



Orkney and Shetland Valuation Joint Board



Item: 9

Orkney and Shetland Valuation Joint Board: 23 June 2026.

Long Service Award Policy.

Report by Assessor and Electoral Registration Officer.

1. Overview

- 1.1. Orkney and Shetland Valuation Joint Board (the Board) has a Long Service Award policy (see Appendix 1), which has been in place since April 1999 (backdated to 1 April 1996). Board meeting papers from 1 April 1999 reveal that the original basis for the policy was that it was something of a mid-point between the equivalent policies of the two constituent Councils for an employee reaching 25 years of continuous service, where Orkney Islands Council (OIC) awarded £300, and Shetland Islands Council (SIC) awarded one month's salary. The sum of £1,000 was settled on by the Board, with specific provision for it to be index linked, presumably to allow futureproofing by keeping track with inflation. The long service awards of the two Councils remain the same to this day, though for SIC, the financial award does not apply for senior managers on grade P and above, who instead get additional annual leave.
- 1.2. The Board's policy was reviewed as part of the new Pay and Grading model in 2021, with no change being recommended and accepted by the Board.
- 1.3. The policy is self-explanatory; however, it has come to light recently that it has an application deficiency, in that the indexation method outlined, does not actually exist. Taking direction from the Board's Scheme of Delegation to Officers, the matter was discussed with the Board Treasurer, and the Head of HR at OIC. As a result, it was considered that due to complications in the nature of pay awards for Local Government employees, it would not realistically be possible to create a model of this non-existent index to allow implementation of the policy.
- 1.4. The indexation of the award is an obvious necessity, especially given the passage of time since the policy was put in place, and if the quoted index cannot be implemented, it seems reasonable to find a substitute to reflect the policy intent. Once again consulting the Treasurer and the Head of HR at OIC, along with my own thoughts on the matter, we were all aligned that a link to inflation would be appropriate, and that the Consumer Price Index (CPI) would be the most sensible index to use.

- 1.5. Additional consultation was undertaken with other Valuation Joint Board (VJB) Assessors. Of the nine other VJB Assessors, six responded with details of their Long Service Awards. One confirmed that they had no such award. The other five confirmed that, while they had Long Service Awards, none of them were index-linked, i.e. they were for fixed amounts, regardless of the passage of time since the policy was approved. However, one Assessor confirmed that, while his Board's policy did not specify any indexation, all awards were in fact index-linked from the date of the policy coming into force, with the Retail Price Index (RPI) being the index used.
- 1.6. In more general terms, RPI was the traditional measure of inflation, while CPI (Consumer Price Index) emerged around 1996, growing in importance since that time, being used to benchmark many things from pay awards to rental uplifts, and now CPI tends to be considered the definitive measure of inflation (Office for National Statistics). CPI is also the Bank of England's target measure of inflation.
- 1.7. Given the policy was relatively recently reviewed (2021) and neither of the two constituent Local Authorities have reviewed their equivalent policies in a much greater time period, it is not being proposed that the Board's Long Service Award policy is reviewed, simply that a new index is approved to allow it to function as intended.
- 1.8. In the interests of disclosure and transparency, please note that I have no intention of remaining an employee for a length of time sufficient to receive an award under this policy (currently standing at 4.5 years service), and therefore have no possibility of personal gain in this matter.

2. Recommendations

- 2.1. It is recommended that members of the Board:
 - i. Amend the indexation in the Long Service Award to Consumer Price Index.

For Further Information please contact:

Robert Eunson, Assessor and Electoral Registration Officer, 01856 876222, Email robert.eunson@orkney.gov.uk

Implications of Report

1. **Financial** – No financial implications arising directly from this report, however, there are financial consequences when Long Service Awards are due. The CPI factor from 1 April 2000 to 1 April 2026 is $(142.1-72.6)/72.6 = 95.73\%$, which, for example, if awarded in April 2026 would take the value of the Long Service Award to £1,957. No Long Service Awards were factored into the 2026/27 budget. Given CPI is reported monthly it is anticipated that the indexation would be applied up to the month of the award.

2. **Corporate Governance** – In terms of the Board’s Service Plan 2026-2029, correct and fair application of this policy would evidence the Board’s recognition of Staffing and Personnel Matters as stated within the Plan.
3. **Human Resources** – the Long Service Award is a key HR policy unique to the Board.
4. **Equalities** – the correct application of the policy is essential for staff equality.
5. **Island Communities Impact** – an Island Communities Impact Assessment is not required.
6. **Environmental and Climate Risk** – not applicable.
7. **Risk** – not applicable.
8. **Procurement** – not applicable.
9. **Health and Safety** – not applicable.

List of Background Papers

None.

Appendix

Appendix 1 – Long Service Award Policy.

ORKNEY AND SHETLAND VALUATION JOINT BOARD

LONG SERVICE AWARD

In recognition of long service staff will, on the 25th Anniversary of appointment and after a period of 25 years continuous employment receive a payment of a lump sum of £1000. Part time staff will receive the award on a pro rata basis to their hours of work. The level of the award will be index linked to the national pay award for Local Government Employees. This payment will be subject to tax and national insurance payments.

Continuous employment with the followings organisation will/can count towards this award:

Orkney and Shetland Valuation Joint Board
Orkney and Shetland Joint Valuation Committee
Northern Counties Joint Valuation Committee

Note: The application of this policy is effective from 1 April 1996. The index linking of this award will come into effect with the award due on 1 April 2000.