

**Meeting: Cabinet/Council**      **Date:** 17 February/26 February 2026

**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 2026

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## 1. Purpose of Report

- 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 Councils Website.
- 1.2 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

- 2.1 The Annual Pay Policy Statement 2026/27 must be approved by the Council in order for the Council to be compliant with Section 38 (1) of the Localism Act 2011.
- 2.2 The Employers Pensions Discretions must be reviewed and approved by Council annually in line with the LGPS regulations.

## 3. Recommendation(s) / Proposed Decision

That Council be recommended to approve:

1. the Torbay Council Annual Pay Policy Statement 2026/27 as set out in Appendix 1 to the submitted report be approved for publication; and
2. the Employers Pensions Discretions set out in Appendix 2 to the submitted report be approved for publication.

## **Appendices**

Appendix 1: Torbay Council Annual Pay Policy Statement 2026/27

Appendix 2: Torbay Council Pension Discretions

## **Background Documents**

Copies of Torbay Council's 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.

1.2 Under the current Pensions Regulations, Torbay Council is able to exercise a range of discretions in regard to how the 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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2.1 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.

2.2 The Employers Pensions Discretions were last approved in July 2025. They are usually approved annually in February; however, a change was made to one of the policies to allow the introduction of shared cost AVC's from September. Although there are no further 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).
- 8.2 In addition to the risk of enforcement action by the Equality and Human Rights Commission, 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.

## Equality Impact Assessment

| Protected characteristics under the Equality Act and groups with increased vulnerability | Data and insight   | Equality considerations (including any adverse impacts)  | Mitigation activities | Responsible department and timeframe for implementing mitigation activities |
|--|--|--|-----------------------|---|
| Age  | <ul style="list-style-type: none"> <li>18% of Torbay residents are aged under 18 years old.</li> <li>55% of Torbay residents are aged between 18 to 64 years old.</li> <li>27% of Torbay residents are aged 65 and older.</li> </ul> | There is no differential impact as the policies reflected in the Councils' Pay Policy Statement apply equally to all employees regardless of protected characteristic. | N/A                   | N/A   |
| Carers   | <ul style="list-style-type: none"> <li>At the time of the 2021 census there were 14,900 unpaid carers in Torbay.</li> <li>5,185 of these carers provided 50 hours or more of care.</li> </ul>  | There is no differential impact as the policies reflected in the Councils' Pay Policy Statement apply equally to all employees regardless of protected characteristic. | N/A                   | N/A   |
| Care experienced   | <ul style="list-style-type: none"> <li>As of January 2026, there were 277 former care experienced young people aged 18-24 in Torbay.</li> </ul>  | No differential impact   | N/A                   | N/A   |
| Disability   | <ul style="list-style-type: none"> <li>In the 2021 Census, 23.9% of Torbay residents answered that their day-to-day activities were limited a little or a lot by a physical</li> </ul>   | There is no differential impact as the policies reflected in the Councils' Pay Policy Statement apply equally to all employees regardless of protected characteristic. | N/A                   | N/A   |

|                                |  |  |     |     |
|--------------------------------|--|--|-----|-----|
|                                | or mental health condition or illness.   |  |     |     |
| Gender reassignment            | <ul style="list-style-type: none"> <li>In the 2021 Census, 0.4% of Torbay's community answered that their gender identity was not the same as their sex registered at birth.</li> </ul>  | There is no differential impact as the policies reflected in the Councils' Pay Policy Statement apply equally to all employees regardless of protected characteristic. | N/A | N/A |
| Marriage and civil partnership | <ul style="list-style-type: none"> <li>Of those Torbay residents aged 16 and over at the time of 2021 Census, 44.2% of people were married or in a registered civil partnership.</li> </ul>  | There is no differential impact as the policies reflected in the Councils' Pay Policy Statement apply equally to all employees regardless of protected characteristic. | N/A | N/A |
| Pregnancy and maternity        | <ul style="list-style-type: none"> <li>Between 2013 and 2024, the rate of live births (as a proportion of females aged 15 to 44) has been slightly but significantly higher in Torbay (average of 56.0 per 1,000) than the Southwest (53.4) and broadly in line with England (56.3).</li> <li>For the period 2022 to 2024, rates in Torbay (44.6) have been significantly below England (50.0).</li> </ul> | There is no differential impact as the policies reflected in the Councils' Pay Policy Statement apply equally to all employees regardless of protected characteristic. | N/A | N/A |
| Race                           | In the 2021 Census, 96.1% of Torbay residents described their ethnicity as the following:  | There is no differential impact as the policies reflected in the Councils' Pay Policy Statement apply equally to all employees regardless of protected characteristic. | N/A | N/A |

