

Pay policy statement 2026-27

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1. Scope of this pay policy statement 2026-27

- 1.1 Luton Council aims to have a comprehensive remuneration package that is appropriate and fair for all levels of role and responsibility; ensuring that transparency and equality underpins any rewards.
- 1.2 This Pay Policy statement sets out the council's approach to pay policy in accordance with the requirements of Chapter 8, section 38 of the Localism Act 2011. It is being considered for approval by full Council at their meeting on 17 March 2026.
- 1.3 Once approved by Full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time. It is made available on the council's website.
- 1.4 Included in this Pay Policy Statement 2026-27 are the council's pay and reward policies for 2026-27 that are designed to enable the council, as an employer, to retain competitiveness in the marketplace, and to maintain affordability of employment costs
- 1.5 The policies referred to in this statement are relevant to council employees generally; however, the scope of this statement does not include the pay policies relating to teachers who are covered by the Teachers Pay and Terms and Conditions of Employment in England and Wales. Centrally employed teachers are covered by Teachers pay and terms and conditions.
- 1.7 The council's Administration and Regulation Committee determine the terms and conditions of employment for all staff within the scope of this statement, including the application of any discretion available under the Local Government Pension Scheme (LGPS). It will act as the 'remuneration committee' for the purposes of the Localism Act 2011. The Service Director, Customer and Organisation Development has delegated powers to implement actions that affect terms and conditions of employment that have first been agreed through the council's Administration and Regulation Committee.

2. Definitions

- 2.1 For the purposes of this statement 'chief officers' form the senior management structure of the council. Within the council, this comprises a chief executive, corporate directors, directors and service directors.
- 2.2 The council's pay scale values for pay grades that are not 'chief officer' fall within pay grades scale L1 to L7 and M1 to M9. The council applies pay awards as and when agreed by the National Joint Council for Local Government Services.
- 2.3 The 'lowest paid employees' within the council excluding apprentices are those posts that fall within the L1 pay grade.
- 2.4 Employees at the council on Soulbury Committee terms and conditions include educational improvement professionals and educational psychologists.
- 2.5 There are a number of joint negotiating committees referred to in this document. They provide national agreements on pay and conditions of service for particular groups of employees.

They have representatives for the employers' side usually made up of representatives from the Local Government Employers Association and representatives for the staff side with representatives from the appropriate trade unions. Any changes made by these negotiating bodies are notified to the council as appropriate.

- 2.6 Bodies that negotiate pay, and terms and conditions and the employee groups affected are as follows:

Negotiating body	Employee groups affected
Soulbury Committee	Educational improvement professionals and educational psychologists
National Joint Council (NJC) for Local Government Services (Green Book)	Pay grades Scale L1 to L7 and M1 to M9
National Employers' Organisation for School Teachers (NEOST)	Centrally employed qualified and unqualified teachers
Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities	Chief Executive
Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities	Corporate Directors, Directors and Service Directors

3. Pay determination

- 3.1 Pay levels for all employees (except teachers and those on Soulbury rates) are determined by the Korn Ferry (previously known as Hay) job evaluation scheme (for pay grades L1 to M9), or the Inbucon job evaluation scheme (for the chief executive, corporate directors, directors and service directors).
- 3.2 The two evaluation schemes used are substantial schemes used nationally and internationally. Both schemes establish the relative 'size' of jobs within the council.
- An evaluation is the assessment of each job against a number of established factors, which results in an overall job evaluation score. This is used to rank jobs within the council. The overall job evaluation score for a job is used to allocate that job to the appropriate pay grade of the council's pay grade structure.
- 3.3 Soulbury employees are placed on nationally defined grading structures. The four point pay grades are based on the nationally defined Soulbury pay structures and pay spine.
- 3.4 Pay bargaining and negotiation; the council is a member of the Local Government Employers Association for national collective bargaining in respect of chief executives, chief officers and other employees.
- Pay negotiation is an annual process; a pay claim is submitted by the trade unions and considered by the Local Government Employers Association (following consultation with local authorities).
- 3.5 Appointment; the point at which an individual will be appointed within the pay grade will normally be the minimum of the scale. However, appointment may be at a higher point within the scale where justified.
- 3.6 Progression within a pay grade; each pay grade contains a number of pay points called 'spinal column points'(SCPs) except for grade L1 which is a 'spot' grade of only one spinal column point. Employees are eligible to receive an annual increase within their pay grade until they reach the top.

