South Tyneside Council

item 2

People and Organisational Development Committee
27 May 2026

People and Organisational Development Committee Minutes

Minutes of 11 March 2026

Councillors: Ellison (Chair), Cunningham, Hamilton, Stonehouse, Traynor.

Stuart Reid (Director of Business and Resources), Claire McLaren (Head of People and Organisational Change), Dawn Dennison (Operations Manager - Revenues, Customer Services and Financial Support) and Kelly Ellwood (Democracy Support Officer).

1. Declarations of Interest

There were no declarations of interest.

2. Minutes of 4 February 2026

Resolved: That the minutes of the previous meeting of the Committee be agreed as a true and accurate record.

3. Chair's Urgent Items

There were no urgent items raised.

Exempt Information

Resolved: That any press and public present be excluded from the meeting for the remainder of the agenda items as they involved exempt information as defined in Schedule 12a of the Local Government Act 1972.

Item	Exempt Category	"Public interest" test - reason for exempting
4-6	3	The reports contain information which, if published, could prejudice the commercial interests of persons named in the report.

4. Flexible Retirement

This report sought approval for a flexible retirement request.

An employee had requested to reduce their working hours under the Council's flexible retirement scheme, from four days per week to three days. The Strategic Manager had been consulted and was in support of the requests.

Approving the request would retain valuable expertise and support employee motivation and work/life balance. It was advised that failure to approve the request would risk losing an experienced employee who provided essential support to residents.

It was noted that there would be an initial cost to the Council due to payment of pension benefits, however there would be annual savings thereafter through the applicant's salary. No additional recruitment was planned, and it was clarified that no service impact was expected.

It was queried whether the hours lost would be gone permanently, and it was confirmed that this was the case, it was further clarified that if the employee in question left the role, only the reduced hours would be recruited to.

Members commended the flexible retirement scheme as a way of rewarding loyalty.

Resolved: That the request be approved.

Reason for decision:

- *To retain the skills of existing employees while meeting their request for flexible retirement.*

5. Senior Manager Job Evaluation

This report provided Committee with the outcome of the Senior Manager Job Evaluation (SMJE) exercise and proposed a corresponding Senior Management Pay and Grading (SMPG) structure.

Committee were reminded of a mandate in July 2024 to undertake a job evaluation exercise for senior managers, and a proposal was agreed to use the Local Government Association's SMJE scheme, widely used across local authorities, fire and police authorities.

A total of sixty posts were evaluated by two external, independent evaluators in two phases. These posts were set out in the report, along with further tables outlining current and proposed pay and grading structures.

Some challenges were outlined, such as confusion and inconsistency around pay grade names and overlaps within grading points. This would be mitigated with the use of four clear tiers, with standardised job titles, corresponding bands and single salary points. It was hoped that this would also aid with attraction and recruitment in the future.

It was proposed that alongside the salary structure, the following be implemented:

- Chief Executive and Director naming conventions remain unchanged
- Tier 3 roles be redesignated "Assistant Director"
- Tier 4 roles be redesignated "Head of Function"

The proposals aimed to minimise financial costs and staff impact. Affected posts were included for Committee's information. There would be a cost to the Council of approximately £15,000, against a backdrop of senior management savings targets of £1.37million.

All employees affected by changes would be contacted individually by letter should the proposals be agreed. An appeals process was in place and would be detailed within this letter. The current Pay Protection Period was proposed to be changed to support employees, offering one year at 100% of the difference and one year at 50%.

A Member queried the impact the changes would have on an employee's pension. It was explained that the average and final salaries would be considered.

Some discussion took place around the different bands of director salary and concerns were raised around potential equal pay claims. It was explained that the Job Evaluation would justify the rationale behind this, such as statutory responsibilities, more staff and a bigger budget.

It was clarified that any appeals would be reviewed independently.

Resolved: That:

i) The proposed revised SMPG be agreed,
ii) The change to job title conventions be agreed,
iii) The overall impact and financial implications be agreed,
iv) The proposed amendment of the Pay Protection Period be agreed.

Reason for Decision:

- *To ensure South Tyneside Council are protected against the risk of any senior management related equal pay related challenges and reduce risk to the* *attraction, recruitment and retention of high calibre senior staff.*

6. Pensions Salary Review

This report proposed changes to job title and salaries of the senior management team within the Pensions Service.

It was explained that South Tyneside Council was the administering authority of the Tyne and Wear Pension Fund ("the Fund"), which had been through a period of significant growth in recent years. In 2025 the Fund had secured a commercial contract providing pension administration services for the Teesside Pension Fund which had led to the establishment of between 40 and 50 new posts in the borough.

In July 2024, a Pensions Investment Review was carried out by the Government, leading to the introduction of "Fit for the Future" proposals. These included the creation of a statutory Senior Local Government Pension Scheme (LGPS) Officer, independent assessments, and further financial and operational separation from the Council.

It was noted that retention and recruitment of senior managers remained a challenge, and an honorarium had been partially successful. The Pensions Committee had written to the Council's Chief Executive to outline these challenges and ask that all reasonable steps be taken to help retain senior staff and recruit to vacant posts.

Proposals to job title changes to provide consistency were outlined within the report for consideration, as well as salary uplifts. It was noted that these remained lower than those offered at other LGPS funds and therefore still carried some risk.

A Member highlighted the need to ensure there was no cost to the Council and it was confirmed that the cost would be charged fully to the Pension Fund.

It was queried whether the roles affected were exempt from the Job Evaluation and it was noted that they were. It was hoped that bringing salaries up to the level offered by the honorarium would assist with recruitment and retention of what was a very specialised role.

Resolved: That:

i) Head of Pensions be redesignated Assistant Director (Pension Fund) and salary be increased by 15%,
ii) Principal Pensions Manager be redesignated Head of Pensions Administration and salary be increased by 15%,

iii) Principal Investment Manager be redesignated Head of Investments, Pensions Finance and Treasury Management and salary be increased by 15%,

iv) Principal Governance and Funding Manager be redesignated Head of Pensions Governance and Funding and salary be increased by 15%.

Reasons for Decision:

- *To assist the Council in meeting its statutory duties as the administering authority of the Fund by ensuring appropriate staffing resource and structure is in place.*