

Wiltshire Council Human Resources

Market Supplement Policy and Procedure

This policy can be made available in other languages and formats such as large print and audio on [request](#).

What is it?

A market supplement is a payment in addition to your annual salary and applies where there is clear evidence that the job evaluated pay rate for the role would not be sufficient to recruit and retain staff.

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Who does it apply to?

This policy applies to all Wiltshire Council employees who are subject to the GLPC and HAY job evaluation schemes, unless a separate contractual policy applies to a transferred employee to whom separate TUPE terms and conditions of employment apply. This policy does not apply to teaching and non-teaching staff employed in maintained schools or academies.

When does it apply?

Market supplements will only apply where there is clear evidence that the Council's job evaluated basic pay rate for that occupation would not be sufficient to recruit and retain the staff required.

When does it not apply?

If there is no clear evidence of difficulties to recruit and retain specific occupations, and criteria are not met, a market supplement will not apply to the post.

Market supplement payments do not apply to posts on Soulbury, Centrally Employed Teachers, or Youth and Community terms and conditions of employment.

What are the main points?

Prior to requesting a market supplement payment

1. Before managers request a market supplement payment for a particular post, all of the following options should be considered:
 - A review of the duties and knowledge requirements detailed in the JEQ / Role Description has been undertaken to ensure that these are accurate and up to date. Any changes should be evaluated through the appropriate job evaluation scheme.
 - Alternative ways of distributing the duties have been considered.
 - A review of the roles and responsibilities for the whole team has been undertaken to ensure that these are in line with the organisational design principles for efficient structures.

Criteria for market supplements

2. Jobs evaluated using the GLPC and HAY job evaluation schemes may be paid a market supplement if they meet all the following criteria:
 - The rate of pay for the job is less than that for comparable jobs in other organisations.
 - The difference in pay has adversely affected recruitment and/or retention.
3. If all of these criteria are not met, a market supplement payment will not be considered.
4. Evidence in support of these criteria will be assessed by HR and a decision made whether to conduct labour market research to determine whether a market supplement is applicable.
5. Evidence should include (but not limited to):

- the number of times a job has been advertised without a satisfactory response (a poor response may be a result of factors other than salary)
 - poor response to adverts both in terms of quantity and quality of candidates
 - staff turnover levels within the last 12 months demonstrated to be a result of salary
 - job adverts for comparable roles (as defined below) at higher salaries
6. For the purpose of market supplement payments, a comparable job is a job that:
- is within a county council or another unitary authority;
 - is within the same regional area;
 - is within a similar team and hierarchical structure and;
 - is of a similar job size.
7. Private sector roles will not be used as comparable jobs. These roles will have different working environments and significant differences in the conditions of employment.

Labour market research

8. The grade median at spinal column point 2 (SCP2) within each grade for the Wiltshire Council graded JEQ / role description, will be used as a benchmark salary for labour market research. This will include any market supplements already applied to the role where applicable.
9. The JEQ / role description and structure chart for each role will be used to ensure that the labour market is checked against similar job content and structure.
10. To determine whether a market supplement is applicable, data from regional benchmark groups and independent pay research surveys will be used and an average salary provided of all comparable roles.
11. Where independent research is undertaken, the appropriate GLPC or HAY job evaluation scheme will be used to determine whether the roles are of a comparable size.
12. The minimum market supplement that will be paid is 5%.
13. Any difference in the median (SCP 2) Wiltshire Council salary and the labour market research that is less than 5% will not be paid, and a market supplement will not be applicable for the role.

Authorisation of market supplements

14. Your head of service in agreement with your director may request a review of the labour market to consider a market supplement, if the criteria set out above are met and all other options have been considered. Options which should be considered include a review of the JEQ / role description, team structure and/or duties through the job evaluation scheme.
15. Evidence (as detailed in the criteria above) should be provided to HR in support of this review who will consider this evidence and carry out further research of the labour market to determine whether a market supplement is applicable.
16. The decision to pay a market supplement is subject to clear evidence that the role is paid at a higher salary in comparable organisations and that this has adversely affected recruitment and retention.
17. The Director - HR&OD in conjunction with the corporate directors will agree whether the market supplement should be paid based upon the evidence provided and research conducted by HR.

Market supplement payments

18. Where it is determined that a market supplement is applicable for a role, it will apply to all existing employees on the same role description and to new employees on appointment.
19. A market supplement will not alter the grade of a role as determined through the GLPC or HAY job evaluation scheme.
20. A market supplement will be expressed as a percentage applied to your current point within the pay grade for the GLPC or HAY graded role. If you move up an increment within the grade, the same market supplement percentage will be applied at that point.
21. You will receive a monthly payment for your market supplement in addition to your normal salary and this will appear as a separate entry on your payslip.
22. If a market supplement applies to your role this will be identified on your employment contract on starting employment with Wiltshire Council.
23. If a market supplement is determined at a later date during your employment, written confirmation will be provided to you.

