

Harrow Council

Payments of Market Supplements

1. POLICY

The Council is committed to ensuring that pay and conditions of service are determined in a fair and equitable way for all staff. However, the Council recognises that fluctuations in the labour market may result in periodic problems in recruiting and/or retaining staff in specific jobs or work areas. In such circumstances the Council may consider payment of a 'market supplement' subject to the following criteria and process:

Advice to Governing Bodies

This policy is strongly recommended for formal adoption by school governing bodies following consultation with their staff. Where the procedure makes reference to manager or supervisor, in schools, this will be a senior Teacher or Headteacher.

2. CRITERIA FOR PAYMENT OF MARKET SUPPLEMENTS

To demonstrate that payment of a market supplement may be objectively justified it is recommended that the following criteria be met:

- Evidence that the pay rates being offered by the Council are significantly lower than the market rate.
- Evidence that significant efforts to recruit relevant employees have been consistently unsuccessful in attracting suitable applicants
- Evidence of consistently higher than average turnover amongst relevant employees
- Documented and recognised evidence of national or regional problems in recruiting or retaining the relevant employees.

Evidence to meet at least 3 of the above criteria will normally be required to justify offering a market supplement.

Directors/Heads of Service will be responsible for obtaining relevant member approval and identifying the specific budgets to which market supplements will be charged and ensuring expenditure is contained within existing budgets.

3. CONDITIONS RELATING TO PAYMENT OF MARKET SUPPLEMENTS

The value of any market supplement will be determined through analysis of the relevant labour market and comparative pay rates (see 2 above).

Contracts of employment for employees offered a market supplement will specify the terms under which the supplement will be payable and that, subject to relevant notice, the supplement may be varied or removed at the Council's discretion.

Payment of a market supplement will be subject to regular review (minimum annual) and the value of a supplement may vary in accordance with fluctuations in the labour market.

Market supplement payments will be subject to pension payments.

4. CONSULTATION

The decision to offer a market supplement will be subject to consultation with the Head of People and OD.

The Director/Head of Service will consult with the relevant Trade Unions prior to offering a market supplement.

5. ADVICE

Managers should seek advice and guidance from Human Resources & Development when considering payment of a market supplement.