|                     |   |   |     |     |
|---------------------|---|---|-----|-----|
|                     | <ul style="list-style-type: none"> <li>• 1.6% as Asian, Asian British or Asian Welsh</li> <li>• 0.3% as Black, Black British, Black Welsh, Caribbean or African</li> <li>• 1.5% as being of Mixed or Multiple ethnic groups</li> <li>• 96.1% as White</li> <li>• 0.4% described their ethnicity another way.</li> </ul> <p>• Black, Asian and minoritised ethnic communities are more likely to live in areas of Torbay classified as being amongst the 20% most deprived areas in England.</p> |   |     |     |
| Religion and belief | <p>The 2021 Census showed that the residents in Torbay identify their religion and/or belief as the following;</p> <ul style="list-style-type: none"> <li>• 48.5% are Christian</li> <li>• 0.4% are Buddhist</li> <li>• 0.2% are Hindu</li> <li>• 0.6% are Muslim</li> <li>• Less than 0.1% are Sikh</li> <li>• 0.1% are Jewish</li> <li>• 0.7% have another religion</li> <li>• 43.2% have no religion</li> <li>• 6.3% did not answer</li> </ul>   | <p>There is no differential impact as the policies reflected in the Councils' Pay Policy Statement apply equally to all employees regardless of protected characteristic.</p> | N/A | N/A |
| Sex                 | <ul style="list-style-type: none"> <li>• 51.3% of Torbay's population are female.</li> </ul>  | <p>There is no differential impact as the policies reflected in the Councils' Pay Policy</p>  | N/A | N/A |

|                                   |  |   |     |     |
|-----------------------------------|--|---|-----|-----|
|                                   | <p>48.7% of Torbay's population are male.</p> <ul style="list-style-type: none"> <li>Torbay Council is legally required to calculate and publish the pay gap between male and female employees every year.</li> </ul>  | Statement apply equally to all employees regardless of protected characteristic.  |     |     |
| Sexual orientation                | <p>In the 2021 Census, residents described their sexuality as follows;</p> <ul style="list-style-type: none"> <li>89% as Straight or Heterosexual</li> <li>1.7% as Gay or Lesbian</li> <li>1.1% as Bisexual</li> <li>0.1% as Pansexual</li> <li>0.1% described their sexuality another way</li> <li>7.4% of people didn't answer the question</li> </ul> | <p>There is no differential impact as the policies reflected in the Councils' Pay Policy Statement apply equally to all employees regardless of protected characteristic.</p> | N/A | N/A |
| Armed Forces Community            | <ul style="list-style-type: none"> <li>In 2021, 3.8% of residents in England reported that they had previously served in the UK armed forces.</li> <li>In Torbay, 5.9% of the population have previously served in the UK armed forces.</li> </ul>   | No differential impact  | N/A | N/A |
| <b>Additional considerations</b>  |  |   |     |     |
| Socio-economic impacts (Including | <ul style="list-style-type: none"> <li>Torbay is ranked as the 39th most deprived upper</li> </ul>   | No differential impact  | N/A | N/A |

|   |   |                        |     |     |
|---|---|------------------------|-----|-----|
| impacts on child poverty and deprivation)   | tier local authority in England in the Index of Multiple Deprivation 2025.  |                        |     |     |
| Public Health impacts (Including impacts on the general health of the population of Torbay) | <ul style="list-style-type: none"> <li>For the five-year period 2020 to 2024, data shows there is a 6-year life expectancy gap between males who live in Torbay's least and most deprived areas and, a 3-year gap for females.</li> </ul> | No differential impact | N/A | N/A |
| Human Rights impacts  |   | No differential impact | N/A | N/A |
| Child Friendly  |   | No differential impact | N/A | N/A |

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## 10. Cumulative Council Impact

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10.1 None.

## 11. Cumulative Community Impacts

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11.1 None.