

HUMAN RESOURCES AND COUNCIL TAX COMMITTEE

7 JULY 2021

REPORT OF ASSISTANT DIRECTOR (PARTNERSHIPS)

A.5 DISCRETIONARY MARKET FORCES POLICY REVIEW

(Prepared by Katie Wilkins)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To present the revised Discretionary Market Forces Policy (<i>which has been updated in line with best practice</i>) to the Human Resources & Council Tax Committee.
EXECUTIVE SUMMARY
<p>The purpose of the review is to ensure the Council has a clearly defined approach to applying Market Forces Supplements where a genuine business need arises. It also complies with the legal requirement that employers have objective justification if they offer different rates of pay to staff whose work is of equal value.</p> <p>The Council is committed to the principles of equal pay for work of equal value. The National Job Evaluation and Grading Scheme provides an analytical and non-discriminatory method of evaluating jobs. However, there may be exceptional circumstances, explicitly due to labour market conditions, where the evaluated grade results in an inability to successfully recruit or retain suitable staff for specific jobs. In these exceptional circumstances, it may be appropriate for consideration to be given to the payment of a Market Forces Supplement to overcome this problem.</p> <p>A Market Forces Supplement is an additional temporary payment to the basic salary of an individual job or specific group of jobs where market pressures would otherwise prevent the Council from being able to recruit or retain staff with a particular skill or group of skills. It is an exceptional measure and will be taken only when other measures have been exhausted.</p> <p>The timescales for review of the payment of any supplement by Human Resources & Council Tax Committee have been updated within the Discretionary Market Forces Policy to reflect best practice and to afford an additional element of flexibility.</p>
RECOMMENDATION(S)
It is recommended that the Committee approves the content of the revised Discretionary Market Forces Policy.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
To have a clear policy on the application of Market Forces Supplements supports the aspiration in the Council's Corporate Plan 2020/24 of " <i>Innovative, flexible, professional staff committed to delivering excellence</i> ".

FINANCE, OTHER RESOURCES AND RISK

The risk of not recruiting or retaining the sufficient level of skilled staff will have a detrimental effect on the delivery of the various statutory and non-statutory functions of the Council. It will also result in the failure to deliver on a number of the key strategic objectives outlined in both the Corporate Plan and the associated Projects.

LEGAL

The Council must comply with good practice in applying Market Forces Supplements and ensure that these are used only when there is clear evidence of the need. Failure to do so may result in equal pay challenges under the Equal Pay Act 1970.

OTHER IMPLICATIONS

None.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The amended Discretionary Market Forces Policy offers a fair and consistent approach on the application of Market Forces Supplements.

It is essential that Market Forces Supplements are applied with absolute integrity and transparency. Employee confidence in the authority's pay structure would be weakened if decisions were made without sound evidence of a Market Forces issue which could not be resolved in any other way.

The majority of the changes apply to the terminology/language used within the Policy making the content easier to interpret.

New Requests

“The Corporate Director/Assistant Director is responsible for compiling evidence in a set format (as outlined under the ‘Criteria for Market Forces’ heading above) in consultation with Human Resources colleagues.

The Corporate Director/Assistant Director should then take forward proposals, including recommendations on the actual value of the supplement to be applied etc. (and the associated costs) to Management Team for approval in line with the requirements outlined within this Policy.

If the Management Team support the payment of a Market Forces Supplement, the report will become a joint report from the Corporate Director/Assistant Director and the Assistant Director Partnerships, for submission to the Human Resources & Council Tax Committee for consideration.”

Review Periods

One fundamental change is the proposed change to the review timescales under section 5 ‘Review of Market Forces Supplements’ (previously 2 years).

“Evidence from the review process will be submitted to Management Team for discussion, prior to the Head of Paid Service, in consultation with the Chairman of Human Resources & Council Tax Committee determining whether the supplement should be applied for an additional 12 months (taking to the maximum three year period).

At the end of the additional 12 month period, the Corporate Director/Assistant Director must undertake a further review exercise, the results of which should be submitted to Management Team. If the Management Team support the continuation of the payment of a Market Forces Supplement, a joint report from the Corporate Director/Assistant Director and Assistant Director Partnerships, will again be submitted to the Human Resources & Council Tax Committee for consideration as a new request.

If following any review, the supplement is no longer merited, it should be withdrawn, with no right of appeal.”

APPENDICES

Discretionary Market Forces Policy – Updated June 2021