



South Staffordshire Council

Appendix C

Market Supplement Policy April 2024



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SOUTH STAFFORDSHIRE COUNCIL

Market Supplement Policy

Introduction

Market supplements are a way of tackling recruitment issues by temporarily increasing the pay awarded to a post, without altering the job evaluation determined grade for that post and may be agreed when it can be shown that the salary range attached to the grade for 'hard to fill' posts is lower than the relevant labour market and this is having an impact on the ability to recruit staff and on service delivery.

This policy should be seen in the context of equal pay and should be read in conjunction with the Council's Pay Policy Statement.

Principles

- It cannot be assumed that simply because other employers offer higher salary levels that South Staffordshire Council will necessarily be able to follow suit.
- Market supplements will only apply to retention of staff where postholders have an identical job description or where Corporate Leadership Team (CLT) determine that the retention of a postholder is critical for the completion of a major project or piece of work that would otherwise pose significant risks to the council if the postholder left. Where this applies the postholder is required to sign an agreement to stay for a specified period determined by CLT or they will be required to repay¹ the retention payment.
- Market supplements will be reviewed in accordance with this policy and adjusted according to market evidence. This could result in no change, an increase, a reduction or removal of the market supplement.
- Market supplements form part of an employee's pay, subject to paye, and will be pensionable subject to the rules of the LGPS.

Criteria for market supplements

When considering market supplements, the Chief Executive and Corporate Leadership Team (CLT) will apply the following criteria to help reach a conclusion.

- A post² will need to be vacant, new or materially changed.
- Evidence of a poor response to adverts both in terms of quantity and quality of candidates or there is evidence from other similar employers being unable to recruit for a similar post.

¹ The period of time will relate to the successful completion of the project/piece of work. If the post-holder leaves prior to the agreed duration they will be required to repay the retention payment. This does not apply in the case of redundancy or ill health retirement.

² Unless it is a retention payment

- Evidence collected by Human Resources that demonstrates more substantial remuneration packages are available for similar posts within the relevant labour market.

Market data

Where possible, at least three examples of comparable jobs, salaries, total package will be required. The relevant manager will research this with Human Resources.

A market supplement is expressed as a fixed cash sum allowance and will not be subject to annual cost of living pay awards. For part-time staff, this will be calculated pro-rata to the hours worked.

Under no circumstances will the market supplement alter the grading of the post determined through job evaluation. The supplement only affects the total pay that the post attracts for the period it is applied and the allowance will normally be paid for 2 years and then reviewed.

Review of market supplements

A review will also be conducted in the following circumstances.

- An individual leaves a post – to check a market supplement is still required/justified.
- If the base salary of a post increases e.g. due to job evaluation or regrade the market supplement will be reduced on a proportionate basis to the increase.
- The market supplement may also be adjusted if incremental progression is likely to place the postholders salary above market rates.
- As part of a 2 yearly review.
 - If a review confirms that there is market evidence to increase the market supplement approval is required.
 - If there is market evidence to decrease or remove the market supplement a period of six months' notice of reduction or withdrawal of the market supplement will be provided to the employee(s) concerned. Where a reduction or cessation is required consultation with the postholder(s) will take place to ensure this is managed in a way that seeks to avoid financial hardship for the postholder(s) whilst ensuring the reduction is achieved within a reasonable timeframe.

Procedure and approval

Step one - The manager will put forward a business case for applying a market supplement. Market evidence confirming the justification for market supplement payments should be included in the business cases. The business case should identify the level of market supplement and explain how it will be funded.

Step two - Corporate Leadership Team (CLT) will consider the proposal.

Step three - The Chief Executive will then make the final decision. In the case of approval for payments for JNC posts, section 14 of the Councils Pay Policy Statement applies.