



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Employment Committee

Wednesday 21st January 2026

Report of Councillor Ashley Baxter,
Leader of the Council and
Cabinet Member for Finance, HR and
Economic Development

Pay Policy Statement 2026/27

Report Author

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Purpose of Report

The Localism Act 2011 requires the Council to produce an Annual Pay Policy Statement to summarise current policies and arrangements relating to pay. The Pay Policy Statement is part of the budget setting and approval process and will be presented to Council.

Recommendations

The Employment Committee is asked to review the updated Pay Policy Statement 2026/27 and recommend it to Council for approval.

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	(All Wards);

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The financial considerations of the Pay Policy Statement will be presented to Council for approval on 29 January 2026 and will be incorporated into the budget setting proposals for 2026/27. Employee costs are the largest financial element of the budget, and it is important that salary budgets and staffing resourcing requirements are kept under regular review.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.2 The Council is required to produce and publish a Pay Policy Statement each financial year under Sections 38-39 of the Localism Act 2011. The Council must have regard to guidance issued by the Secretary of State under Section 40 of the Localism Act 2011.

Completed by: James Welbourn, Democratic Services Manager

2. Background to the Report

- 2.1. The Council's Pay Policy Statement is reviewed annually to ensure it accurately reflects the Council's position and remains aligned with the objectives and intended outcomes of the Council's Corporate Plan.
- 2.2. The annual review of the Pay Policy Statement is also intended to ensure compliance with the Localism Act 2011.
- 2.3. The key changes, this year, include the updating of the posts in scope under the definition of officers covered by the Pay Policy Statement (paragraph 3).
- 2.4. The Pay Policy Statement refers to the collective agreement the Council has in place relating to local cost of living pay awards and also recognises that these pay awards are determined locally, for all staff, based on this agreement.

- 2.5. The Pay Policy Statement details:
- The Council's decision to adopt the Real Living Wage in March 2021.
 - The pay increase arrangements for our lowest grade and a number of other lower grades which are impacted by the Real Living Wage increase.
 - These pay increases are an alternative (and not an addition) to the annual cost of living pay award.
- 2.6 A review of pay and reward arrangements was completed during the year 2023/24. This included:
- The development of a career development policy.
 - Implementation of the 2024 real living wage rate for all eligible employees as part of our commitment to fair compensation.
 - The development of a revised job evaluation procedure and market supplement procedure.
- 2.7 A standby and call out policy was implemented during 2023/24. This policy sets out a separation of 'on-call' and 'standby' to recognise the difference and ensure a clearly defined compensation structure.
- 2.8 The Pay Policy Statement was presented to the Employment Committee on 12 November 2025 which voted to recommend the Statement to Full Council.
- 2.9 Since Employment Committee voted to recommend the Pay Policy Statement, there has been one minor amendment to the Statement (section 8.6) to reflect the Council's position on the 'sale of annual leave'. This addition was in response to an recommendation from the Council's External Auditors. Consultation has taken place with the Chairman and Vice Chairman of Employment Committee and the Cabinet Member for HR.

3. Key Considerations

- 3.1. It is a legal requirement that the Council publishes an annual Pay Policy Statement and, consequently, no other options have been considered.

4. Reasons for the Recommendations

- 4.1 The reason for the recommendation is to satisfy a legislative requirement.
- 4.2 Alternatives to the content of the Pay Policy have been considered. This version is deemed most suitable because it aligns to the Council's pay structure, local agreements and regulatory standards.

5. Consultation

- 5.1 Consultation has taken place with the Trade Union.

6. Background Papers

- 6.1 Pay Policy Statement 2025-26
[Pay Policy Statement 2025_26.pdf](#)

7. Appendices

- 7.1 Appendix A – Pay Policy Statement 2026-2027