

**East Hampshire District Council Pay Policy Statement
Financial Year 2026-27**

1. Purpose

This Pay Policy Statement is provided in accordance with Section 38(1) of the Localism Act 2011 and is updated annually from April each year.

This Pay Policy Statement sets out East Hampshire District Council's policies relating to the pay of its workforce for the financial year 2026-27, in particular:

- a) the remuneration of its Chief Officers
- b) the remuneration of its "lowest paid employees"
- c) the relationship between
 - the remuneration of its Chief Officers and
 - the remuneration of its employees who are not Chief Officers

The purpose of this pay policy statement is to provide an open and transparent framework that ensures clarity, fairness and consistency in the remuneration of Chief Officers. It also ensures that employees at all levels of the Council are paid on a fair and equitable basis in accordance with equality legislation.

2. Definitions

For the purpose of this Pay Policy the following definitions will apply:

2.1 "Remuneration" in addition to salary includes charges, fees, allowances, increases in/enhancements to pension entitlements, and termination payments.

2.2 "Chief Officer" refers to the Statutory Chief Officers (Head of Paid Service, Monitoring Officer and S151 Officer) and to Executive Directors.

2.3 "Lowest paid employees" refers to those staff employed within grade 2 of the council's pay framework.

2.4 The above definition for the "lowest paid employees" has been adopted because grade 2 is the lowest grade on which staff are appointed.

2.5 Those engaged on casual worker agreements are paid a fixed hourly rate in line with the voluntary UK Living Wage Foundation. They are excluded from the definition of "lowest paid employees".

2.6 "Employee who is not a Chief Officer" refers to all employees that are not covered under the "Chief Officer" group above. This includes the "lowest paid employees" i.e. employees on grade 2.

3. Remuneration and grading structure

3.1 General approach

Remuneration at all levels has been designed to be adequate to secure and retain high-quality employees dedicated to fulfilling the council's business objectives and delivering services to the public. This must be balanced by ensuring remuneration is not excessive. The council has responsibility for balancing these factors. The Council faces its own unique challenges and opportunities in doing so and retains flexibility to cope with various circumstances that may arise, including the use of market supplements or other such mechanisms for individual categories of posts where appropriate. Using such solutions should only be short-term and regular reviews should ensure that they are discontinued when circumstances change.

3.2 Responsibility for decisions on remuneration

It is essential for good governance that decisions on pay and reward packages for Chief Executive and Chief Officers are made in an open and accountable way and that there is a verified and accountable process for recommending the levels of top salaries.

A remuneration board is in place to formally ratify Chief Executive and Chief Officer pay and pay progression. The remuneration board members are the Head of Paid Service, the Section 151 Officer, and the Monitoring Officer. Any decision by the remuneration board is documented for transparency purposes.

Pay for senior staff is determined through local pay negotiations. Any award given is effective from April of the relevant year and is formally noted by HR Committee in line with HR standing orders.

Pay for the "lowest paid employees" and "all other employees including Chief Officers" is determined by negotiation between UNISON and the senior management team through an annual pay claim instigated by UNISON at a local level.

The pay award for all staff is also formally noted at HR Committee. The committee comprises elected Councillors and has responsibility for local terms and conditions of employment for staff within the Council's pay framework that falls outside the delegated powers of the Head of Paid Service.

3.3 Salary grades and grading framework

Salary grades for staff who are not Chief Officers are determined in line with the NJC job evaluation scheme through the GAUGE system. This approach to job evaluation follows a national requirement for all local authorities and other public sector employers to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.

As part of this requirement, East Hampshire District Council has a local pay framework in place which consists of an overall number of 11 grades on the pay spine with grade 2 being the lowest in use and grade 11 being the highest. Each grade has a number of increments assigned to it which staff progress through. On average there are five increments per grade, although some grades have more or less this number.

Each employee will be on one of the 11 grades based on the evaluation of their role. Employees can progress to the salary range maximum of their grade subject to assessment of their performance in the annual performance appraisal process.

The rise in the National Living Wage rates, with effect from 1 April 2026 do not impact on the value of the Council's lowest pay grades as the Council pay is of a higher value. Annual pay awards for all employees will be noted by the HR Committee.

The East Hampshire District Council pay framework was agreed and implemented on 1 April 1991.

Details of senior management remuneration is published annually on the Council's website as part of this Pay Policy Statement and in the Council's Statement of Accounts.