Once the employee reaches the maximum spinal column point (SCP) of the pay grade for the role there is no further increase unless a nationally negotiated pay award is given.

In exceptional cases, employees' pay can be accelerated to a higher increment with clear justification and service director/director approval. New starters must complete their probationary period before being eligible to receive an increase.

- 3.7 For those on Soulbury pay grades, the pay scale can be extended on an individual basis by up to three additional Structured Professional Assessment (SPA) pay points subject to the employee meeting specific laid down criteria.
- 3.8 Progression schemes - some posts are subject to a progression scheme or 'recruit for potential' that spans more than one pay grade. Movement from one pay grade to another is subject to the employee meeting specific laid down criteria.
- 3.9 Market supplements may be agreed when it can be shown that the salary attached to the grade for 'hard to fill' posts is significantly lower than those offered elsewhere and that this is having an adverse impact on the ability to recruit and retain staff.
- 3.10 A 'hard to fill' post is one where there have been proven recruitment and/or retention difficulties and/or there are known significant national shortages. The value of any market supplement is determined by a comparison of the remuneration for a council post against relevant market rates for similar posts and is subject to review after a maximum of two years.
- 3.11 In practice market supplement payments are made either monthly alongside normal pay or annually in advance.
- 3.12 Payment for extra duties (honoraria). There will be occasions where, due to the service needs, employees will temporarily be required to undertake additional work or perform the work of a higher pay grade. Payment for these extra duties will normally be based on the difference in pay between their substantive post and that of the role being temporarily undertaken.
- 3.13 Car benefit; the council pays an allowance to all employees graded M3 and above, mileage is paid at a reduced local rate.

Pay Grade	Car benefit amount
M3 to M9	£3,203
Service Directors/Directors	£3,990
Corporate Directors	£4,515
Chief Executive	£5,618

- 3.14 Other car allowances - for grades L1 to L7 and M1 to M2, the council pays essential car user allowance (ECU). The lump sum rate for essential car user allowance is £963 per annum. These allowances are in accordance with the middle band of National Joint Council Local Government service rates and have conditions attached to them.

There are local rates in force for individuals who use their motorcycles or bicycles on official business. All allowances are kept under review and changes or additional policies are approved by the council's Administration and Regulation Committee.

- 3.15 Other allowances; the council pays a range of additional allowances where employees are required to work unsocial hours or to undertake specific additional responsibilities (eg first aider, practice educator) or where they incur specific expenditure as required by their job (such as the purchase of tools and equipment).

Uplifts in allowances agreed through the National Joint Council (NJC) for Local Government Services (Green Book) pay award process are also applied to the tool allowance paid to employees in former craft worker positions which were formerly on NJC Local Authority Craft and Associated Employees (Red Book) terms prior to single status.

- 3.16 Performance pay; the council does not operate a performance pay scheme outside the pay grading structure that determines basic pay and therefore there are no performance or performance bonus payments paid to employees of the council.
- 3.17 In November 2024, an exceptional agreement was made by Administration and Regulation committee to award the cohort of staff transferring into the council from Civica a 3 per cent pay increase to ensure that their pay kept pace with the market whilst discussions around transferring them onto council terms and conditions were ongoing.

4. Remuneration of chief officers

- 4.1 Chief Executive; the annual full time equivalent pay range for the pay grade of Chief Executive (as set out by the Joint Negotiating Committee for Chief Executives of Local Authorities) is:

Pay Grade	Min	Max	Increments	Car benefit	Total
Chief Executive	£201,309*	£219,485*	4 (SCP 12 to 15)	£5,618	£206,927 to £225,103

*2025/6 rates – 2026/27 rates have yet to be agreed

- 4.2 The value of the chief executive's pay will be increased by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives of Local Authorities. The chief executive's remuneration for returning officer duties in respect of local elections is consolidated into pay.
- 4.3 In respect of national elections, including parliamentary and referenda, additional fees are paid. The value of these fees will be set by the respective national body in the year to which they apply and will vary with the type of national election.
- 4.4 Corporate directors report to the chief executive.

