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South Holland District Council

PAY POLICY STATEMENT 2026/2027

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 Pay Policy Statement (PPS) must articulate the Council's own policies towards a range of matters concerning the pay of the Authority's employed staff, in particular its Chief Officers, as defined by the Local Government and Housing Act 1989, and to its 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 2026. 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 13 January 2026.

This Pay Policy Statement sets the Council's pay policies for the forthcoming financial year of 2026/2027 and includes existing arrangement for the period up to 31 March 2026.

Any changes to this PPS 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 2026/2027 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: Director of Finance & 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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- 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 delivering public services of a high standard that represent value for money for the communities it serves.

To fulfil this commitment, the Council must recruit, develop and retain a skilled and capable workforce and ensure that employees are rewarded appropriately. This Statement establishes the framework within which the Council determines and administers employee remuneration.

The Council seeks to maintain an approach to pay that is simple, clear and fair and to demonstrate transparency to its employees, prospective employees and the wider community.

The Pay 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.

This PPS applies to those employed on South Holland District Council's terms and conditions of employment (or Chief Officers employed by East Lindsey District Council or Boston Borough Council, but shared under S113 with South Holland District Council, and whose remuneration (including rates of pay and terms and conditions). It does not apply to employees that transfer to the Council under Transfer of Undertakings (Protection of Employment) (TUPE)

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as they retain their previous employer's terms, conditions and policies, subject to measures agreed.

Joint Authority Duties – Shared Officers

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:

South Holland District Council – 31%
East Lindsey District Council – 46%
Boston Borough Council – 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.

Local Government Reorganisation (LGR)

The Council recognises that Local Government Reorganisation (LGR) can create significant uncertainty in the labour market, impacting both recruitment and retention of key officers, including Chief Officers. Such structural changes often lead to heightened competition for experienced talent, increased mobility across authorities, and concerns among existing staff about job security and future career progression.

To maintain organisational stability and ensure continuity of critical services, the Council may need to adopt a more agile approach to workforce management in the next year as LGR progresses. This could include:

- Amendments to the Pay Policy Statement within the year, where necessary, to reflect changing market conditions.
- Consideration of inducements or enhancements (e.g., attraction supplements, retention payments, or flexible arrangements) to secure and retain essential expertise in key roles.
- Strategic workforce planning measures to retain critical knowledge while enabling the managed release of talent where appropriate and

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complies with any guidance issued by central government related to LGR.

Any proposals will be supported by objective evidence, demonstrate cost-effectiveness, and follow the appropriate governance and approval routes to ensure transparency and compliance.

Recruitment of Chief Officers and the Chief Executive

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 (<https://www.selcp.co.uk/ourpartnership>). 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.

For other Chief Officer posts the Chief Officer Employment Panel has responsibility for the appointment. There may be instances where the appointing body may appoint above the bottom of the salary range where there is a clear rationale. Such cases will be considered and justified on a case-by-case basis. Consideration will be given to: Relativity of salaries of comparable roles, size and responsibilities of the post and duties to be undertaken, the wider recruitment market and budget constraints.

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 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

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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 Executives 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 £164,223 to £180,645 and includes an increase of 3.2% for Chief Executives that was agreed by the JNC and applied from 1 April 2025. The scales will be subject to JNC pay award for Chief Executives for 2026/27 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.

Since April 2025, incremental progression through the Chief Executive's pay band is not automatic and will be subject to an annual performance assessment. Decisions on awarding progression is informed by an annual review with the Leaders of South Holland District Council, East Lindsey District Council and Boston Borough Council and decision made by East Lindsey District Council Chief Officer Employment Panel.

There are currently no provisions for bonus payments for the Chief Executive.

Chief Officers (Excluding Chief Executive)

The Chief Officers for the purposes of this policy are identified as the Deputy Chief Executives, Directors and Assistant Directors.

