

MARKET FORCES POLICY

Contents

	PAGE
POLICY STATEMENT	3
OBJECTIVE JUSTIFICATION	3
EVIDENCE	4
PAYMENTS	4
CALCULATION OF A MARKET SUPPLEMENT	5
TIMESCALES	5
RIGHT TO BE ACCOMPANIED	5
APPENDIX 1 – Market Forces Supplement approval form	6
APPENDIX 2 – Template letter	7
VERSION CONTROL	8

POLICY STATEMENT

Monmouthshire County Council is committed to the principles of equal pay for work of equal value and by using the GLPC Job Evaluation scheme this ensures a consistently applied and robust approach which measure the relative value of jobs within Monmouthshire County Council. The purpose of this Policy is to ensure that the attachment of market supplements to posts are properly considered and implemented on a consistent basis.

This policy has been developed to ensure Monmouthshire has a clearly defined approach to applying market forces supplements where a genuine business need arises.

This policy is inclusive of partners of the opposite or same sex. In its application, this policy seeks to ensure that there is no discrimination against employees either directly or indirectly on grounds prohibited by the Equality Act 2010 which covers age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

MARKET FORCES SUPPLEMENTS

A market supplement is an additional temporary payment to the basic salary of an individual job or specific groups of jobs where market pressures would otherwise prevent Monmouthshire County Council from being able to recruit or retain employees with a particular skill or group of skills. Market forces can fluctuate and market rates of pay go down as well as up.

It may be necessary from time to time to apply a market force supplement to the assessed grade of a job. Usually this will be as a result of a skills shortage in the jobs market (local or national) or because the market rate for a particular skill set is higher than that determined by local job evaluation and the pay and grading structure.

It is clear that whilst the process of job evaluation will satisfy equal pay considerations there are potential difficulties for some posts in terms of recruitment & retention as it may not compare favourably to a similar post elsewhere. Where this is the case, a supplement may be added to the grade of the job.

OBJECTIVE JUSTIFICATION

If the pay of a particular job is to be enhanced to reflect market conditions it is necessary to demonstrate that there are 'objectively justified grounds' i.e. that recruitment and retention difficulties exist in relation to the job concerned which would result in organisational or operational problems.

Equal pay considerations should be taken into account, and the possibility of an equal pay challenge assessed. The Council won't be able to rely on the fact that the market suggests that certain jobs usually done by women are paid less than jobs usually done by men, because the market rate may itself be based on discriminatory assumptions. The overriding principle of the decision must be based on what the Council needs to pay to get the right person to fill the post. When making the decision we must also consider other things such as operational issues and whether the reputation of the Council may suffer if key services are not fully resourced.

In addition there is a need to show that the comparator job is substantially the same in terms of duties and responsibilities and that there are no material differences in the overall reward package i.e. holiday entitlement, sick pay scheme, flexible working arrangements. These are not cash rewards but could account for the lower rate of pay.

The Chief Officer in consultation with People Services HR approves the application/renewal/withdrawal, of a market force supplement. Market force supplements will apply equally to all employees in the particular job (or specialist area). Costs will be met from the relevant service area/school budget.

EVIDENCE

The business case for supplements has to provide 'objective justification' with supporting evidence. Anecdotal evidence is not sufficient.

Types of evidence include-

- Salary benchmark data, what is the 'going rate' for the job?
- Evidence of any recent (unsuccessful) recruitment processes, e.g. How has the post been advertised in the past? Has the correct media being used? What is the response rate to adverts? What is the turnover rate for the post?
- The level and overall cost of the recommended supplements,
- Any alternative measures that have been, or could be, considered e.g. could the post be remodelled to deliver the service required?
- The operational and/or reputational risks
- Details of any perceived detrimental impact on service delivery of failure to recruit (or retain) the right calibre of employee.
- Details of any potential knock-on effects and how they might be resolved e.g., maintenance of pay relativities between posts within a team/business area or work group

PAYMENTS

Having obtained the necessary pay data an assessment will be made as to whether a market supplement needs to be applied and, if so, the actual value of the supplement.

Each application is to be dealt with on a case-by-case basis and will require objective justification, before approval by the Chief Officer following discussion at DMT/SLT/Governing Body.

The market supplement will be kept separate from the agreed rate of pay for the post. In recruitment processes, this must be made clear when advertising vacant posts and also when selecting a successful candidate. Employees need to understand that the market supplement payment can vary year on year or cease completely.

Employees occupying or appointed to posts that attract a market supplement will be given written confirmation detailing the amount of the payment, the arrangements for review and how any subsequent changes will be implemented.

Payment will be as an allowance in addition to the monthly salary and as it is based on incremental points will be subject to annual cost of living pay awards. As it forms part of an employee's pay it will be pensionable.

Where appropriate, supplements will be paid pro rata to the hours worked.

CALCULATION OF A MARKET SUPPLEMENT

All supplements will be calculated as additional increments based on the evidence supplied and will be the nearest increment below the comparator salary. The payment should be set at a level that is considered will alleviate the recruitment & retention/operational difficulty but which is not excessive and can be justified in terms of salary paid to the comparator jobs in the market place.

The purpose, justification and extent of any market supplement must be transparent and records maintained to demonstrate this so that the Council can respond effectively to any challenge regarding the rationale for such a payment.

TIMESCALES

In order to ensure fairness and equity of the pay structure and that the payment is still justified and appropriate, supplements will be subject to annual review.

Following the review a decision should be made by the Chief Officer/ Head Teacher as to whether to withdraw the supplement from the post concerned, retain the supplement at its current value, or adjust the amount to be paid.

Three month's written notice must be provided to the employee before a market forces supplement is withdrawn.

RIGHT TO BE ACCOMPANIED

Employees have the right to be accompanied by their Trade Union Representative or work colleague at any meetings arranged to discuss the withdrawal of a market forces supplement.

APPENDIX 1

MARKET FORCES SUPPLEMENT REQUEST FORM

DIRECTORATE/SCHOOL.....

TEAM:

Manager/Head-teacher.....

POST to be paid supplement

POST TITLE:

POST ID:

Business case justification

.....
.....
.....
.....

Amount of supplement to be paid:

.....

Start Date:

REVIEW DATE: (after 12 months)

Name of Manager/Head-teacher.....

Signature of Manager/Head-teacher.....

Date.....

Approved by Head of Service/Chief OfficerYes / No

APPENDIX 2

TEMPLATE LETTER: MARKET FORCES SUPPLEMENT

Dear _____

I am writing to confirm that the post of _____ (*insert job title*) will attract the payment of a market rate supplement in line with the Council's policy on the payment of market rate supplements.

As a result of ongoing recruitment and retention difficulties you will receive an additional annual payment of £____. The method of payment will be monthly and will be paid in addition to your salary.

The market supplement is separate from the agreed (substantive) rate of pay for the post. The payment will be detailed on your payslip.

You should be aware that this is not a permanent payment and will be reviewed annually to determine whether the payment continues to be justified and if so, that the amount remains appropriate.

The outcome of the review will be to determine whether to withdraw the supplement, retain the supplement at its current value, or adjust the amount to be paid.

Should you have any queries with regard to this payment please do not hesitate to contact me.

Yours sincerely,

Manager/Head-teacher

VERSION CONTROL

Title	Market Forces Supplements Policy
Owner	People Services HR
Approved by	SLT
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