Pay Grade	Min	Max	Increments	Car benefit	Total
Corporate Director	£137,600*	£150,682*	5	£4,515	£142,115 to £155,197*

*2025/26 rates – 2026/27 rates have yet to be agreed

- 4.5 Pay ceiling is £150,682 plus £4,515 totalling £155,197 per annum as at 31 March 2026. The value of a corporate directors' pay will be increased by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Officers of Local Authorities.
- 4.6 The corporate director posts on corporate director pay and reporting to the chief executive within the council at present are:
- Corporate Director, Inclusive Growth
 - Corporate Director, Children, Families and Education
 - Corporate Director, Population Wellbeing
 - Corporate Director, Airport

The deputy chief executive duties are not currently aligned to any specific role.

- 4.7 All employees on service director pay report to corporate directors. Post titles are either Service Director (Service Director 1) or Director (Service Director 2).

Pay Grade	Min	Max	Increments	Car benefit	Total
Service Director 2	£100,874*	£106,919*	4	£3,990	£104,964 to £110,909
Service Director 1	£90,834*	£98,937*	5	£3,990	£94,824 to £102,927

*2025/26 rates – 2026/27 rate have yet to be agreed

- 4.8 Current pay ceiling for Service Director 1 is £98,937 plus £3,990 totalling £102,927 per annum as at 31 March 2026; the current pay ceiling for Service Director 2 is £106,919 plus £3,990 totalling £110,909 at the same date. The value of service director pay will be increased by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Officers of Local Authorities.
- 4.9 Posts at service director level within the council are:
- Director, Citizen Engagement – SD2
 - Director, Digital, Data & Technology – SD2
 - Director of Finance, Revenues and Benefits (Section 151 Officer) – SD2
 - Director, Children’s Operation - SD2
 - Director of Children’s Strategy and Improvement – SD2
 - Director, Education – SD2
 - Director of Adult Social Services (DASS) – SD2
 - Director Housing – SD2
 - Director of Public Health – SD2
 - Director, Customer and Organisation Development – SD2
 - Director, Sustainable Development – SD2
 - Director, Inclusive Economy – SD2
 - Director, Neighbourhood Services – SD2
 - Director, Property and Housing Delivery – SD2
 - Service Director, London Luton Airport Ltd – SD1
 - Director of Governance and Monitoring Officer – SD2

5. Remuneration of other employees

- 5.1 Soulbury employees are paid according to the nationally agreed rates as determined by the Soulbury Committee. The council cannot influence the Soulbury pay rates that are currently* as follows:
- Soulbury educational improvement professional pay range SCP 1 £41,554 to SCP 52 £115,303 from 1 September 2024 until 31 August 2025
 - Soulbury educational psychologists pay range SCP 1 £43,483 to SCP 14 £66,748 from 1 September 2024 until 31 August 2025
 - Soulbury senior and principal educational psychologists pay range SCP 1 £53,995 to SCP21 £88,752 from 1 September 2024 until 31 August 2025

*2025/26 Soulbury pay award outstanding as at October 2025

- 5.2 For employees subject to the ‘National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services’ (commonly known as the ‘Green Book’), the council complies with the national pay range SCP2 to SCP43 which has been extended to SCP 61 by local agreement.
- 5.3 The pay range is divided into 16 pay grades, which each contain between one and six pay points. As part of the 2022 NJC pay deal it was agreed that from 1 April 2023 Spinal Column Point 1 (SCP1) would be permanently deleted from the NJC pay spine. More recently as part of the 2025 NJC pay deal spinal column point 2 (SCP 2) is to be permanently deleted from the NJC pay spine from 1 April 2026, which aligns to grade L1a.
- 5.4 Following agreement by Administration & Regulation committee on 13 January 2026, all employees who on 31 March 2026 are paid on SCP 2 (Grade L1a) will move to SCP 3

(Grade L1b) with effect from 1 April 2026. Grade L1b is a spot grade and will be renamed L1 to align with grade naming conventions in force at Luton.

- 5.6 The salary figures quoted below are those that have been agreed from 1 April 2025, (based on the pay award for 2025/26) until such time as the 2026-27 pay award is agreed. The pay awards for 2025/26 were agreed in July 2025. Following the deletion of SCP 2/grade L1a, the lowest grade within the council will be L1b (to be renamed L1) and M9 the highest of these pay grades

Posts are allocated to a pay grade through a process of job evaluation.

