



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Council


Thursday, 29 January 2026

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

Pay Policy Statement 2026/2027

Report Author

Sam Fitt, Senior HR Officer

 sam.fitt@southkesteven.gov.uk

Purpose of Report

As part of the annual budget setting and approval process, the Council is required to summarise current policies and arrangements relating to pay in the form of a Pay Policy Statement.

Recommendations

Council is asked to consider and approve the Pay Policy Statement 2026/2027.

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Does the report contain any exempt or confidential information not for publication?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 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 (PPS) is reviewed annually to ensure:
- a) it accurately reflects the Council's position and aligns with the aspirations of the Corporate Plan; and;
 - b) it is compliant with the Localism Act 2011.
- 2.2 The proposed PPS can be found at Appendix A.
- 2.3 This year, key changes include the updating of the posts within scope under the definition of officers covered by the Pay Policy Statement (Paragraph 3).
- 2.4 The PPS makes reference to this council's collective agreement relating to local 'cost of living' pay awards. All pay awards are determined locally based on this agreement.
- 2.5 The Council continues to implement, develop and follow previously agreed arrangements regarding pay and reward. These are regularly reviewed to ensure our PPS is accurate and up-to-date, and our reward package is attractive to current employees and future applicants

They include:

- a Career Development Policy, introduced in 2023/24.
- the real living wage for all eligible employees as part of a commitment to fair compensation.
- revised procedures for job evaluation and for market supplements.
- A 'standby and call out policy' introduced in 2023/24.

2.6 On 12 November 2025, Employment Committee considered the draft PPS and agreed to recommend it to Full Council.

2.7 Since then, there has been one minor amendment to the draft PPS (section 8.6). This relates to Council's position on the 'sale of annual leave' and was made in response to a recommendation from External auditors. After consultation with the Chair and Vice Chair of the Employment Committee as well as the Cabinet Member for HR, the PPS was referred back to Employment Committee on 21 January 2026 where it was agreed to recommend the amended Statement to Full Council.

3. Reasons for the Recommendations

3.1 The Council has a legal obligation to publish an annual Pay Policy Statement; consequently, no other options have been considered.

3.2 Alternative approaches to the content of the Pay Policy Statement have been considered. This version is deemed most suitable because it aligns to the Council's pay structure, local agreements and regulatory standards.

4. Consultation

4.1 Consultation has taken place with the Trade Union and with the Employment Committee.

5. Background Papers

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

6. Appendices

6.1 Appendix A – Pay Policy Statement 2026-2027.