

Market Supplement Policy

1. Purpose of this document

To provide information to line managers and employees about the County Council's market supplement policy and the principles that govern the policy.

2. Scope of this document

This document applies to all employees of WSCC on permanent, temporary and fixed term contracts. It does not apply to support staff based in schools where separate arrangements may apply as set out in the 'Schools HR Manual', Teachers whose terms and conditions relevant to pay are in the School Teachers Pay and Conditions Document and Uniformed Fire Fighters whose terms are in the 'Scheme of Conditions of Service' (Grey Book).

3. Introduction

This market supplement policy is required as the County Council's job evaluation scheme and grading structure does not take into account market factors such as market pay rates relating to specific job families, or fluctuating demand for skills in the marketplace. It is therefore sometimes necessary to pay a market supplement in addition to base salary in order to recruit or retain staff.

Base salary is only one of a number of components of our employment package and by no means the only factor which influences the Council's ability to recruit or retain staff. Our overall employment package includes other key elements including for example: personal development opportunities, flexible working practices and the benefits package offered. The importance of these and other elements in relation to the base salary should be explored before considering any need for payment of a market supplement.

4. Principles of the market supplement policy

The following principles will apply to any market supplement in payment or introduced under this policy:

- Any market supplement must be objectively justifiable.
- A proposal for the introduction or annual renewal of a market supplement must be supported by a robust business case signed off in accordance with the authorisation process set out in this policy.
- Market supplements will be reviewed annually. The effective date of implementation of the outcome of the annual review will be 1 April, unless there is justifiable reason for an alternate review date.
- Market supplements will be time-limited. The standard time limit will be two years. The supplement will expire at the end of the agreed time period, unless extended by the outcome of a review.

- Market supplement payments may go up or down or be removed as a result of the review and will not be subject to the County Council's pay protection policy.
- Contractual notice (up to three months) of any change to a market supplement in payment will be given (see exceptions under "reduction or withdrawal of a market supplement").
- Where a market supplement is introduced for a particular post it will typically apply to all existing employees in that post. In exceptional cases a market supplement may be introduced for an individual in a post but may not apply to all post-holders. In this situation the business case must demonstrate that the proposal is made on robust evidence that is non-discriminatory. Evidence must include the need for a post-holder to operate in a specific work context, which requires specialist knowledge and/or experience which is not required by other post-holders.
- If a post attracting a market supplement is subsequently re-graded to a higher grade, the market supplement will be reduced by an equivalent amount.
- Market supplements will not be increased in line with annual pay awards.
- The cost of market supplements will be met from business unit budgets and costs associated with market supplements should be included as part of the annual budget preparation process.
- For employees who are in 'extension' zones (NJC) or receive pay protection, any market supplement added to the substantive grade will be reduced by the element of protected salary.

5. Authorisation

The Head of Service/SMG member must approve the business case for the introduction or renewal of a market supplement ensuring the principles of the policy are followed and the relevant evidence is gathered.

The business case should also be signed off by the appropriate service accountant to confirm that provision has been made in the relevant budget to meet the cost of the proposed market supplement.

The Executive Director (where relevant) must approve the business case, before submitting the proposal to the Head of Human Resources.

The Head of Human Resources will consider the proposal and make a recommendation to the Chair of the Internal Systems and Staff Issues (ISSI) Board for consideration and final approval.

6. Annual review

Market supplements in payment will normally be reviewed on an annual basis, effective 1 April each year. However in certain circumstances it may be appropriate to carry out a review at a different date.

In addition market supplements in payment should be reviewed when a post becomes vacant to determine whether or not there is a need to continue with the payment in order to attract applicants, or whether the market has changed and a supplement is no longer justified.

Human Resources will advise the Head of Service/SMG member of the review dates for market supplements and provide support to line managers in carrying out the annual reviews. The responsibility for completing the annual reviews rests with the Head of Service/SMG member.

The information required to inform a review is the same as that required for the introduction of a market supplement. This is explained in the guidance note "Completing the business case for the introduction or review of a market supplement" which can be found in the Human Resources Guide on the Intranet, with a template business case for completion.

Where the effective date of the annual review is 1 April reviews should be completed by 1 December of the previous year. This allows for appropriate sign-off procedures to be completed and contractual notice to be given to individuals in receipt of the supplement, should the market supplement be reduced or removed.

Human Resources will maintain a register of market supplements across the County Council.

The proposals for annual review of market supplements will be discussed with UNISON prior to being presented to the Chair of ISSI Board.

Human Resources will carry out a separate annual review of the need for, and amount of payment, of the Crawley Weighting Geographical Market Supplement (payable to staff whose place of work is located within the boundaries of Crawley Borough Council). The outcomes of the review will be subject to the usual consultation process with Unison.

7. Reduction or withdrawal of a market supplement

Market supplement payments may go up or down or be removed as a result of annual review (or other review timing as appropriate) and will not be subject to the County Council's pay protection policy.

Where as a result of review a market supplement is to be reduced or withdrawn, this will take place with immediate effect for new employees joining the County Council.

Post-holders in receipt of a market supplement will normally receive contractual notice (up to three months) of any change to the supplement payable as result of a review, except in the case of IT staff eligible for an IT market supplement as defined under the IT MRS arrangements, where the contractual notice provision will not apply.

Where a post holder in a post eligible for a market supplement applies for, and is appointed to a post not eligible for a supplement (or a reduced supplement) the market supplement will cease/reduce with effect from appointment to the new role. The exception to this is where the change in post is as a result of re-deployment where contractual notice (up to three months) will be given.

Crawley Weighting – Geographic Market Supplement. This supplement will be removed with period of contractual notice (of up to three months) if the place of work is changed to a location outside the boundary of Crawley Borough Council. This does not apply to Teachers, JNC Youth and Soulbury staff where separate national arrangements apply.

8. Pension

Market supplements are pensionable.

9. Administration

The approvals as set out in section 5 must be completed before the line manager completes the "Change to Allowances" form (available on the intranet).

Line managers should note that Employment Services will automatically cease the supplement two years from date of commencement of payment, unless an alternate date has been specifically agreed.

A copy of the agreed business case should be sent to Employment Services to be filed on the personal file of individuals receiving the supplement.

Owner: Human Resources, Policy & Practice Team

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