

## **Appendix 1**

### **South Holland District Council**

#### **PAY POLICY STATEMENT 2025/2026**

##### **Introduction**

Under section 38 of the Localism Act, each local authority must produce a pay policy statement annually to be approved by the Council and published externally. Regard must be had to any guidance from the Secretary of State in producing this Statement.

The Policy Statement covers a number of matters concerning the pay of the Authority's employed staff, principally its Chief Officers and the Authority's lowest paid employees.

This updated Pay Policy Statement will be published on the Council's website as soon as possible following Council approval and by 31 March 2025.

This Statement will be reviewed at least annually and amended as necessary to reflect the prevailing legislation at the time. The information and data in this Statement is current as of 20 December 2024.

This Pay Policy Statement sets the Council's pay policies for the forthcoming financial year of 2025/2026 and includes existing arrangement for the period up to 31 March 2025.

Any changes to this statement or policies contained within the statement must be approved by Council.

Any decision under powers delegated in the Council's constitution with regard to remuneration to be taken during 2025/2026 must comply with this statement.

##### **Summary**

Each local authority has the autonomy to take its own decisions on pay and pay policies. This statement reflects current practice and existing policies at the Council.

Whilst the Council does not employ any post with the designation Chief Officer or Deputy Chief Officer, all the posts below are collectively referred to as Chief Officer:

- Chief Executive, who is the Authority's Head of Paid service under section 4(1) Local Government and Housing Act 1989.
- Statutory Chief Officers, which in this Authority are: Deputy Chief Executive (Corporate Development) & S151 who is the Authority's Chief Finance Officer under S151 Local Government Act 1972 Section 6; Assistant Director – Governance who is the Authority's Monitoring Officer under section 5 Local Government and Housing Act 1989.

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The post Deputy Chief Executive (Corporate Development), who is the Authority's Chief Finance Officer is due to become vacant and the post will be filled by an Interim Finance Director under a contract for services. The Interim Finance Director is not an employee. The council is due to take a decision at its February meeting to appoint the Interim Finance Director as the Authorities S.151 officer until a permanent recruitment is made.

- Non-Statutory Chief Officers (Section 2 (7) and Deputy Chief Officers (Section 2(8), which in this Authority are: all other Deputy Chief Executives; Directors and Assistant Directors

In August 2021 the Council implemented a strategic partnership with Boston Borough Council and East Lindsey District Council, forming the South and East Lincolnshire Councils Partnership (S&ELCP). The Chief Executive, Deputy Chief Executives, Directors and Assistant Directors are shared posts across the Partnership, along with a wider cohort of colleagues.

#### **Policy Statement**

The Council is committed to providing quality public services that provide value for money for the communities they serve.

In order to do this the Council must employ and retain high quality employees and reward them appropriately. This Statement provides the framework under which the Council will reward its employees.

The Council aims to ensure simplicity, clarity and fairness towards employees and to be transparent on pay to its staff, prospective staff and the wider community.

The Policy Statement covers 3 main areas;

- The detail and level of remuneration of the Council's Chief Executive and Chief Officers.
- The detail and level of remuneration of the lowest paid employees.
- The relationship between Chief Officers' remuneration and that of other Officers.

Remuneration for the purposes of this statement includes:

- The Chief Officers' salary.
- Pension and enhancements in pension.
- All other benefits and allowances arising from employment.

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##### **Joint Authority Duties**

Under Section 113 of the Local Government Act 1972, the post of Chief Executive, and all Chief Officers employed by South Holland District Council are placed at the disposal of Boston Borough Council and East Lindsey District Council to undertake the statutory, strategic and operational duties designated by their role.

The proportion of time undertaking duties for each individual Council in the Partnership is:

SHDC – 31%

ELDC – 46%

BBC – 23%

Where an Officer's post is shared with one or more Council under Section 113 of the Local Government Act 1972, the salary costs (including on-costs) are shared with each Council. Where the post has not been designated as a Chief Officer post in the context of this Pay Policy the share agreed will depend on each circumstance.