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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 3.2% for Chief Officers which was agreed by the JNC and applied from 1 April 2025. 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 £86,641.22 to top of range £111,300.66
- BBC employed AD's: pay range £86,641.22 to top of range £111,300.66
- SHDC employed AD's: pay range £86,641.22 to top of range £111,300.66
- ELDC employed Director/DCX's: pay range £112,134.20 to top of range £139,100.70
- BBC employed Director/DCX's: pay range £112,134.20 to top of range £139,100.70
- SHDC employed Director/DCX's: pay range £112,134.20 to top of range £139,100.70

The above will be subject to JNC pay award for Chief Officers for 2026/27 once agreed nationally.

There are currently no provisions for bonus for Chief Officers.

Pay Increases for Chief Officers (excluding Chief Executive)

Pay increases may take two forms:

- Pay scale increments awarded annually, and subject to performance
- Pay awards relating to cost-of-living increases.

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Increments – incremental progression is in line with the individual employment contract. Where Performance Related Pay applies to an individual's contract, half progression within a PayScale is automatic and half progression is subject to performance. The recommendation on whether to award an increment is made by the direct line manager of each employee following a performance review (under the Council's Annual Review Process) and the decision is made by the Chief Executive/Head of Paid Service. Otherwise, incremental progression is in line with individual employment contracts.

Chief Executive and Chief Officer Benefits

The value of allowances, car loans (where applicable) 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 £963 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 £437.42 per annum to £1850.33 per annum. The cost is dependent on factors such as age, health conditions and previous claims history. 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

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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 James Gilbert

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 2025. Incremental increases through pay grades, are awarded annually on 1 April, 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 2026/27 once agreed nationally.

Local Terms and Conditions exist to supplement those set nationally. Since May 2024 the Council has started to implement Shared Terms and Conditions; aligning terms to the best of 'where feasible' with its 'partner' councils – East Lindsey District Council and Boston Borough Council.

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 and since November 2025 Shared Officers. This ensures that different jobs having the same value are paid at the same rate/within the same pay band.

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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.

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.

For Shared Officers the council has approved and implemented in November 2025 an additional Pay scale and Job Evaluation scheme, the scheme recognises shared officers working across two or three Councils. This consists of 7 pay grades below Chief Officer Pay Grades, Shared Officers will increment annually on 1 April, through their Pay grades (except Chief Officers whose progression is defined above in this PPS). Shared Officers who are undertaking sharing by more than 30% of their role will be paid under Shared pay structure, those shared less will be remunerated at the relevant shared pay rate of pay for the periods they are shared.

Officer Benefits:

Work has commenced and will continue in 2026/2027 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 and Car Loan Scheme, subject to meeting eligibility criteria, (the Council's schemes applies to all employees including Chief Executive and Chief Officers).

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

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Pay Multiples

The median average salary for the Council is £32,061 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.

The pay multiplier between the median average pay and the Chief Executive's remuneration is 5.46.

A pay award of 3.2% was awarded to employees on all scale points from 1 April 2025. Additionally, as part of the 2025/26 NJC pay deal with effect from 1 April 2026 SCP2 will be deleted from PayScale, which in practice will mean all employees on SCP2 are uplifted to SCP3.

Lowest Pay

For the purposes of this Pay Policy Statement, the Council defines its 'lowest paid' employees as those paid on the lowest pay point routinely in use for substantive roles within the Council's pay structure. This is currently the lowest grade on the Council's pay scale, being Grade 2 with a salary of £24,413 per annum; from 1 April 2026, following implementation of the 2025/26 NJC pay award which removes Grade 2, the lowest grade will be Grade 3 with a salary of £24,796 per annum. This definition explicitly excludes apprentices, whose pay is governed by separate statutory arrangements in accordance with National Minimum Wage legislation, including the statutory apprentice rate or age-related minimum wage. This definition has been adopted to ensure transparency, fairness and consistency in the Council's approach to pay, as it reflects objectively evaluated substantive roles within the Council's pay structure, underpinned by recognised job evaluation and equal pay principles. It also supports meaningful and proportionate pay multiple reporting. In addition, while the Council has, since 2022, agreed on an annual basis to pay at least the Real Living Wage as determined by the Living Wage Foundation - through the application of supplements where necessary - this remains a decision reviewed and approved each year as part of the Council's budget and pay-setting process.

