

Appendix to Budget Pack:
Pay Policy Statement 2026/2027

Summary

Under section 38 of the Localism Act 2011, a Pay Policy Statement is required to be produced annually and must be approved by Council. This has been a requirement since 2012/13.

The Pay Policy Statement, once approved, must be published on the Council's website by 31 March 2026. This report presents the Pay Policy Statement for 2026/2027

Recommendations

That the Pay Policy Statement 2026/2027, contained within Budget pack, be approved.

Reasons for Recommendations

To comply with the Localism Act 2011 requirements.

Other Options Considered

None – this is a legal requirement.

1. Background

1.1 A Pay Policy Statement for a financial year must set out the Authority's policies for the financial year relating to

1.1.1 The remuneration of Chief Officers

1.1.2 The remuneration of the lowest paid employees

1.1.3 The relationship between the Chief Officers remuneration and that of the other officers.

1.2 A Pay Policy Statement for a financial year may also set the Authority's policies for the financial year relating to the other Terms and Conditions applying to the authority's Chief Officers.

2. Report

2.1 The Pay Policy Statement is for the financial year 2026/2027.

2.2 The Pay Policy Statement must be approved by Council at least annually and the Council may update the policy during the period the policy covers.

2.3 The Pay Policy Statement, once approved, will be published on the Council's website.

2.4 The Pay Policy Statement includes details of the South & East Lincolnshire Councils Partnership and includes the remuneration information for the Chief Executive and Chief Officers shared across the Partnership, including those who are not directly employed by this Council.

2.5 The Pay Policy Statement has been updated from the previous year. Council is asked to approve the following changes included in the 2026/2027 Statement:

2.5.1 Updated to reflect the formal appointment of the Director of Finance as the Council's Statutory Section 151 Officer and removal of reference to the Interim Director of Finance.

2.5.2 Inclusion of a new Clause on TUPE (Transfer of Undertakings - Protection of Employment). This confirms that while the Pay Policy Statement applies to Council employees and Chief Officers, individuals protected under TUPE may remain on differing terms and conditions as required by legislation.

2.5.3 Reference added to the potential development of incentivised retention arrangements, linked to the Local Government Reorganisation programme. Any such scheme would be subject to full governance and approval processes.

2.5.4 Inclusion of the new Shared Officer Pay structure, approved by Council in July 2025 and implemented in November 2025. This applies to all officers undertaking shared duties across partner councils.

2.5.5 Continued reference to Alignment of Terms and Conditions project, which remains a corporate priority for the partnership.

2.5.6 Expanded detail on Recruitment Checks and Special Severance Guidance – while both were referenced previously, the Statement now aligns more closely with best practice examples from other councils.

2.5.7 Updated Pension Employer Contribution Rates to reflect the current rates applicable to 31 March 2026, as well as the revised lower rate confirmed following the Councils recent Triennial review.

2.5.8 Addition of a new incentivised recruitment scheme intended for hard-to-fill posts. This allows the use of targeted inducements to attract talent where a clear business case demonstrates skills shortages and cost-effectiveness. Use of the scheme will require approval by the Senior Leadership Team, supported by appropriate evidence.

3. Conclusion

3.1. To ensure compliance with the Localism Act 2011 the Council must approve and publish its Pay Policy Statements by 31 March 2026. The Statement meet the requirements of the Localism Act 2011.

Report Approval

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