##### **Recruitment of Chief Officers and the Chief Executive**

The Council is responsible for determination of the appropriate remuneration for its Chief Executive and Chief Officers when a vacancy occurs. When determining salary levels relevant valid reward evidence is considered, to include other salaries at the Council, other sectors, budget constraints and external market conditions.

The Council's constitution sets out the arrangements for the recruitment of the Chief Executive and Chief Officers through the Chief Officer Employment Panel. As the Council works in Partnership and shares a number of senior roles there are arrangements set out in the Memorandum of Agreement between the three Partnership Councils for a Joint Chief Officer Employment Panel ([www.selcp.co.uk](http://www.selcp.co.uk)). This is not a formal Committee and is advisory to the employing Council.

For the post of Chief Executive, the Council will set the starting salary by way of Full Council agreement, as per the employing Council's constitution. Where an independent recruitment partner is contracted to deal with the recruiting of a Chief Executive, advice will be taken as to an appropriate starting salary level.

##### **Interim Support**

Where the Council is unable to recruit Chief Officers, or there is a need for interim support to provide cover for a substantive Chief Officer post, the Council will, where necessary, consider engaging individuals under a contract

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for service. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service.

#### **Chief Executive and Chief Officer Remuneration**

The publication of, and access to, information relating to remuneration of the Chief Executive and Chief Officers will be set out as published on the website of the council by whom they are directly employed. The actual salary paid to the Chief Executive and Chief Officers is published annually in the Statement of Accounts.

#### **Chief Executive:**

The Chief Executive who is the Head of Paid Services; is employed by East Lindsey District Council and is shared in accordance with Section 113 of the Local Government Act 1972 with Boston Borough Council and South Holland District Council.

The nationally agreed Terms and Conditions of the Chief Executive/Head of Paid Service are determined by the Joint Negotiating Committee (JNC) for Chief Executives with variation at a local level. Any cost of living increases agreed by the JNC at national level are automatically applied by the employing Council in accordance with current contractual requirements.

The Council has adopted a set of local Terms and Conditions for the workforce which are supplemented by those set out for Chief Executive under the Joint Negotiating Committee for Local Authority Chief Executive's National Salary Framework & Conditions of Service Handbook.

The salary range for the Chief Executive is £159,131 to £175,044 and includes an increase of 2.5% for Chief Executives that was agreed by the JNC and applied from 1 April 2024. The scales will be subject to JNC pay award for Chief Executives for 2025/26 once agreed nationally.

The level of remuneration set for the post of Chief Executive encompasses consideration of a number of elements including the size and complexity of the organisation, the population to which services are delivered and factors such as market conditions.

The Chief Executive pay band, will include from April 2025 progression through the incremental scale of the relevant grade which will be subject to an annual assessment of performance, with assessment commencing April 2024. There are currently no provisions for bonus payments for the Chief Executive.

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##### **Chief Officers**

The Chief Officers (in addition to the Chief Executive) for the purposes of this policy are identified as the Deputy Chief Executives, Directors and Assistant Directors.

The nationally agreed Terms and Conditions of Chief Officers are generally determined by the Joint Negotiating Committee (JNC) for Chief Officers with variation at a local level. Any cost of living increases agreed by the JNC at a national level are automatically applied by the Council in accordance with current contractual requirements.

The Council has adopted a set of local Terms and Conditions for the workforce which are supplemented by those set out for Chief Officers. This is set out under the Joint Negotiating Committee for Local Authority Chief Officers National Salary Framework & Conditions of Service Handbook.

The salary range for Chief Officers is set out below. These figures include an increase of 2.5% for Chief Officers which was agreed by the JNC and applied from 1 April 2024. The Chief Officer posts are shared with one or more Council under Section 113 of the Local Government Act 1972, the salary costs (including on-costs) are shared with each Council.

- ELDC employed AD's: pay range £83,955 to top of range £107,850
- BBC employed AD's: pay range £83,955 to top of range £107,850
- SHDC employed AD's: pay range £83,955 to top of range £107,850
- ELDC employed Director/DCX's: pay range £108,657 to top of range £134,787
- BBC employed Director/DCX's: pay range £108,657 to top of range £134,787
- SHDC employed Director/DCX's: pay range £108,657 to top of range £134,787

The above will be subject to JNC pay award for Chief Officers for 2025/26 once agreed nationally.

