

Agenda Item 16

Executive Board

21 June 2006

KJ



Market Supplements Policy

Summary

This policy supports the implementation of job evaluation. Market supplements are a way of tackling recruitment and retention issues by temporarily increasing the pay awarded to a post, without altering the job evaluation determined grade for that post. This policy is designed to ensure that it is only applied at the discretion of the Strategic Management Team when the appropriate evidence exists.

Recommendation

That the Executive Board agrees this policy.

a) Reasons for Recommendation

This policy is being recommended to ensure that we retain key people in hard to fill posts following the job evaluation implementation.

b) Alternative Options

To not adopt such a policy.

c) Risk Considerations

The risks in not implementing this policy are possible loss of experienced staff in hard to fill posts.

1 Main Body of the Report

1.1 The principles of this policy are that market supplements will only apply at the discretion of the strategic management team in cases where posts are identified as 'hard to fill' due to national skills shortages.

1.2 It is the intention to ensure that any market supplement is reviewed annually and that employees are asked to sign an amendment to their contract which identifies that they understand that this may be withdrawn following review.

Legal Implications

Market supplements are a common tool used within local government to recruit and retain staff where there are skills shortages or high open-market competition for key staff which an authority must attract and/or retain in-house or organisational or commercial effectiveness. The key legal consideration is that it is lawful not to pay all staff who have been evaluated as doing work of equal value the same salary, provided the variation is genuinely due to a material factor which is not

gender-related. Essentially, this means that a market supplement policy needs to be fairly applied and objectively justified. The proposed policy sets out criteria for establishing objective justification.

Financial Implications

The financial implications are unknown at present, however, the payment of supplements is at the discretion of the Council and affordability will be one of the issues that will need to be considered.

Consultation on Reports to the Executive

This report has been circulated to UNISON for their comments and feedback.

Background Papers

- Market Supplements Policy and Procedure

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