



Market Forces

Purpose and Scope

To ensure that there is a consistent approach to the assessment and payment of Market Forces supplements to staff employed within the Council, including an annual review of all such payments.

Applicable to:

ALL (X) Non-management () Management () Members ()

Grades 1 () 2 () 3 () 4 () 5 () 6 () 7 () 8 ()

Policy

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 When the market conditions change, a market supplement can be withdrawn, however the baseline salary is not affected by such action.

Eligibility for payment of the supplement applies to all those doing the job which attracts the supplement. Thus 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 when their spinal column point level is within the grade evaluated for that post. Market supplements are not transferable to other posts or secondments.

Procedure

1. Managers wishing to make a Market Forces payment to staff in specified posts will need to prepare a business case and complete the Market Forces Application for Payment Form available on the intranet.
2. A Market Forces payment will only be considered if the following conditions have been satisfied.
 - a) The job has been advertised unsuccessfully twice during the past 12 months or there is evidence of high employee turnover within the team that the post is located in; and
 - b) There is evidence from pay data drawn from independent sources indicating that the NHDC evaluated salary for the role is lower than the average salaries for similar roles.
3. The payment made should be appropriate to the external market after taking holiday entitlements, pension scheme and other benefits into consideration. The post should be compared to a comparable post in adjacent District Councils and local private sector employers, where applicable. Where a number of post holders undertake the same role, the payments will be the same for all post holders regardless of their current spinal column point.
4. 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 NHDC package will identify the market forces supplement to be considered.
5. The appropriate Strategic Director will discuss all cases with the Corporate Human Resources Manager (CHRM) who will check the proposal for consistency across the Authority and then decide whether a payment is appropriate and, if so, the level of payment that will be made. If the Strategic Director and Corporate Human Resources Manager cannot agree payment, the matter will be referred to Corporate Management Team for a final decision.



6. In contemplating the application of market forces supplements, due regard for any equalities implications must be addressed.
7. All Market Forces payments will be implemented from the date that the decision is agreed with the CHRM (or taken by CMT) and will not be backdated. There will be no right of appeal after this. HR will notify payroll, however, no payment will be made unless a completed Application Form / Continuation Form have been received along with the signed confirmation letter from the employees affected. Copies of the Forms are available from the intranet.
8. 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 two year period.
9. 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 enter into another two year arrangement. In order for the payment to be made for the following two year period, the Line Manager must complete the Market Forces Continuation of Payment Form and submit it to the Corporate Human Resources Manager at least 3 months prior to its review date. The procedure for payment will be as in Point 5 above. The Market Forces Continuation of Payment Form is available from the intranet.
10. 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.

11. 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.

Links to relevant information:

Policies:

Standard documentation:

Market Forces Application Form
Market Forces Continuation Form
Notification of Change of Employment Details Form

For further advice contact :

Assistant HR Advisor
HR Advisor
Employee Relations Officer
HR Services Manager
Corporate Human Resources
Manager



Employment Law:
Equality Act 2010

Other:

Last Updated :
November 2009

To be reviewed no later than:
Currently under review

EIA Completed
March 2009

Policy Sponsor :
Corporate Human Resources
Manager