

**Meeting:** Cabinet/Council      **Date:** 23 January 2025/6 February 2025

**Wards affected:** All wards in Torbay

**Report Title:** Torbay Council Annual Pay Policy Statement and Review of Pensions Discretions

**When does the decision need to be implemented?** February 2025

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## 1. Purpose of Report

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- 1.1 Section 38 (1) of the Localism Act 2011 requires English and Welsh Authorities to produce a pay policy statement for each financial year. This is a statutory requirement, and the pay policy statement must be approved formally by Council. The pay policy statement draws together the Council's overarching policies on pay and conditions and will be published on the Council's Website.
- 1.3 Under the current Pensions Regulations, Torbay Council is able to exercise a range of discretions in regard to how the Local Government Pension Scheme (LGPS) is applied to its employees who are members of the Scheme.

## 2. Reason for Proposal and its benefits

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- 2.1 The Annual Pay Policy Statement 2024/25 must be approved by the Council in order for the Council to be compliant with Section 38 (1) of the Localism Act 2011.
- 2.3 The Employers Pensions Discretions must be reviewed and approved by Council annually in line with the LGPS regulations.

## 3. Recommendation(s) / Proposed Decision

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That Council be recommended that:

1. the Torbay Council Annual Pay Policy Statement 2025/26 as set out in Appendix 1 to the submitted report be approved for publication, subject to the release and inclusion of the LGPS employee contribution rates and bandings.
2. the Employers Pensions Discretions as set out in Appendix 2 to the submitted report be

approved for publication.

## **Appendices**

Appendix 1: Torbay Council Annual Pay Policy Statement 2025/26

Appendix 2: Torbay Council Pension Discretions

## **Background Documents**

Copies of Torbay Councils associated Pay Policies will be made available upon request. All current policies are held on the Council's MyView system:-

<https://myview.torbay.gov.uk/dashboard/dashboard-ui/index.html#/landing>

The following documents/files were used to compile this report:-

Localism Act Pay Policy Guidance from the Local Government Association

<https://www.local.gov.uk/introduction-localism-act>

# Supporting Information

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## 1. Introduction

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- 1.1 The publication of the Annual Salary Statement is a statutory requirement under Section 38 (1) of the Localism Act 2011. If Council does not approve the Salary Statement then the Council will be in breach of the legislation.

See Annual Pay Policy Statement, Appendix 1 for full details.

- 1.3 Under the current Pensions Regulations, Torbay Council is able to exercise a range of discretions in regard to how the Local Government Pension Scheme (LGPS) is applied to its employees who are members of the Scheme. The Employers Pensions Discretions must be reviewed and approved by Council annually in line with the LGPS regulations.

See Pensions Discretions, Appendix 2, for full details of the existing and recommended discretions.

## 2. Options under consideration

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- 2.2 There are no options to be considered in regard to the publication of the Pay Policy Statement as it is a statutory requirement of Section 38 (1) of the Localism Act 2011.

- 2.3 The Employers Pensions Discretions were last approved by Council in February 2024. Although there are no changes proposed, Council are required to approve these discretions on an annual basis.

## 3. Financial Opportunities and Implications

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- 3.1 There are no financial opportunities. The implications are in relation to financial penalties that the Council could face for non-compliance, for example, under equal pay legislation.

## 4. Legal Implications

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- 4.1 The Council would be in breach of its statutory obligation if it does not publish its Annual Pay Policy Statement in accordance with the Localism Act 2011.

- 4.2 The Pay Policy Statement and associated pay policies set out the processes and procedures by which the Council pays its staff. These practices are in accordance with the Equality Act 2010 and associated employment law and so must be complied with.

## 5. Engagement and Consultation

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5.1 Trade Unions representing staff within Torbay Council will be consulted at Joint Consultative meetings.

## 6. Purchasing or Hiring of Goods and/or Services

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6.1 There are no associated services or goods that need to be purchased or hired under these proposals.

## 7. Tackling Climate Change

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7.1 There are no climate change implications associated with these proposals.

## 8. Associated Risks

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8.1 Non-Compliance with Section 38 (1) of Localism Act 2011, please see above. It is currently not determined as to whether there would be a financial penalty for non-compliance with the Localism Act however, under employment law non-compliance could result in heavy penalties for the Council (e.g. Equal pay and discrimination claims).

8.3 In addition to the risk of enforcement action by the EHRC, the Council should also consider the potential damage to their reputation of non-compliance with equal pay legislation if pay and grading processes are not followed.

## 9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

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|                                     | Positive Impact | Negative Impact & Mitigating Actions | Neutral Impact  |
|-------------------------------------|-----------------|--------------------------------------|---|
| Older or younger people             |                 |                                      | In regard to the Employers Pensions Discretions, these will only affect employees who are 55 years and above. A neutral impact as the proposal is that the discretions will not change since they were last reviewed in 2024. |
| People with caring Responsibilities |                 |                                      |   |
| People with a disability            |                 |                                      |   |

|   |   |  |   |
|---|---|--|---|
| Women or men  | An Equality Impact Assessment was undertaken for the Council's Pay and Grading structure in 2019 – this indicated that men and women are both positively impacted by the new pay and grading structure. |  |   |
| People who are black or from a minority ethnic background (BME)<br>(Please note Gypsies / Roma are within this community) |   |  |   |
| Religion or belief<br>(including lack of belief)  |   |  |   |
| People who are lesbian, gay or bisexual   |   |  |   |
| People who are transgendered  |   |  |   |
| People who are in a marriage or civil partnership   |   |  |   |
| Women who are pregnant / on maternity leave   |   |  |   |
| Socio-economic impacts<br>(Including impact on child poverty issues and deprivation)                                      |   |  |   |
| Public Health impacts<br>(How will your proposal impact on the general health of the population of Torbay)                |   |  | Neutral, no public health impact identified as a result of proposals. |

## 10. Cumulative Council Impact

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10.1 None.

## 11. Cumulative Community Impacts

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11.1 None.