24. Market supplement payments are pensionable and subject to national insurance and tax contributions.

Skills shortages

25. Where a specific professional area/field has been determined as being impacted by skills shortages and there is strong competition for staff in this area, and as a result paying at the median is not sufficient to recruit/retain skills, consideration may be given to paying specific roles at a rate higher than the median.
26. Evidence should be provided to HR in support of the need to pay at a rate higher than the median, who will consider:
 - the severe recruitment difficulties experienced and the impact upon the service/team;
 - the strong competition in the market for candidates
 - the lack of candidates (skills shortage) in the market
27. The HAY databank rates will be used to determine the appropriate salary to be paid. The difference in the evaluated grade for the role and the higher rate as determined by the HAY databank will be calculated by HR, and paid as a market supplement.

Review of market supplements

28. Market supplements will be reviewed on a yearly basis. A market supplement may be withdrawn, reduced or increased depending upon labour market conditions.
29. Market supplement reviews will take place each April unless otherwise stated for business reasons.
30. The outcome of the market supplement review will be agreed by CLT.
31. If, following a yearly review, there is no evidence to support the continued payment of market supplements for a role, the payment will be withdrawn or reduced. Data in support of this decision will be provided to directors and head of service as appropriate.
32. If the payment is withdrawn, your salary will be protected for 12 months from the date of the review. The total of basic pay and market supplement will be frozen for the 12 months notice period (with no cost of living awards or increments being applied to the supplement amount) after which the supplement will be withdrawn. For new employees to the role this will take immediate effect on appointment.

33. If the payment is reduced, this will take effect from the review date (e.g. 1st April each year).
34. If the reduction in market supplement is above 5%, the difference will be protected for a period of 12 months from the date of review.
35. If the reduction in market supplement is less than 5% protection will not apply.
36. If the payment is increased, this will be applied with effect from the review date (e.g. 1st April each year).
37. You will be notified of the outcome of a market supplement review in writing.

Re-grading of a role in receipt of a market supplement

38. If a role in receipt of a market supplement is re-evaluated through the job evaluation scheme, the market supplement applicable will be reviewed.
39. If the role has a minor change in content or responsibility and there is no change in grade, the market supplement will continue. However, the role will still be subject to the yearly process of review each April.
40. If the role has changed substantially the market supplement payment will be reviewed.
 - If the grade has increased, the labour market will be checked to determine whether a market supplement is still applicable. A market supplement will only apply if labour market conditions show that this is justified.
 - If the grade has increased, and the market supplement still applies, the supplement will reduce so that the new grade and supplement are not higher than the original grade and supplement. A market supplement of less than 5% will not be paid.
 - If the job content and job size has reduced, and therefore the grade is lower, a review of the labour market will be carried out to determine if a supplement payment is applicable.

Redeployment

41. If your current role has a market supplement and you are redeployed into another role without a market supplement, the value of the market supplement payment will be taken into account when assimilating you to an SCP within the grade for the new role.

42. If your current salary including market supplement payment is higher than the top of the grade of the redeployment role, you will be placed at the top of the grade and any market supplement payment above this will cease.
43. If on assimilation, the market supplement payment means that you fall between SCPs within the grade, you will be assimilated to the SCP above.
44. If you are redeployed into a role with a market supplement and the combined value of the grade and market supplement equates to lower than your current salary, you will be assimilated to an SCP taking into account the market supplement so that the base pay and market supplement of your redeployed role is not above your current salary.

Acting Up / Secondments

45. If your current role has a market supplement and you are acting up or you are seconded to another role, the payment will be taken into account when assimilating you to an SCP within the grade for the acting up / secondment role.

Employees in receipt of pay protection

46. If you are in receipt of pay protection and your role is awarded a market supplement that exceeds your salary with protection, your protection will cease and the market supplement payment will apply.
47. If you are in receipt of pay protection and your role is awarded a market supplement that is lower than your salary with protection, you will receive the market supplement payment and the amount of your protection will reduce so that the amount including market supplement and pay protection does not exceed your original protected amount.
48. For example, if you currently have £3,000 pay protection and your role is awarded a market supplement payment equating to £2,000, your pay protection will reduce to £1,000.
49. If the amount of pay protection is reduced as a result of a market supplement payment, the protection will remain until the end of your original pay protection period.
50. As market supplement protection and pay protection are separate, if the market supplement for your role is subsequently reviewed and withdrawn, market supplement protection will apply for a period of 12 months from the date of review.

Appeals

51. If, following a review of market supplement payments it has been determined that a market supplement for your role is no longer applicable or has been reduced, you have the right of appeal.
52. You must submit your appeal in writing to jobevaluation@wiltshire.gov.uk within 10 working days of receiving notification of the outcome of the market supplement review.
53. Within the appeal you must submit evidence demonstrating that there have been recruitment difficulties and that labour market conditions indicate a market supplement payment should be made. This may include (but is not limited to): job descriptions or salary details of roles within comparable organisations as defined by the criteria above.
54. You will receive acknowledgement of your appeal within 5 working days.
55. Your appeal will be considered by HR who will review the supporting evidence against the evidence used for the review. A further independent review of benchmark information may be carried out to support this.
56. The Director – HR&OD and the corporate directors will determine whether a market supplement should be paid.
57. You will be notified of the outcome of your appeal within 5 working days. There is no further right of appeal.

