

LONDON BOROUGH OF BRENT

Market Supplements Policy

1. Introduction

- 1.1. Brent Council is committed to providing high quality public services to its residents. To achieve this the Council must recruit and retain an effective workforce with the necessary skills and experience.
- 1.2. This policy sets out the exceptional circumstances in which temporary additions to salary will be paid by the Council to reflect labour market conditions (“market supplements”) and the approval, payment and review arrangements that will apply to these market supplements.
- 1.3. All council posts are subject to evaluation under applicable evaluation schemes to ensure equal pay for jobs of equal value.
- 1.4. Job evaluation does not take into account fluctuations in the labour market and varying market rates for different types of jobs. Some jobs at similar grades may be more difficult to recruit to than others because skills shortages in particular areas of work and/or the nature of local labour market.
- 1.5. Normally before application of this policy is considered all reasonable efforts to recruit or retain staff on salaries within the evaluated grade should be made and consideration should be given to non-pay options for dealing with recruitment and/or retention problems, for example, job re-design, non-pay benefits or flexible working.
- 1.6. As market conditions fluctuate, market supplements will only be applied for an initial period of up to two years to any particular post(s), subject to the review arrangements set out in this policy.
- 1.7. Where there are existing employees in the same post as that which is to be advertised with a market supplement, the policy also enables the salaries of these employees to be supplemented as a retention mechanism.
- 1.8. In exceptional circumstances, labour markets may change at a time when there are no vacancies. In these circumstances a market supplement could be used to retain employees as set out in this policy.
- 1.9. This policy has been drawn up having regard to the requirements of the Equality Act 2010 and the associated guidance provided the Equality & Human Rights Commission and will be kept under review to ensure these requirements and any amendments or additions to them are complied with.

2. Scope

- 2.1. This policy applies to all council employees other than those employed in schools.

3. Requirement for a business case

- 3.1. A business case to justify the payment of a market supplement in respect of a particular post (**not** a particular postholder) must be submitted by a Senior Manager (Head of Service or above) for approval in accordance with section 4. The business case shall address, and

provide evidence concerning, the following factors. The department concerned will be responsible for the data collection exercise.

- (a) The anticipated detrimental impact on the operation of the Council and its services of failing to recruit to, or retain, suitable employees in the post.
- (b) Alternatives available to the market supplement approach (e.g. use of agency staff).
- (c) The outcome of previous attempts to recruit to the post and/or difficulties in retaining employees in the post due to its remuneration, including exit interview information;
- (d) Evidence of steps taken to maximise the attractiveness of the role and the likelihood of recruiting to it;
- (e) Detailed information concern the local labour market relevant to the post concerned using specific comparator jobs or survey information where this is sufficiently detailed and relevant and from a reputable source.
- (f) This information to cover at least 3 comparator roles and include the job descriptions (including management span and budget responsibilities), person specifications and overall remuneration and benefits package (including annual leave entitlement and other benefits) of roles cited as comparators.
- (g) The calculation of the proposed supplement based on the median of the comparators used;
- (h) Confirmation that the cost of the market supplement if applied can be met from the service's existing budget.

4. Approval of the business case

- 4.1 A business case, including HR and Finance comments on the proposal, authorised by the relevant Strategic Director must be submitted by the HR Manager for the department to the Chief Executive who will make the final decision, unless section 4.2 applies.
- 4.2 The market supplement must be approved by the General Purposes Committee if:
 - (a) the market supplement affects a post graded Hay 3 or above; or
 - (b) the market supplement is more than 20% of the evaluated grade for the post or is more than 15% of the evaluated grade of the post and the number of post available exceeds 15.
- 4.3 A market supplement will only be approved where the evidenced median market rate for comparator posts is more than 5% higher than top of the evaluated grade of the post.
- 4.4 The reasons for rejection of a market supplement shall be recorded by the HR Manager.

5. Payment of the market supplement

- 5.1 The amount of the market supplement will be set at the level it is considered will alleviate the recruitment and/or retention difficulties being experienced.
- 5.2 The market supplement will be applicable from:
 - the date of appointment in the case of new appointments;
 - the same date for any existing employees in an identical post;
 - on the expiry of an existing market supplement where a market supplement is to continue after a review under section 6;
 - the day following the day of approval of the business case in all other cases.
- 5.3 Market supplements:
 - (a) are included in the calculation of benefits such as sick pay, holiday pay etc. and are pensionable;

- (b) will be paid on a pro-rata basis to part-time employees proportionate to their working hours;
- (c) will not be subject to any cost of living increase applied to points on the Council's salary scales.

5.4 Where an individual to whom a market supplement is to be applied is on a protected grade, the market supplement shall be reduced by the amount by which the protected salary exceeds to top scale point of the evaluated grade.

5.5 Employees notified of market supplements will at the same time be notified of the specific date on which the supplement will cease to be paid unless renewed under section 6. No further notice of that the payment will cease on the specified date will be given.

5.6 Market supplements shall be paid as part of monthly salary, unless in a particular case it is decided that the payment should be made at longer intervals contingent upon the employee still being in post.

6. Review of Approved Market Supplements

6.1 Approved market supplements shall be reviewed by the Strategic Director sufficiently in advance of their expiry to enable a new business case for a new market supplement to be submitted if appropriate.

6.2 The new business case shall be assessed on its own merits and there is no presumption that market supplements should be renewed.

6.3 In any event, the business case for any market supplement agreed for more than 1 year shall be reviewed by the Strategic Director after one year and shall be terminated on 3 months' notice if its continuation is no longer justified by market factors.

7. Policy Review

7.1 Information on all market supplements shall be collated and reviewed by Human Resources annually.

7.2 This policy shall be reviewed approximately one year after it comes into force and thereafter at regular intervals.