Pay Grade	Min £	Max £	Increments	Car benefit
L1a	Deleted 1.4.26			0
L1b	24796	24796	1	0
L2	25185	25583	2	0
L3	25989	26824	3	0
L4	27254	29540	6	0
L5	30024	32597	6	0
L6	33143	36363	5	0
L7	36363	39152	4	0
M1	39152	41771	4	0
M2	42839	46143	4	0
M3	47181	50269	4	3,203
M4	50269	53460	4	3,203
M5	53460	56681	4	3,203
M6	60379	63721	4	3,203
M7	64837	67067	4	3,203
M8	69563	77056	5	3,203
M9	80138	85041	4	3,203

- 5.7 Pay floor - lowest paid. For the purpose of this statement, employees on L1b (to be renamed L1) are defined as the council's lowest-paid employees. This is because with effect from 1 April 2026 no post subject to job evaluation at the council is paid at a SCP that is lower than SCP3 which is equivalent to the council pay grade L1b.

Where employees are transferred into the council's employment under the Transfer of Undertaking Protection of Employment Regulations (TUPE), their rate of pay and terms and conditions at the point of transfer, are protected by law.

- 5.8 The values of the SCPs in the pay grades are increased by the pay awards notified from time to time by the National Joint council for Local Government Services.
- 5.9 Foundation living wage; from 1 October 2014 the council agreed to adopt the Foundation 'Real' Living Wage rate, subject to an annual review when the uplifted rate was published. Since this time, the council had paid a supplement to basic pay, whenever the lowest pay points fall below the Foundation 'Real' Living Wage. The council's salary scales remained unchanged.
- 5.10 Following agreement by Administration and Regulation Committee on 13 January 2026, the uplifted Foundation (real) Living Wage (FLW) rate of £13.45 per hour will be adopted by applying pay supplements to the lowest three spinal column points (SCPs 3, 4 and 5) on the NJC pay spine with effect from 1 April 2026. These supplements are to be paid until the 2026-27 pay award is implemented when they will be reviewed and adjusted if necessary.

- 5.11 As agreed at Administration and Regulation Committee on 13 January the real Living Wage supplement will continue to be applied to the pay of those TUPE'd into the council where their basic pay falls below £13.45 per hour.
- 5.12 Remunerative relationships - the statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010).
- The Hutton report was asked by government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation.
- 5.13 The Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid earnings and the median earnings of the whole of the authority's workforce. The council does not set a ratio ceiling within its pay policy for senior officers.
- 5.14 The pay levels within the council define the multiple between the lowest paid (FTE) employees (£24,796 effective from 1 April 2025) and the Chief Executive (£206, 927). This multiple is 8.3:1. The council's pay ratio between highest and lowest earners has reduced compared with the previous reporting period when the ratio was 9:1. This change reflects the appointment of a new Chief Executive whose remuneration package is less than that of their predecessor.
- 5.15 Based on data at 13 October 2025 the multiple between the median full time equivalent salary with the 2025/26 pay award applied (£35,412) and the chief executive's salary is 5.8:1. This is a marginal decrease from 6:1 in March 2025 which again is a consequence of a slight reduction in the remuneration of the Chief Executive.

6. Termination of employment (severance)

- 6.1 Local Government Pension Scheme; membership of a pension scheme is determined by the relevant conditions of service and is subject to the rules of the specific scheme.

The council operates the Local Government Pension Scheme (LGPS) for most employees and the Teachers' Pension Scheme (TPS) for employees that are teachers or exceptionally in related professions and the NHS Pension Scheme for those who transferred over to the council on NHS Terms and Conditions.

For members of the LGPS made redundant at the age of 55 or later, early access can be gained to their pensionable benefits based on service and salary. Although the LGPS provides for the exercise of discretion that allows for retirement benefits to be enhanced, the council has a policy of not enhancing pension benefits.

The LGPS can also be accessed before normal retirement date for employees who are unable to continue with employment on the grounds of their ill health and who satisfy the conditions for ill-health retirement.

An amendment to the LGPS effective from 1 April 2014 allows employees aged between 55 and 75 to choose to access their pension; however, it is at a reduced rate if taken before normal retirement age. The early retirement date to access LGPS pension will change from age 55 to 57 with effect from 6 April 2028. The introduction of Auto Enrolment means that new employees to the council, who meet certain criteria, automatically join the LGPS. The council monitors membership of the scheme.

6.2 Redundancy payments; where an employee is made redundant, severance benefits may be payable subject to the conditions and terms of the redundancy. Where a redundancy payment is made, it is calculated on the basis of 1.5 weeks gross pay for every complete year of local government service up to a maximum of 104 weeks. This calculation applies equally across all pay grades.