Market Supplements and Equal Pay

58. Equal Pay legislation requires that to ensure equal pay principles are followed, market supplements are only awarded in cases where a 'genuine material difference' can be demonstrated.
59. As a result, if a market supplement is introduced to a particular post and role description / JEQ, it will not automatically mean that the payment will apply to other posts within the same service area or on the same job family profile.

Roles and responsibilities

Employee responsibilities

60. To ensure that you read this policy and understand the criteria and process for awarding market supplement payments.
61. If your market supplement payment has been withdrawn or reduced and you wish to appeal, to do so within the required timescales.

Director responsibilities

62. To request a review of the labour market and consideration of a market supplement in line with the process and if criteria set out in the policy and procedure are met and all other options have been considered.

HR responsibilities

63. To assist directors to explore all options other than a market supplement payment.
64. To consider all requests for market supplement payments against comparable jobs within the labour market.
65. To notify employees if their role is in receipt of a market supplement payment in employment contracts and following the outcome of a review where applicable.

Frequently asked questions

66. I am in a role which has a market supplement and I have applied for another role within the council. Will my market supplement be taken into account when assimilating to the new grade?

If you are appointed to a higher graded role within the same team, you will be appointed to an SCP in your new grade taking into account your market supplement payment. Any market supplement payment that is above the top of your new grade will be lost.

67. I am in a social work / social work manager role in the Safeguarding or MASH team which receives a market supplement. If I move social work teams or roles, will my market supplement be taken into account when assimilating me to the new grade?

No, the market supplement that applies to social work roles in the Safeguarding and MASH teams will not be taken into account if you move social work roles out of these teams. A market supplement payment is applicable to experienced and senior social workers in the

Safeguarding and MASH teams to recognise the market pay rate and difficulties to recruit and retain skills in this area of children's services, moving out of these roles does not require such arrangements.

68. I have been told that my market supplement payment will be withdrawn following a review. Will I receive market supplement protection?

Yes. You will receive market supplement pay protection for a period of 1 year.

69. Following a service review, I have been redeployed into a role without a market supplement but my current role has a market supplement. Will the market supplement payment be protected?

No. Redeployment protection is on base pay only.

70. I have pay protection in my current role which has now been awarded a market supplement payment. Will the market supplement apply to the protected amount?

Yes. You will receive a market supplement payment on your protected salary subject to the criteria set above.

71. Is my market supplement taken into account for redundancy payment purposes?

Yes. A redundancy payment is based on actual pay and will therefore take into account a market supplement.

72. Am I able to receive my market supplement payment as a yearly payment?

No. You will receive the market supplement as a monthly payment.

73. Does the market supplement payment apply to additional hours?

Yes, any additional hours will be paid at your pay rate including the market supplement payment.

74. I am on maternity leave, will my market supplement be taken into account when calculating maternity pay?

Yes, the market supplement will be included.

75. Following a request, it has been determined that a market supplement should be applied to my role. What will be the effective date for the market supplement payment?

If a market supplement has been agreed for your role, your manager will (in conjunction with HR) confirm the effective date of the payment. However, any payment will not be backdated more than 8 weeks from the original request to consider a market supplement payment.

76. My post has a market supplement, for what payments is this supplement taken into account?

Your market supplement is taken into account in the following payments:

- maternity pay
- paternity pay
- adoption pay
- sick pay
- contractual overtime

77. I am on a generic JEQ and I do not have a market supplement for my post. However, other employees on the same JEQ but within a different team/function have a market supplement applied to them. Why is this so?

A market supplement payment may not apply to all posts held against the same JEQ. Some posts in specific service areas or teams that are on a generic JEQ may have recruitment and/or retention difficulties where other areas do not, and as a result, a market supplement is required to maintain appropriate staffing levels in this area.

78. I am on a generic role profile (i.e OS11) and I do not have a market supplement for my post. However, other employees on the same generic role profile but within a different team/function have a market supplement applied to them. Why is this so?

It is the role description and not the generic role profile to which a market supplement is applied. Alongside the generic role profile you will have been provided with a role description which outlines the specific duties required of your post. Other employees on the same generic role profile will have a different role description outlining specific duties required of the post and for this occupation a market supplement may be required.

Definitions

GLPC scheme – Greater London Provincial Council job evaluation scheme

Equal Opportunities

This policy has been Equality Impact Assessed to identify opportunities to promote equality and mitigate any negative or adverse impacts on particular groups.

Advice and guidance

If you require help in accessing or understanding this policy [or completing any of the associated forms] you should contact your line manager or trade union representative if you are a member.

If, due to the nature of your query, it is not appropriate to contact your line manager you should contact your head of service who will nominate an appropriate manager or colleague to help you.

See [guidance for managers – giving advice on policies](#).

Further information

There are a number of related policies and procedures that you should be aware of including:

- Job Evaluation Policy and Procedure
- Collective Agreement on Pay and Grading

For further information please speak to your supervisor, manager, service director or contact your [HR case adviser](#).

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