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As part of its overall ambition to model good employment practice, 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 £12.60 was announced in October 2024 and the supplement was applied along with organisational incremental increases on 1 April 2025. This enhancement was then superseded by the applied NJC pay award backdated to April 2025, with the lowest SCP falling at £12.65 per hour.

In October 2025 the new LWF rate of £13.45 per hour was announced if agreed by Council, 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

All appointments to posts within the Council are made strictly on the basis of merit, ensuring fairness, transparency, and compliance with the Council's Equality and Diversity commitments. Recruitment decisions are guided by objective criteria aligned to the role requirements and the Council's values.

Every prospective employee is subject to the Council's standard pre-employment checks, which include:

- Verification of identity and right to work in the UK
- Employment history and reference checks
- Disclosure and Barring Service (DBS) checks, (where applicable)
- Qualification and professional registration verification (where applicable)
- Medical clearance

Pension Provision

All employees (including Chief Officers) are eligible to join the Local Government Pension Scheme. The Scheme requires contributions from employees based upon their earnings and from 1st 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

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employees and from employers. Under legislation from 1 November 2013 auto enrolment applies to all eligible employees.

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.

Employer contributions to the Local Government Pension Scheme for the South Holland District Council employers fund are currently set at 23.8%. Following a Triennial review the employer rate from 1 April 2026 will be 18.3%.

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 as part of the continuing project to align Terms and Conditions may amend this provision, but subject to council approval and staff consultation.

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 or provisions under the LGPS (where eligible). 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

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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.

Special Severance Payments Guidance: An employee whose contract of employment is terminated for any reason and there is justification for a severance payment, will be subject to approval by:

- Payments of £100,000 and above must be approved by a vote of Full Council, as set out in the Localism Act 2011.
- Payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment.
- Payments below £20,000 must be approved according to the local authority's scheme of delegation.

Expenses

Where claimed, expenses incurred by officers, including Chief Officers, in the course of carrying out their duties are paid in line with the Council's Travel and Expenses Policy.

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. Where applicable, we will publish our Gender Pay Gap

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report no later than 30 March annually. This information will be available on the Council's website and also <https://gender-pay-gap.service.gov.uk/Viewing/search-results>.

Honoraria/Acting Up

The Council's current policy on the payment of Acting-up Allowances and Honoraria sets out that payments are only made on an exceptional basis on the submission of a full business case, at the discretion of 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.

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 & Recruitment Incentives

Recruitment incentives:

In the years following the COVID-19 pandemic, the labour market has undergone significant disruption, creating intense competition for talent across several professional disciplines. This has resulted in persistent vacancies and, in some cases, reliance on costly temporary staffing solutions to maintain services.

Recruitment challenges have been driven by a combination of factors, including:

- National skill shortages in specialist areas such as planning, and technical roles.

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- Geographical constraints, where location impacts the ability to attract qualified candidates.
- Market volatility and uncertainty, including the impact of Local Government Reorganisation (LGR) on candidate confidence and mobility.

To address these challenges and ensure service continuity, the Council may offer targeted financial incentives as part of the recruitment process for hard-to-fill posts. These measures include non-consolidated attraction supplements, capped at 5% of gross annual salary, which are time-limited and subject to objective evidence of market shortage. All proposals require approval by the Senior Leadership Team and must demonstrate cost-effectiveness compared to alternative resourcing options.

Market Supplement:

In a limited number of specific circumstances, it is necessary to pay employees outside of the Grading Policy due to market factors linked to recruitment and retention issues. In these instances, the Council's agreed Market Supplement Process is followed.

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

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arrangements, including its procurement obligations. Any appointment will be dealt with on a case-by-case basis and should be regularly reviewed

Aileen Whatmore

Head of HR & OD

Public Sector Partnership Services

Jan 2026