

## EXTENSION TO MARKET SUPPLEMENTS

### 1. RECOMMENDATION

- 1.1 That it be a recommendation to the Council that the proposed changes to market supplements as set out in the report be approved.

### 2. INTRODUCTION

- 2.1 The council already has a Market Supplement Policy however there is a need to review certain aspects of it.

### 3. BACKGROUND

- 3.1 Changes were made to the councils' market supplement policy in 2021 as part of the Senior Pay Review Report. At that point the use of them was available up to and including Band 10 as evidenced below:

#### ***Future use of Market Supplements***

*It is recognised that, even with market related pay scales, there will be difficulties in attracting certain skills into employment during times of particular shortage. The Council's Pay and Reward strategy therefore provides, under delegated authority, for market supplements to be paid in exceptional circumstances. The current policy is based on reflecting a market supplement in an appointment scale point above the band (applicable up to and including band 9).*

*Going forward the market supplement will be based on a maximum of 10% above the highest recruitment point available in the band and will be available up to and including the new band 10. The resultant market supplement salary will be fixed (i.e. not subject to annual pay award) until such a time that the top scale point within the band overtakes the market adjusted salary.*

	<i>Highest Recruitment Point</i>	<i>Max 10% Market Supplement</i>	<i>Maximum Fixed Remuneration</i>
<i>Band 9</i>	<i>£48,683</i>	<i>£4,868</i>	<i>£53,551</i>
<i>Band 10</i>	<i>£54,338</i>	<i>£5,434</i>	<i>£59,772</i>

### 4. ISSUES FOR CONSIDERATION

- 4.1 It has become very clear that the ability to recruit to posts higher than Band 10 has become increasingly difficult due to wider market circumstances as evidenced by recent recruitment campaigns.

- 4.2 Ultimately this will impact on the council's ability to deliver on the corporate priorities and for some roles may impact statutory service delivery.
- 4.3 Feedback from recruitment agencies is that with an increasingly competitive market and some people choosing to opt for consultancy day rates rather than a permanent position means that at times we are not able to compete with the market.
- 4.4 There is also the potential given the current market, that in exceptional circumstances, we may need to have greater flexibility than the current limit of 10% as a maximum market supplement.
- 4.5 The alternative if we are unable to recruit to essential positions is that we would need to consider alternatives such as the use of interim support to deliver our agenda which would come at a much greater cost.

## **5. PROPOSED CHANGES**

- 5.1 It is proposed that the use of the current Market Supplement policy should be extended to include Bands 11 and 12.
- 5.2 It is proposed that in exceptional circumstances and only where evidenced, that the Chief Executive in conjunction with the S151 Officer and in discussion with the relevant Portfolio Holder can agree to an increased percentage over and above the agreed 10% limit in the current policy. This increased percentage would not exceed 15%. This would apply to all posts up to and including band 12.
- 5.3 Where market supplements are implemented, this should be done as a short-term solution. Any that are given should be reviewed after 12 months, annually, by the manager to see if the situation has changed and whether the market supplement should now be removed.
- 5.4 Information relating to market supplements will be included in the annual HR Metrics report.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The use of Market Supplements will be closely managed to ensure the overall financial implications to the Council remain marginal.

## **7. CRIME & DISORDER IMPLICATIONS**

- 7.1 None

## **8. ENVIRONMENTAL IMPLICATIONS**

- 8.1 None

## **9. EQUALITY & DIVERSITY IMPLICATIONS**

- 9.1 The policy will apply equally to all staff who are recruited within the rules of the Market Supplement Policy.

## **10. DATA PROTECTION IMPLICATIONS**

- 10.1 None

## **11. EMT COMMENTS**

- 11.1 EMT were happy to support the overall proposals noting the following points:

1. The review of the Market Supplements should be undertaken by the manager on an annual basis.
2. The HR Metrics paper would provide more detailed information on the use of Market Supplements including the service areas.

## **12. EMPLOYEE SIDE COMMENTS**

- 12.1 No comments received.

### **For further information contact:**

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### **Background Papers:**

Senior Pay Report