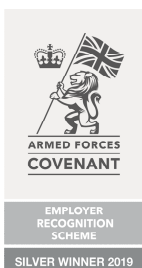


DISCRETIONARY MARKET FORCES POLICY

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TENDRING DISTRICT COUNCIL

DISCRETIONARY MARKET FORCES POLICY

POLICY STATEMENT

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.

1. INTRODUCTION

This policy has been developed 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.

2. DEFINITION OF MARKET SUPPLEMENTS

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.

3. CRITERIA FOR MARKET FORCES

A Market Forces Supplement can therefore only be considered when a sound business case is put forward by a Corporate Director/Assistant Director (*employee submissions are specifically excluded*) and there has been a rigorous challenge of the evidence put forward. Examples of the type of evidence required are as follows:-

- Pay data comparison for similar posts with other Local Authorities using Regional Employers Pay Profiles wherever possible or local survey of at least 5 authorities in the area with a similar post.
- Confirmation that at the top of the job evaluated grade for an identical or similar post, our salary is at least three standard increments lower based on the maximum salary.

- Any evidence that there is a Market Forces issue e.g. national skills shortage data and higher than normal turnover etc.
- Confirmation that the requirements (*qualifications and experience*) set out in the advert and person specification are necessary to undertake the specified duties.
- Evidence of any unsuccessful recruitment campaigns, including details of number of applications received and brief explanation as to why each candidate was not called for interview or was not appointed.
- That in the case of a career graded post, the salary being paid matches the level of duties and responsibilities set out in the career grade i.e. appropriate action has been taken to accelerate the grade if the criteria has been met.
- The estimated cost of recruitment - advertising, staff time, induction, training, relocation etc.
- Details of all posts to be covered by any Market Forces Supplement, the costs involved and a financial appraisal carried out in consultation between the Corporate Director/Assistant Director and Finance Colleagues.
- Confirmation from the Corporate Director/Assistant Director that there is budget provision for any payment.
- Consideration of alternative methods of service delivery.

4. HOW THE SCHEME WILL OPERATE

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.

If agreed, the supplement should be applied to all identical posts and any other relevant post, where for example supervisory differentials are inappropriate and will not become a permanent feature of the contract of employment.

5. REVIEW OF MARKET FORCES SUPPLEMENTS

The supplement will be payable for 2 years initially, at which point the Corporate Director/Assistant Director will undertake a full review, re-assessing the necessity of any supplement.

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.

6. APPLICATION OF THE SCHEME

This scheme is discretionary and will not become part of the authority's normal terms and conditions of employment for employees. Staff will not be permitted to submit their own case for a Market Forces Supplement and the application of the Policy is outside of the scope of the Grievance Procedure or any other appeal mechanism. Corporate Directors/Assistant Directors facing a proven case for Market Forces must seek the consent of their Management Team member before any investigation can be undertaken.

7. CONCLUSIONS

It is essential that this Discretionary Market Forces Policy is applied with absolute integrity and transparency. Employee confidence in our 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.

Corporate Directors/Assistant Directors must take responsibility for ensuring this and that the expectations of staff are not raised unjustifiably – staff should not be allowed to believe that all they have to do is apply for other jobs to receive the additional payment.