

**Market Forces policy**

<b>This policy applies to:</b>	
Members	No
Officers	Yes
Managers	Yes
Others	Temporary staff

You must:

- Understand that the supplement is only payable while there is a justifiable ongoing rationale, and it is not a permanent addition to the salary

Line Manager Must:

- Prepare a business case and complete the Market Forces Application form
- Discuss with their Service Director

Service Director must:

- Discuss all cases with the Human Resources Services Manager

Human Resources Services Manager must:

- Check the proposal for consistency across the council to determine whether a payment proposed, and the payment level, is appropriate.

**Further advice from:** HR . [Hrhelp@north-herts.gov.uk](mailto:Hrhelp@north-herts.gov.uk) x4556

Contents:

1. Definitions
2. Eligibility
3. Procedures
4. Review
5. Linked Documentation

**1. Definitions**

A Market Forces supplement may be deemed necessary to recruit or to retain existing staff in areas of national shortage, or where the council pay scales are not competitive. It is only payable while there is a justifiable ongoing rationale. It is an exceptional measure and will only be authorised when other measures have been exhausted. A market supplement is not a permanent addition to the salary; it is designed to address circumstances which may relate to recruitment difficulties or skills shortages. When the market conditions change, a market supplement can be withdrawn, however the baseline salary is not affected by such action.

**2. Eligibility**

Eligibility for payment of the supplement applies to all those doing the job which attracts the supplement. Therefore, existing staff, as well as newcomers, are eligible for the supplement. The market supplement payment will only be paid to an employee in a designated post. Market supplements are not transferable to other posts or secondments.

**3. Procedures**



The market forces payment will be calculated by considering the external data collected and the highest and lowest examples being excluded from consideration. The average of the remaining salary packages will be identified and the difference between this and the NHC package will identify the market forces supplement to be considered.

The appropriate Service Director will discuss all cases with the Human Resources Services Manager, who will check the proposal for consistency across the council to determine whether a payment proposed, and the payment level, is appropriate. If the Service Director and Human Resources Service Manager cannot agree payment, the matter will be referred to the Leadership Team for a final decision.

In contemplating the application of market forces supplements, due regard for any equalities implications must be addressed.

All Market Forces payments will be implemented from the date that the decision is agreed with the Human Resources Services Manager (or taken by the Leadership Team) and will not be backdated. There will be no right of appeal after this. HR will notify the payroll team, however, no payment will be made unless a completed Application Form has been received along with the signed confirmation letter from the employees affected. Copies of the Form are available from the intranet.

Market Forces payments will be made as a monthly addition to salary. Prior to the first payment being made, the individual should receive written notification of the payment and be clearly advised that the payment has been agreed for a specified period up to a maximum of two years.

#### **4. Review**

There will be a review of Market Forces payments at the end of the two-year period to consider whether the payment should cease, or whether the case can be made to extend the arrangement. The Line Manager should seek further approval for an extension using the Market Forces Payment Form and submit it to the Human Resources Services Manager at least 3 months prior to its review date. The procedure for payment will be as detailed above.

Market Forces payments may go up, down or be removed completely in line with the recommendations of the review. In the event of a job grade going up or down following job evaluation, any market forces payment in place will be reviewed.

All recipients of Market Forces Payments will be made aware of this policy and that payments are not guaranteed. Changes to Market Forces payments must be communicated to employees, by their managers, in writing 1 month in advance of the changes taking place.

#### **5. Linked Documentation**

Market Forces Application Form