.4 An honorarium payment may be made to an employee, including a Chief Officer where duties and responsibilities which fall outside of their substantive role are undertaken temporarily. At the time of writing, one Chief Officer was in receipt of an honoraria payment. This payment is treated as normal income for tax purposes.
- 4.5 Officers at this level are expected to work those hours necessary to fulfil their duties without additional pay. They receive no additional payments for overtime, standby etc.
- 4.6 Chief Officers are eligible for a council owned mobile device but, in common with other staff who are eligible, may choose instead to use their personal device for business purposes, e.g. for voice calls, SMS and data. Eligible staff who opted to use their own device prior to policy revisions in 2025, currently receive a 'Bring Your Own Device Scheme' allowance. The allowance at the time of writing is £15 per month and is currently paid to 5 Chief Officers. The allowance is treated as normal income for tax purposes.

Placing on Grades and Incremental Progression

- 4.7 Appointments to both Strategic and Divisional Director grades are normally made on the minimum point of the salary range unless an appointee is already on a higher salary in which case placing on the grade will reflect this. The only other factor normally considered, where necessary, is market forces. Market supplements above the grade of the post are not, however, normally awarded at this level. Decisions on placement within the grade are normally taken by the

most senior manager involved in the selection process who may, if required, consult the relevant member of the Executive.

- 4.8 Progression through the grade is by one increment on 1 April each year, subject to satisfactory performance, until the maximum of the grade is reached.

Fees

- 4.9 The only Chief Officer to receive fees is the Returning Officer who receives payment in accordance with the relevant legislation set by Government for each election. The Returning Officer is the Chief Operating Officer.

Termination Payments

- 4.10 Following the revocation of the Restriction of Public Sector Exit Payments Regulations in 2021 there are currently no restrictions on termination payments. A new Bill (Public Sector Exit Payments (Limitation) Bill) has, however, been presented to parliament and a second reading is scheduled for February 2026. At the time of writing, no immediate restrictions to termination payments are expected but any future regulations will be reflected in forthcoming statements.
- 4.10 Redundancy payments are based on the number of weeks' pay staff are entitled to in accordance with statute, with reference to their age and length of continuous service, using an actual week's pay.
- 4.11 Where the total of the capitalised costs and redundancy pay for a redundancy is £30K - £59K authorisation by the Assistant Director People & Corporate Services is required. Where the cost is £60K or more authorisation by the Chief Operating Officer, in consultation with the City Mayor, is required.
- 4.12 In regard to early retirement, the Council's normal position is not to top up pension benefits, but it will consider requests to do so on a case-by-case basis. This approach applies to all employees and there are no special arrangements for senior staff. The Council reserves, however, the right to enter into settlement agreements for staff in exceptional circumstances.
- 4.13 The Council has provisions for flexible retirement and for early retirement on compassionate grounds in exceptional circumstances. The Council does not award additional membership under regulation 31.
- 4.14 The Council has in place a policy on re-engagement after redundancy or early retirement. This sets out the circumstances in which an employee who has left the council on the grounds of redundancy and/or early retirement may, or may not, be re-engaged by the Council.
- 4.15 Special severance payments including ex-gratia payments may be considered and paid as part of settlement agreements. This arrangement applies to all staff. Decisions regarding special severance payments are considered and made in accordance with Statutory Guidance.

Comparison of Senior Pay with Similar Authorities

4.16 Geographically the nearest unitary city councils are Derby and Nottingham City Councils. A comparison of Leicester's Chief Officer salary ranges against the salary ranges for similar posts in these authorities, at April 2025 rates, is shown in the table below.

4.16 It should be noted that actual posts and structures vary between authorities. One key difference is that Leicester does not have a Chief Executive, and the Head of Paid Service is undertaken by the Chief Operating Officer (who, in effect, also acts as the Strategic Director for Corporate Resources and Support). The most senior role in the other two councils (as their Head of Paid Service) is the Chief Executive.