There are currently no provisions for bonus for Chief Officers.

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Where Performance Related Pay applies to an individual's contract, relevant Chief Officer posts will move to part performance related pay effective with assessment from 2024 and applied from April 2025. Half progression within a payscale is automatic and half progression is subject to performance. Otherwise, incremental progression is in line with individual employment contracts.

#### **Chief Executive and Chief Officer Benefits**

The value of allowances, car loans and private medical insurance are categorised as 'Benefits in Kind' and are subject to tax and National Insurance via the payroll.

The Council has removed the provision of Essential Car User Allowance for those officers currently in receipt who change roles or who are newly appointed. This applies to Chief Executive and Chief Officers and those senior Officers employed by this Council, who are not Chief Officers for the purpose of this report, and receive this benefit as a legacy provision. Those with the protected provision will continue to receive an Essential Car User Allowance as part of their Remuneration package with amounts ranging from £846 to £3,300 per annum.

The value of private medical insurance available to the Chief Executive and Chief Officers across the Partnership, and those senior officers employed by the Council, who are not Chief Officers for the purpose of this report and receive this benefit as a legacy provision. At the time of this policy the value ranges from £323.64 per annum to £772.56 per annum. The cost is dependent on the individual's personal circumstances. The level of health care provision is consistent across all roles.

#### **Returning Officer Fees**

The fees and charges for UK Parliamentary and County Council elections are set by external bodies at each relevant election however, there are no express statutory provisions governing fees payable to Returning Officers for Local Government elections.

Historically, the setting of fees for the administration of District and Parish elections have therefore been set in accordance with the Lincolnshire county wide scale of fees.

The Returning Officer's fees are regarded as a special responsibility payment in relation to the independent duties carried out. They are personal to the Returning Officer and in addition to salary, for performing the duties which a Returning Officer is required to perform..

This Council's Returning Officer is the Assistant Director – Corporate.

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The Returning Officer's fees are as follows:

- **County & District** – per contested division/ward - £200 per division/ward plus £15 per 1000 electors or part thereof per division/ward
- **County & District** – per uncontested division/ward - £66 per division/ward
- **Parish** – per contested parish/parish ward - £53 for the first 500 electors plus £18 for each additional 500 electors or part thereof per parish/parish ward
- **Parish** – per uncontested parish/parish ward - £21.50 per parish / parish ward
- **Parish** – where DRO full powers appointed – discretionary, recommended equivalent to a maximum of 50% of Returning officer fees

#### Workforce Remuneration

Remuneration for the rest of the Council's workforce is determined and awarded by the NJC (National Joint Council). The Council's pay bands were last increased on 1 April 2024. Incremental increases are received as standard where applicable.

Any cost of living increases agreed by the NJC at a national level are automatically applied by the Authority in accordance with current contractual requirements. The pay bands will be uplifted in line with NJC pay award for 2025/26 once agreed nationally.

Local Terms and Conditions exist to supplement those set nationally.

Job Evaluation involves assessing each job and allocating a number of points to each job.

The Council adopted and implemented the Local Government Single Status Job Evaluation Scheme (LGJES). This consists of 10 pay grades for employees other than the Chief Executive and Chief Officers. This ensures that different jobs having the same value are paid at the same rate/within the same pay band.

The "job score" determines the pay band for the post within which there is provision for progression by way of annual increments, until the top of the pay scale is reached.

The grade is set based on the number of points allocated to the job. This ensures fair treatment for all employees and is recognised as a scheme that objectively evaluates jobs without any element of bias.

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Starting salaries are normally at the bottom of the relevant pay grade unless market or other relevant factors such as skills and experience exist to create a business case to pay at a higher point within the grade.

Where a Job Evaluation score results in a reduction to the substantive salary, employees will have their current pay protected for a fixed period to reduce any impact or financial hardship the reduction may cause.