3.4 Reward Principles

To fulfil the strategic priorities, set out within the Corporate Strategy, the Council recognises that the approach to pay and reward needs to reflect modern employment practices and continuously keep abreast of the employment market.

The Council has a reward strategy in place which has three core aims:

- 1) to drive a culture which motivates reward,
- 2) to reduce and ultimately remove all barriers to a fair and attractive reward package and
- 3) to align reward with the Council's resources and financial requirements.

To achieve these aims we ensure that we review and continually develop reward practices to reflect modern and innovative trends within the context of local and national collective agreements.

4. Remuneration – level and element

4.1 Salaries of Chief Officers

Chief Officers are paid outside of the Council's pay framework. There is a specific senior pay policy in place which refers Chief Officer pay. Broadly, the following principles are applied:

- Chief Officer pay is based on a broad band approach and is set at market rate plus. This means that the entry point of the pay scale is 5% below market rate plus and the top of the scale is 5% above market rate plus. The mid-point of the scale is set at market rate plus. Market rate plus means the Council is committed to paying 5% above the market rate based on relevant market data
- There are different bands for senior roles based on hierarchy and each Chief Officer is paid a spot salary within the pay band described above,
- In determining Chief Officer pay, relevant available information, including the salaries of Chief Officers in other similar sized organisations is considered
- Local pay awards are applied across the Council to all pay grades.

4.1 Chief Executive

The Chief Executive, as the Council's Head of Paid Service, is remunerated outside the standard pay framework. The salary is set within a defined band based on benchmarking and reviewed annually in April by the Leader of the Council. The Chief Executive receives a spot salary within this band.

The performance award for the Chief Executive will be agreed by the Leader of the Council via Leader delegated decision and formally noted at HR Committee. Any award given will be effective from April of the relevant year.

4.2 "Lowest paid employees"

Each "lowest paid employee" is paid within the salary range for grade 2.

4.3 Other pay elements

"Chief Officers" are subject to the same performance management process as the "lowest paid employees" and "employees who are not Chief Officers".

Targets are set and performance against those targets is assessed. Chief Officers do not receive any incremental or step progression as they are on a spot salary.

An incremental pay award for any staff member may be withheld in exceptional circumstances due to poor performance. Separate capability processes are applied in such cases.

4.4 Charges, fees or allowances

Any allowance or other payments will only be made to staff in connection with their role or the patterns of hours they work and must be in accordance with the council's collective agreement and subsequent amendments.

Any honorarium that is paid will be paid in accordance with East Hampshire District Council's arrangements for such additional payments.

Any travel expenses reasonably incurred by an employee in the course of their duties will be reimbursed upon production of appropriate receipts and must be authorised by their line manager before payment will be made. Further detail can be provided on request.

Any subsistence allowance that is paid will be in accordance with the Council's policy.

Further details on allowances and payments are available on request.

4.5 Electoral Duties

No fees for election duties are included in the salaries of Chief Officers. Any additional fees payable for such responsibilities are calculated in accordance with the statutory rules and recommendations of the Hampshire and Isle of Wight Election Fees Working Party for all local government elections and by central government for Parliamentary elections. Special fees are paid for Returning Officer duties which are not part of the post holder's substantive role. These fees are payable as required and can be made to any senior officer appointed to fulfil the statutory duties of this role.

The Returning Officer is an officer of the District Council who is appointed under the Representation of the People Act 1983. Whilst appointed by the District Council, the role of the Returning Officer is one which involves and incurs personal responsibility and accountability and is statutorily separate from his/her duties as an employee of the District Council. As Returning Officer, they are paid a separate allowance for each election for which they are responsible in accordance with accepted national and regional scales and criteria which is approved annually by the Home Office and Electoral Claims Unit.

4.6 Performance Management

High levels of performance are expected of all our employees. Performance and contribution during the year is reviewed within the annual appraisal process.

This process provides for the setting of targets on an annual basis and review of the employee's achievement against those targets.

Where a member of staff is employed within the salary and grading framework set out in 3.3, following assessment of the employee's achievement against targets the reviewing manager will recommend a rating for each employee.

This will normally result in the progression of one incremental step but will not take the salary above the salary range maximum. If an employee is at the top of their grade there will be no further increase. Except in rare cases of poor performance, incremental progression will be applied where relevant.

