



SOUTH HAMS DISTRICT COUNCIL

Draft Protocol in Relation to Market Supplements

Introduction

1. South Hams District Council pay structure is based upon the principle that employees will receive equal pay for work of equal value. However, it is accepted that market forces may apply to some jobs. These market forces can be addressed by the payment of a Recruitment and Retention Premium i.e. a Market Supplement.
2. This protocol addresses the question of Market Forces Supplements as referred to in Paragraph E, Appendix 2, Job Evaluation, Draft Processes and Guiding Principles within the Implementation Agreement.
3. Contained within this protocol is information, advice and guidance on the process for determining the Market-Supplement and the process for consulting on the proposed premium prior to implementation.

Definition

4. For the purposes of this protocol, Market-Supplements are defined as additions to the pay of a post and everyone within that post where market pressures would otherwise prevent South Hams District Council from being able to recruit or retain staff in sufficient numbers at the normal salary for posts at that grade.

Determining the need for Market Supplements

5. The case for payment of a Market Supplement must be robust enough to resist the challenge of an equal pay/equal value claim.

As a general principle South Hams District Council should demonstrate that all practical non-pay measures to resolve recruitment and/or retention problem are exhausted before considering payment of a Market Supplement and that the payment of a supplement is likely to resolve the issue.

6. The main factors that will indicate a prima-facie case for consideration of a Market Supplement are a consistent failure to recruit to a specific post(s) and/or, a high level of staff turnover in a specific post(s). In determining whether a Market Supplement is appropriate, the following evidence should be gathered:
 - Evidence that all the new vacancies have been advertised in relevant local, regional, national and/or professional media.

- Evidence that recent adverts have produced no suitable applications.

Where recent adverts have produced no suitable applications, the following information should be ascertained:-

- The media used.
- Number of application packs requested.
- Number of applications returned.
- Reasons why those who applied were not suitable.
- The quality of the recruitment documentation (advert, Job Description, Person Specification etc) should be scrutinized.
- Consideration should be given to surveying people who requested application packages but did not submit formal applications.
- Relevant national vacancy data.
- Local labour market information.
- Any expected increase in the supply of staff suitable for the post (e.g. new trainees).
- The turnover rates for the staff group concerned.
- The stability index for the staff group concerned (has turnover increased recently after a long period of stability? Is it only recently appointed staff who leave etc?)

Adjudication and Decision Making

7. The case for a Market Supplement must be made by the Head of Service (supported by the appropriate Line Manager if required) using evidence gathered from the list of factors detailed in paragraph 6. The case will be made to the Head of Personnel and Payroll and a Trade Union Representative. They should be satisfied that the recruitment or retention problem cannot be resolved by the application of non-pay measures. Any non-pay measure agreed must conform to the Council's rules, employment policies and agreed terms and conditions.
8. If it can be demonstrated to the satisfaction of the Head of Personnel and Payroll, that Market Supplements are the only way of resolving the matter, a report must be submitted to the Council's Strategic Management Team for Approval.

Review

9. A Market Supplement will be reviewed at least every 2 years to ascertain its continued appropriateness. If future reviews demonstrate the need to disapply the Supplement, this will take immediate effect in terms of the established grade of the post. The market supplement will also be reduced from the Post holder's salary. This will be phased over a two year period commencing from the date of the review and the adjustment will be made as follows: - a one third reduction in the market supplement in year one and two thirds reduction in year two.