Work commenced in 2024/2025 to develop an additional Job Evaluation and Pay scale for Shared Officers, who are shared across two or three Councils in the Partnership. The Council intend to consult with effected employees with regard to the proposed changes that they wish to implement as a result of this review. It is anticipated that, subject to Trade Union feedback and Council agreement, that the pay scale for shared officers will be implemented in 2025/26.

#### **Officer Benefits:**

Work has commenced and will continue in 2025/2026 to review the terms and conditions across the Partnership, beyond those in place for Chief Executive and Chief Officers. The Council will communicate with the workforce and may consult with them, if necessary, with regard to any proposed changes that they wish to implement as a result of this review. Any review will be conducted in accordance with the Council's policies and constitution.

The Council offer a salary sacrifice Car benefits scheme, subject to meeting eligibility criteria, to its Officers (including Chief Executive and Chief Officers).

The value of allowances, car loans and private medical insurance are categorised as 'Benefits in Kind' and are subject to Tax and National Insurance via the payroll.

#### **Pay Multiples**

The median average salary for the Council is £32,093.50 per annum and this figure is used to determine the pay multiplier.

The Council does not set a formula for the relationship between the lowest and highest paid employees.

The Local Government Transparency Code 2015 requires the Authority to publish its 'pay multiple', i.e. the ratio between the highest paid salary and the median average salary of the whole of the Authority's workforce. Guidance issued under the Localism Act 2011 recommends that the 'pay multiple' is included in the Authority's pay policy statement.



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The pay multiplier between the median average pay and the Chief Executive's remuneration is 5.12, which is the same as 2024.

A pay award of £1,250 was awarded to full time employees (pro rata for part time) on SCP2 to SCP43 and an award of 2.5% per annum was awarded to those on SCP50 to SCP51 with effect from 1 April 2024.

#### **Lowest Pay**

The lowest paid employees does not include apprentices who are placed on a standard apprenticeship wage.

The lowest paid workers for the purpose of this pay policy are those roles on the lowest grade on the payscale and a salary of £23,656 per annum.

The Council has since 1 April 2022; opted to pay the equivalent of the Real Living Wage, as determined by the Living Wage Foundation (LWF) and apply supplements at the lower end of payscale to ensure that the lowest paid employees receive at least the LWF rate.

The LWF rate of £12.00 was announced in November 2023 and the supplement was applied along with organisational incremental increases on 1 April 2024. This enhancement was then superseded by the applied NJC pay award backdated to April 2024, with the lowest SCP falling at £12.26 per hour.

In October 2023 the new LWF rate of £12.60 per hour was announced and agreed by Council as part of the budget setting process. This supplementary increase will be applied to all employees by an enhancement, where the National Joint Council Spinal Column Point rate is below the new LWF rate of pay.

Employees in this group are entitled to the same benefits as are available to all other officers except where legacy provisions have been protected (Chief Executive and Chief Officer benefits are set out separately) as outlined in this policy. Allowances are paid in line with Green Book or Local Agreements for Officers.

#### **Employment of Officers and Pension Provision**

Any appointment to a post at the Council is made upon merit and is subject to the normal pre-employment checks undertaken for all prospective employees.

All employees are eligible to join the Local Government Pension Scheme. The Scheme requires contributions from employees based upon their earnings and from 1<sup>st</sup> April 2014 is a career average scheme. All employees may join the Local Government Pension Scheme. The Scheme is a statutory Scheme with contributions from employees and from employers. Under legislation from 1 November 2013 auto enrolment applies to all eligible employees.

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The employee pension contributions paid is between 5.5% and 11.4% depending on their salary. The more an employee earns the higher their pension contribution rate.

The employer contributes a percentage of pay to the pension fund. The Council's current contribution rate is 23.8%.

The Scheme provides for the exercise of discretion that allows for retirement benefits to be enhanced. Details are available in the Council's Pension Discretions Policy.

Neither the Scheme nor the Council adopt different policies with regard to benefits for any category of employee: the same terms apply to the Chief Executive, Chief Officers and other staff.