Authority	Most senior role - Head of Paid Service	Top tier - Strategic Directors	Second tier - Divisional Directors
Leicester	£161,751 - £166,904	£146,293 - £156,596	£96,945 - £111,528
Derby	£196,000	£133,087 - £146,182	£85,777 - £100,972
Nottingham	£190,505 - £213,340	£147,524 - £171,760	£117,061 - £129,288

4.17 The comparison table above shows that:

- Leicester City Council's Head of Paid Service is currently paid considerably less than the two nearest unitary authorities. This reflects that we do not have a Chief Executive and, instead, have combined the Head of Paid Service with our Chief Operating Officer role.
- The maximum salary for Leicester's Strategic Directors is higher than Derby's with their maximum salary being comparable to the minimum for Strategic Directors at Leicester. However, whilst Nottingham's minimum salary is comparable to Leicester's, their maximum is significantly higher.
- Nottingham's minimum and maximum Divisional Director salaries are significantly higher than Leicester's. Whilst Derby's Divisional Director salary range is, in the main, less than Leicester's with the top of their pay scale being slightly higher than our minimum pay point.

Value for Money

4.18 One of the key issues underlying the requirement to produce a Pay Policy Statement is consideration of whether senior pay levels represent value for money.

4.19 Both Strategic and Divisional Directors have significant responsibilities for the delivery of services under their control and the effective use of workforces and budgets assigned to these. They advise the City Mayor and elected members on Council decisions and the future direction of the authority. They guide major projects, plan and deliver a wide range of council services, are responsible for the effective performance of their service areas, lead on complex changes,

make difficult day to day decisions on 'doing more with less' and commission services from others. All these activities are delivered against a challenging economic environment.

- 4.20 Most Directors are responsible for large numbers of staff or manage highly complex technical areas with smaller staff complements. The numbers of staff managed are included in Appendix 1. Some senior roles hold statutory responsibilities, such as the Head of Paid Service, Section 151 Officer role (in charge of the Council's finances), Electoral Registration Officer, Local Returning Officer, and Monitoring Officer or responsibilities for safeguarding vulnerable adults or children.
- 4.21 The Chief Operating Officer and the two Strategic Directors, with the City Mayor and the Executive, are responsible for setting out a strategic vision for the way forward for the service areas under their control and providing clear leadership to the organisation. They also provide effective management for their departments. Some senior roles focus on partnership working and relationship management with external partners to integrate strategy, maximise effective use of resources or to facilitate/deliver a shared agenda.
- 4.22 Strategic Directors are responsible for overseeing large departments and Divisional Directors manage the divisions within departments. The size of budgets varies according to the nature of the service. Details of divisional budgets are attached at Appendix 2.
- 4.23 The job descriptions for all these roles are available on the Council's website:
- [Performance and spending | Leicester City Council](#)
- 4.24 The council's leadership qualities, which set out the behaviours expected of all leaders, are at Appendix 3.

5 The Wider Workforce

- 5.1 Senior pay needs to be set in the context of the pay policy in relation to the rest of the workforce. The Council's current pay structure for all staff covered by the National Joint Council for Local Government Services, which includes most non-school staff and most Heads of Service³, has 15 grades. The overall salary range (as at 1 April 2025) is £24,413 - £79,069 per annum. The bottom grade of the 2025/26 pay scale has one increment, grades 2 and 3 have two increments and the remainder have 4 increments (Appendix 4).
- 5.2 The grading of jobs is determined through job evaluation, using a scheme which is compliant in terms of equal pay for work of equal value principles.
- 5.3 Employees are normally appointed to the minimum point of the grade and progress through the grade by one increment on 1 April each year, subject to

³ There are 7 senior officers paid on 'city officer' grade, which sits outside of this structure. Pay for the city officer grade is, (as at 31 March 2026), £81,148 - £90,245 p.a. Pay awards for these staff are determined in line with the Joint Negotiating Committee for Chief Officers Agreement.

satisfactory performance, until the maximum of the grade is reached. Sometimes, for market reasons, employees are appointed above the minimum point. Accelerated increments may also be awarded for exceptional performance.

