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Market Supplement Policy

St Helens Borough Council

Effective from: 1 June 2023

Policy Title

Policy Information

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Version Control

Date	Author	Version	Reason for Change
3/10/2022	P Ingham	1.0	New Policy
16/11/2022	P Ingham	1.1	DMT Revisions
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Our Vision and Values

The Council has co-designed a clear vision for workplace culture and worked together with employees to identify values and behaviours for everyone. These will be at the core of how we work together to deliver our services. Employees will be empowered to deliver new ways of thinking and new ways of working, encouraging innovation and creativity in a learning environment.

Our vision, values and behaviours are underpinned by our Bonds for Working Together at St Helens which outline what employees can expect from working at the Council and what is expected of them.

[Our Culture, vision, values, behaviours and Bonds for Working Together at St Helens]

Introduction and Purpose

St Helens Borough Council is committed to providing high quality public services. It is imperative to recruit and retain a workforce with the skills, knowledge, and experience to enable it to deliver its objectives and priorities.

The Council must also ensure there are fair, consistent and equitable pay arrangements to all employees. To comply with the Equality Act 2010, male and female employees should generally receive the same level of pay if they are carrying out equivalent work.

In order to achieve a pay structure that is free from bias the Council's pay rates are set via agreed job evaluation schemes:

National Joint Council Job Evaluation Scheme

This scheme is used to evaluate posts up to and including Grade G (SCP 19 – 22) and evaluations are undertaken internally and outcomes confirmed by a panel made up of People Management team members and Trade Union representatives.

Greater London Provincial Council Job Evaluation Scheme

This scheme is used to evaluate posts up to and including Grade R (SCP 50 - 53) (excluding Head of Service posts) and evaluations are undertaken internally and outcomes confirmed by a panel made up of People Management team members and Trade Union representatives.

Korn Ferry Job Evaluation Scheme

This is used for Head of Service posts and above, and evaluations are carried out by Korn Ferry consultants.

It is acknowledged that there may be exceptional circumstances where the Council is able to demonstrate that there are difficulties in recruiting or retaining employees on the evaluated grade.

In these circumstances, it may be appropriate to consider non-pay related options to make the role more attractive to current and potential employees.

It may be the case that, after exploring non-pay options, the difficulties remain. In these circumstances, the payment of a temporary additional element of pay may be justified.

Any such payment should be supported with clear evidence that the Council's rate of pay for a defined post or group of posts falls below the level dictated by the market.

Scope of the Policy

This policy applies to all employees of the Council with the exception of Children's Social Work employees within the following areas, where a separate arrangement applies in response to long standing issues around the recruitment and retention of Children's Social Work employees on a national scale:

Fostering & Adoption
Social Work Assessment
MASH, Duty & EDT

Children with Disabilities / Care Leavers / Children We Look After

Equality, Diversity, and Inclusion

The Public Sector Equality Duty of the Equality Act 2010 applies to both employment at the Council and in the delivery of Council Services. The Council's Comprehensive Equality Policy sets out the duties and requirements of the Equality Act 2010, and other relevant legislation.

The Equality Act 2010 protects all people from discrimination, harassment and victimisation. The Council is committed to promoting equal opportunities in employment creating a more welcoming, safe, and inclusive work environment, based on the vision that everyone is included, has a voice, and is empowered to influence, through the values of trust, integrity, collaboration, innovation. Our vision and values create a culture of mutual respect, inclusion, and dignity, which is critical to ensure the organisational capability meets the needs of our increasingly diverse community.

The Council has a zero tolerance towards discrimination, harassment, and victimisation. All employees must show due regard to acknowledge and value people's differences, and, as far as possible, where permissible in Council policy and practice, meet an individual's needs in accordance with their choices and preferences.

Definitions and Abbreviations

In the Policy, the following words and phrases mean:

Council	St Helens Borough Council
PMBP	People Management Business Partner

Principles

The following principles will apply.