#### **Redundancy and Severance Payments**

The Council's approach to redundancy and severance payments as set out in this pay policy statement apply to all Officers including Chief Officers (employed by this council).

Provisions relating to redundancy pay in the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999 still applies.

Redundancy payments are based on the length of continuous local government service which is used to determine a multiplier which is then applied to actual pay. The Council uses the Statutory Redundancy pay calculation method but bases weekly pay on contractual pay rather than the capped statutory method. More information is available in the Council's Redundancy Policy.

The Council does not provide further payment to employees leaving the Council's employment other than in respect of accrued leave which by agreement is untaken at the date of leaving, or other contractual entitlement such as payment in lieu of notice. The Council does however recognise that situations may arise, and where the need for expediency is such, that it may be in the best interests of the Council to make individual payments relating to termination of employment but will be done so in consideration to the Localism Act 2011 and guidelines on special severance payments.

In response to the potential for Local Government Re-organisation, the Council may need to consider what inducements or enhancements it might wish to implement to ensure it retains the talent and expertise needed in key roles for the good running of the Council. Any proposals will follow the appropriate governance route for sign off.

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##### **Expenses**

The Council will reimburse business travel and reasonable additional expenses incurred through undertaking duties on the role. This applies to all employees including Chief Officers (employed by this Council). More information is available in the Council's expenses guidance.

All officers including Chief Executive and Chief Officers, who lease a vehicle through the Salary Sacrifice Car scheme, will claim mileage rates set by HMRC for company cars. The reduced mileage rates are based on HMRC determination that these are classed as company cars and based on the vehicle omissions and type of vehicle (electric or hybrid).

##### **Professional Body Fees**

The Council will meet the cost of employee's professional fees and/or subscriptions where this membership is essential (legal/professional) requirement for the role.

##### **Gender Pay Gap**

From 31 March 2018 the Council has been required to publish its annual Gender Pay Gap figures if the organisation's headcount is above 250 employees.

Full details of the published Gender Pay Gap figures are available on the Council's website. The March 2024 Gender Pay Gap is due to be submitted to the Government's website and published on the Council's website by 30<sup>th</sup> March 2025.

##### **Honoraria/Acting Up**

Where temporary additional duties/responsibilities are given to an existing employee an honoraria/acting up payment can be made. This is delegated to the Council's Corporate Management Team.

The amount payable is based on an assessment of the additional duties/responsibilities undertaken.

These payments are only used on a temporary basis and must be reviewed regularly to ensure appropriateness.

A one off, unconsolidated payment, between £100 and £500 made to a staff member via the payroll in either the October and March payrolls, for undertaking a project or piece of work beyond that expected of the job role. Approval of this is delegated to the Section 151 Officer. More details are available in the Council's Honorarium Policy.

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##### **Special responsibility payments**

Additional payments may be made in addition to basic salary for statutory duties such as Monitoring Officer.

The Chief Executive will make a recommendation to Council if such a payment is appropriate.

##### **Pay flexibility**

Where necessary the use of market supplements may be applicable to deal with pay anomalies which effect recruiting or retaining employees.

A local agreement specifies the conditions when a market supplement should be applied. The discretion to implement rests with the Senior Leadership Team.

The use of such practices only applies where a business case has been prepared and signed off by the relevant Chief Officer in conjunction with finance approval.

Any ongoing supplements should be reviewed regularly and at least every 3 years, to ensure there is still a business case to continue payment. Employment contracts should be explicit in this regard.

##### **Contract for Services**

All of the facts will be taken into account where a former employee is put forward or puts themselves forward for a contract for services.

Where work is sought under a contract for service from Officers in receipt of severance pay from this Council each situation will be judged upon merit, however, such a contract would only be offered in exceptional circumstances.

Other posts may be filled under a contract for services where a business case exists for doing so. Due regard should be paid to the requirements of His Majesty's Revenues & Customs and IR35 regulations and the particular requirements on public sector employers when making any such arrangements. Any appointment will be dealt with on a case by case basis.

##### **Aileen Whatmore**

Head of HR & OD

Public Sector Partnership Services

12 February 2025