- 5.4 The Council has made a positive commitment to support lower paid staff and their families. As such, the Council adopted the 'Real Living Wage', to provide a better standard of living for lower paid employees. The Council therefore pays a supplement to employees whose hourly rate falls below the 'Real Living Wage'. However, at the time of writing, no employees are in receipt of this supplement as the minimum point of the 2025/26 LGS pay scale is above the Real Living Wage rate (which was implemented locally from 1 April 2025) of £12.60.
- 5.5 In October 2025 the 'Real Living Wage' rate was increased to £13.45. The Council intends to implement this increase from 1 April 2026. However, at the time of writing, it is unclear which employees (if any) will be eligible for the supplement as the 2026 pay award, which will be applicable from the same date, is yet to be agreed.
- 5.6 The following local provisions for staff are in place for certain posts:
- Overtime payment at plain time or plain time and a third.
 - Payment at plain time and a third for work at night, on Saturday, Sunday or Public Holidays.
 - Standby allowance of £18.52 per day.
 - Payment for sleeping in duty at the rate of £43.12 per 12-hour period.
 - First aid allowance of £180 per annum (pro-rata for part time employees).
- 5.7 Employee career development is encouraged and the council offers apprenticeships and training to assist staff to progress in their careers. Managers are encouraged to develop career pathways linked to achieving relevant competencies; work of the relevant level and financial provision being available. A framework is also in place for appraising employees.
- 5.8 In addition to those staff covered by the pay and conditions described above, a small proportion of the non-school workforce is covered by national pay scales for teachers, educational improvement professionals, educational psychologists, young people's/community service managers and youth and community workers.

Market Pay

- 5.9 Sometimes job evaluation results in a salary range which is below the market rate for a particular role. Where there is significant difficulty with recruitment and retention because of this, the manager may put forward a business case to the Market Pay Panel. This panel reviews information and evidence regarding both recruitment and retention issues alongside market pay data to determine

whether it is appropriate to award a market supplement. Market supplements are reviewed every two years.

- 5.10 The use of market pay is subject to robust governance and control procedures. Over the past 5 years the number of roles in receipt of market pay has reduced and is currently only awarded to 4 posts. This is due to the introduction of a further scrutiny process and a focus on looking at other ways in which to address recruitment and retention problems.

6 Relationship of Senior Pay to the Pay of the Wider Workforce

- 6.1 The Hutton Report on fair pay recommended that local authorities should publish the ratio of top earner to the median earner in the authority (excluding school staff and apprentices). At Leicester City Council the ratio, based on the top earner's salary of £166,904 and a median full-time equivalent salary of £34,434 (April 2025 salary rates), is 4.85:1. The ratio is lower than last year when it was 5.4:1.
- 6.2 This is also significantly lower than the latest figures we have from our neighbouring Councils - Nottingham City Council (5.6:1) and Derby City Council (5.45:1).

7 Pension

- 7.1 As of 31 March 2026 all staff belonging to the Local Government Pension Scheme (LGPS) make contributions to the scheme based on their salary level as follows:

Contribution Band	Salary Range	Contribution Rate
1	Up to £17,800	5.5%
2	£17,801 to £28,000	5.8%
3	£28,001 to £45,600	6.5%
4	£45,601 to £57,700	6.8%
5	£57,701 to £81,000	8.5%
6	£81,001 to £114,800	9.9%
7	£114,801 to £135,300	10.5%
8	£135,301 to £203,000	11.4%
9	£203,001 or more	12.5%

- 7.2 As of 1 April 2025, the Council makes employer's contributions to the scheme at a rate of 27.8%.
- 7.3 The Council's approach to termination payments is set out in paragraphs 4.9 to 4.15 and is the same for staff at all levels.
- 7.4 If a former employee in receipt of a pension re-joins the council, their pension is not normally abated. The only exception is when added years were awarded when the member previously retired. In this case, if new earnings plus existing pension exceed previous salary, then abatement applies.

Review

- 7.5 The Pay Policy Statement will be updated annually as required by the Localism Act.