- Market Supplements are not universally granted or preferable.
- Market supplements will not be subject to increases under any pay awards
- Market supplements will be subject to the normal statutory deductions
- Market supplements will be pensionable
- Market supplements will be included in calculations for the purposes of other payments such as maternity/adoption, paternity, and sick pay
- Market supplements will be paid as a separate and clearly identifiable addition to basic pay
- Market supplements will be paid pro rata for part-time staff
- Market supplements will be awarded for a maximum period of two years
- Market supplements will be reviewed six months prior to their expiry to decide whether the supplement should be withdrawn or extended and/or changed.
- If agreed, all employees carrying out the role will receive written notification of the market supplement setting out the contractual terms, start date, end date and 6-month review period
- Where a market supplement is due to be withdrawn or changed, affected employees will be given three months' notice of the change

- Those roles managing employees in receipt of a market supplement will not automatically receive a pay uplift to maintain pay differentials
- There is no right of appeal against the decision to change or withdraw a market supplement
- Where a post in receipt of a market supplement is regraded, the market supplement will at that time be reviewed in accordance with the Review Process identified below
- Market supplements will cease when the postholder leaves the Council. A fresh application will be required if a market supplement is considered necessary prior to recruitment to the vacancy

Every care must be taken to ensure that the payment of a market supplement does not expose the Council to potential equal pay claims under the Equality Act 2010. The payment of a market supplement may lead to circumstances in which male and female employees are paid differing amounts in respect of work which has been rated as equivalent under the Council's job evaluation scheme. The Council will have a defence to an equal pay claim where it can be shown that the difference in pay is explained by a material factor that does not involve direct or unjustified indirect sex discrimination. The application of this policy, which provides a clear and consistent approach to the application of market supplements and requires the business need for the payment to be robustly evidenced, will assist to mitigate the risk of successful equal pay (and/or other) legal challenge.

Application Process

An application for a market supplement should not be the first solution considered to address a recruitment or retention problem. Market Supplements should be used on an exception basis, and subject to a robust approval process. Discussion should first take place with the Directorate People Management Business Partner and appropriate Director to explore whether there are any non-pay solutions to the issue.

If it is established that there are no non-pay solutions, following further discussion with the appropriate Director, the Head of Service / Team Manager will be supported by the PMBP to collate evidence to support the introduction of a market supplement. This evidence should include:

- Details of at least three other comparator jobs (including job description, person specification, wider benefits package and where possible the organisational structure). It is important that job title alone is not assumed to be evidence of a comparator job; the same/similar job title does not necessarily mean similar duties and responsibilities.
- Evidence of a poor response to adverts both in terms of quantity and quality of candidates. To qualify, a job will have had to be advertised on at least one previous occasion with an unsatisfactory response.
- Details of exit interviews which demonstrate pay is the main reason for leaving

It is imperative that decisions on market supplements are based on fact and not anecdotal evidence. Equal pay challenges may arise where the claimant does not feel there is sufficient relevant evidence to justify the need for a pay uplift.

The pro forma at Appendix A should be used to provide the business case for the market supplement and should accompany the evidence gathered.

Determining the Amount of Market Supplement

When the appropriate comparator posts have been identified, together with the relevant market pay data, the amount of the market supplement must be determined.

The starting point is to assess the extent of the difference between the comparator market range and the Council's pay for the post taking account of any additional allowances.

Market supplements are normally based on the median pay of comparators; however, total remuneration should be sufficient to enable the recruitment/retention of employees and should not exceed the level deemed necessary to attract suitable candidates.

Consideration of the Application

The Head of Service will put forward their business case for applying a market supplement, using the pro forma at Appendix A which will be supported by the evidence detailed above, to the Team Manager – People Management Business Partnering. Affordability will also be a key consideration and engagement with Finance Business Partners required.

Trade Unions will then be consulted, and their views considered.

The Team Manager – People Management Business Partnering will then engage with the relevant Director to consider the final proposal.

Applications supported by the Director will be considered by the Executive Leadership Team and, if agreed, formally approved via an Operational Decision.

Review Process

The review process will involve revisiting the criteria used in the initial application and acquiring updated evidence.

The updated evidence will be considered by the Team Manager – PMBP and appropriate Director and a decision made as to whether the market supplement is:

- extended for a fixed period of no more than 2 years at the same amount
- extended for a fixed period of no more than 2 years at a new amount if the updated evidence demonstrates a change in the market rate
- Withdrawn

Extensions / changes to a market supplement will be ratified by the Executive Leadership Team and will be formally approved via an Operational Decision.

All reviews must be rigorous, objectively justifiable, compliant with equal value requirements and with up to date Job Evaluation.

Ending a Market Supplement

A market supplement can be ended following review, or at any time if pay awards or market trends close the pay gap significantly.

Where a market supplement is to be withdrawn, the employee(s) in receipt of the supplement will be given three months' notice that the additional payment will cease.

There will be no right of appeal against the decision to withdraw a market supplement.