The staff recognition scheme 'You're a Star' offers rewards to staff, one of which is a one-off payment as a reward for going above and beyond in their given role. A staff recognition panel awards payment.

Any salary changes following assessment under the Appraisal process will normally be effective from 1 April each year.

4.7 Other:

- a) There is formal provision for a payment to the Chief Executive based on performance which is determined through the normal appraisal system conducted by the Leader of the council and is independently verified by the Director of Change and Performance.
- b) A single financial benefit is payable upon death of any member of staff. The benefit is paid to either widows, widowers, civil partners, cohabiting partners without a legal status or dependent children under the age of 19 who are still in full time education. The benefit is equivalent to the greater of; one twelfth of one year's salary, or £1,500 after five years' service, or £2,000 after ten years' service or £2,500 after twenty years' service.
- c) Staff are entitled to discounts for local leisure facilities. The extent of the discount varies according to the facility.

4.8 Car, Motorcycle and Bicycle Loans

The current scheme offers car, motorcycle and bicycle loans up to a maximum of £20,000 and the total loan must be no more than 50% of the employee's gross salary.

These are only available to those staff who are deemed to be 'essential users' who have successfully completed their probationary period. The loan rate is in line with the HMRC official interest rate at the date the loan is taken out and is fixed for the period of the loan. The term of the loan is up to a maximum of five years.

4.9 Pension

All employees as a result of their employment are eligible to join the Local Government Pension Scheme. There are no increases or enhancement to pension entitlements.

4.10 Severance Payments

On ceasing to be employed by East Hampshire District Council, individuals will only receive compensation:

- a) in circumstances that are relevant (e.g. redundancy)
- b) that is in accordance with the EHDC published policy statement on how we exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
- c) that complies with the specific term(s) of a settlement agreement

We are already required to publish our policy on discretionary payments on early termination of employment as well as publishing our policy on increasing an employee's total pension scheme membership and on awarding additional pension.

It is important that the council has flexibility to respond to unforeseen circumstances as regards re-employing former employees as a Chief Officer.

If we re-employ a previous employee who received a redundancy or severance package on leaving, or if that person returns on a 'contract for services', or if they are in receipt of a Local Government Pension Scheme (with same or another local authority), then the decision to re-employ will be made on merit, taking into account the use of public money and the exigencies of the council. Decisions taken in respect of re-employment of former employees in receipt of a redundancy/severance package will be taken in line with legislation in force at that time.

4.11 New starters joining the Council

Employees new to the council and who are not Chief Officers will normally be appointed to the first point of the salary range for their grade. Where the candidate's current employment package would make the first point of the salary range unattractive (and this can be demonstrated by the applicant in relation to current earnings) or where the employee already operates at a level commensurate with a higher salary, a higher salary may be considered by the recruiting manager. This will be within the salary range for the grade. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary range.

Employees new to the Council who are appointed to Chief Officer or posts outside of the salary and grading structure (see 4.3) will be paid a fixed salary for the post (see 5.1.1) within the appropriate band.

4.12 Apprenticeship Posts

The council employs apprentices through an approved Apprentice Framework. Apprentices are appointed onto the grade appropriate for the post.

5. Relationship between remuneration of "Chief Officers" and "employees who are not Chief Officers"

The ratio of the Council’s definition of “Chief Officers” and the median average earnings across the whole workforce as a pay multiple is shown in Table X below. The Council’s highest paid employee is the Chief Executive (Head of Paid Service). The median salary and ratio was calculated using pay data for all permanently employed staff. The ratio of the Council’s highest paid employee and the median average earnings across the whole workforce is published for comparison with the April 2025 position:

Mean Calculation

Remuneration for the Chief Executive (excluding pension contributions)	£149,799.20
Mean average earnings for all employees at the Council (excluded)	£41,627.00
Ratio	1:3.6

Ratio between highest paid employee and lowest paid employee

Remuneration for the Chief Executive (excluding pension contributions)	£149,799.20
Pay for the lowest paid employee at the Council (excluding pension contributions)	£25,255.00
Ratio	1:5.9

* Data based on 2025/26

6. Review

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. East Hampshire District Council’s annual statement is scheduled for approval by Full Council in advance of 1 April each year, unless there are exceptional circumstances.

If it should be necessary to amend this statement during this financial year, an appropriate resolution will be made by Full Council.