6.3 Re-engagement of former employees; the council's policy is that there is no general restriction on any future re-employment of an employee who has been made redundant or who is in receipt of a Local Government or other public sector pension. In fact, to adopt policies to the contrary could be subject to challenge under equalities legislation.

However, re-employment must be on merit and should be unconnected with the redundancy, except where alternative employment is found, and pension and redundancy payments are returned in accordance with the relevant legislation.

6.4 The council does not approve of redundancy or early retirement due to redundancy and immediate re-employment of staff either as direct employees, via an agency, or on a consultancy basis.

If there are any exceptional circumstances that might appear to justify such arrangements, these must be agreed with the appropriate corporate director, the Director of Finance, Revenue and Benefits (Section 151 Officer) and the Director, Customer and Organisation Development.

6.5 Contingent workers are people who are not on the council's payroll but provide services to the organisation, such as contractors, consultants, temps and advisers. They are used to fill short term capacity gaps or deal with specific projects. The council is continually reviewing and is committed to reducing its use of a contingent workforce.

7. Fairness in pay

7.1 The council recognises the importance of fairness in pay. Pay and reward policies are applied equally to all employees, except where there are good reasons reflecting genuine factors which apply only to certain employee categories.

7.2 The council has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex or any other protected characteristic. As such, the council:

- carries out pay and benefits audits at regular intervals
- evaluates job roles and pay grades as necessary to ensure a fair pay structure, and,
- publishes annually a Pay Policy Statement which sets out clearly the Council's pay matters.

7.3 In addition, the following apply:

- the council's Administration and Regulation Committee is responsible for setting the terms and conditions of employment of all employees within the scope of this statement, and
- the workforce and trades unions are consulted on all employment matters, including pay and reward.

8. Publication of and access to information relating to pay

8.1 The council publishes information about pay in accordance with statutory requirements, and the guidance of the Information Commissioner's Office and the Ministry of Housing,

Communities and Local Government. Information is published on the council's website in the council's annual accounts.

9. Gender pay gap

- 9.1 The council is required by law to carry out Gender Pay Gap (GPG) reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
- 9.2 GPG reporting is used to assess the levels of gender equality in the workplace and the balance of male and female employees at different levels. This involves carrying out calculations that show the difference between the average earnings of men and women at the council. It does not involve publishing individual employee data.
- 9.3 Information on the council's gender pay gap at the snapshot date of 31 March 2025 will be published on the council's website and the government's gender pay gap website once approved by the council at their meeting on 17 March 2026.

10. Ethnicity pay gap and disability pay gap

- 10.1 Whilst it is not a legislative requirement for the council to report its Ethnicity Pay Gap (EPG) or its Disability Pay Gap (DPG), data has been analysed since 2020 and 2024 respectively to support the council's approach to inclusivity and equity in pay. The EPG and DPG are reported to Administration and Regulation Committee on an annual basis alongside the GPG report.

11. Legislative changes

- 11.1 The Employment Rights Bill received Royal Assent on 18 December 2025 and is now the Employment Rights Act 2025. This Act will make significant changes to employment law, as well as introducing further equality measures. Those of particular significance to the council are:
- day one unfair dismissal rights
 - changes to national collective bargaining structures, including the re-instatement of the Schools Support Staff Negotiating Body and the introduction of a Fair Pay Agreement for the Social Care Sector, to be achieved via a new Adult Social Care Negotiating body
 - reinstatement of a two-tier code to protect outsourced workers
 - removal of fire and rehire and changes to collective redundancy measures
 - changes to the regime applicable to zero hours contracts and those with unpredictable working patterns
 - amendments to trade union laws, including industrial action ballot provisions and enhanced rights for union representatives
 - the introduction/extension of day one rights across a variety of employment law protections which until now have required some degree of minimum length of service with the employer
 - equality related measures
 - employment law enforcement measures
- 11.2 There remain several pieces of legislation from the previous government not yet in force which have not been removed from Parliament's work programme. These include:
- the Restriction of Public Sector exit payments regulations 2020
 - associated changes to the Local Government Pension Scheme regulations

All of the above will entail changes to the council's policies and procedures and its Pay Policy.

- 11.3 The council will amend its policies, procedures and practices to ensure that it complies with its legislative duties and will ensure that employees are advised of the changes.

12. Review

- 12.1 The council will continue to review all pay levels to ensure fairness and equity. Any changes will be reflected in an updated pay policy. The statement for 2026-27 was submitted to full council for approval on the 17 March 2026.