



Recruitment & Retention Market Supplement Policy

1 Introduction

1.1 The Council may utilise a market supplement to ensure that competitive salaries will attract and retain key workers in skill shortage areas without distorting the pay structures for all other employees.

1.2 A market supplement for recruitment or retention purposes will only be used where there are clear business reasons that cannot be better addressed through the other means, such as job design, utilising existing skills within the department or service or use of temporary or agency staff for a time limited period.

1.3 It is recognised that pay is only one factor contributing to our attractiveness as an employer and other aspects of the employment offer, particularly those relating to development, should be applied in the first instance rather than using a market supplement.

1.4 All jobs are graded on merit using the Council's job evaluation process as referenced within the Council's pay policy statement. The pay policy statement is published on the Council's website.

1.5 However, there is recognition that in certain professions there are either national or regional skill shortages and the Council needs to be responsive to the competition for these skills. In the longer term our aim will be to train employees to move into these specialist areas and to ensure that the specialists' skills are used effectively within the organisation. In the short-term market supplements may be used to temporarily increase the pay awarded to specific post(s) without altering the job evaluation determined grade for the role.

1.6 A market supplement may be agreed when it can be shown that the salary attached to the grade for the "hard to fill" role is demonstrably lower than the comparable salary offered elsewhere and that this is having an adverse impact on the ability to recruit and retain staff in specific post(s).

1.7 A "hard to fill" post is one where there are proven recruitment and/or retention difficulties and/or there are known significant national shortages. The value of any market supplement is determined by a comparison of the remuneration for a TMBC role against relevant market rates for similar roles.

2 Identification of the skills shortage

2.1 National information

2.1.1 Within local government there are certain identified skill shortage areas. The list of roles below has been identified through data collection from the LGA. Occupations with known skills shortages (as at August 2023) are:

- Children's social workers
- Adult social workers
- Mental Health Social Workers
- Planning officers *

- Building control officers *
- Environmental health officers *
- Educational psychologists
- Trading standards officers
- Solicitors/ legal officers*

*Category of worker employed by TMBC

2.1.2 This national picture is often the first indicator of a shortage. Where there is an identified shortage nationally it will still be a requirement to demonstrate that a shortage applies to the local area.

2.1.3 In order for a post to be considered as a “hard to fill” post (as defined in paragraph 1.7 above), this proof will be gained through the outcome of relevant recent unsuccessful recruitment campaigns and the additional information as detailed below:

2.2 Recruitment Campaigns

2.2.1 Where there is no anticipated shortage there will need to be a minimum of at least two appropriate external recruitment campaigns within a minimum two-month period to establish that it is not possible to fill a position. Advertising utilising a specialist trade publication/website will need to be demonstrated.

2.3 Recruitment Agencies/Head-hunters

2.3.1 If an external recruitment campaign fails then all other options should be explored such as looking at utilising permanent recruitment agencies and recruitment ‘head hunters’ where deemed appropriate.

2.3.2 Advice should be sought from Human Resources to identify appropriate agencies/head-hunters to ensure any potential placement costs are reasonable and in-line with expected rates.

2.4 Salary benchmarking

2.4.1 Salary benchmarking should be undertaken by looking at a variety of similarly advertised regional and national posts. It is important to examine the job adverts and job descriptions/person specifications as posts which have the same or similar job titles within different organisations may not necessarily have the same levels of responsibilities/accountabilities etc.

3 Process and principles for agreeing a market supplement for recruitment purposes

3.1 Where the steps outline in section 2 have been taken, recruitment has not been successful and where there is a demonstrable salary difference between the maximum salary package the Council is offering and comparable salaries elsewhere then this will enable the identification of posts which will

be considered for a market supplement.

3.2 The level of market supplement will be agreed by Management Team (in consultation with the Chair of General Purposes Committee) following a report and recommendation from the Head of HR & Development, compiled in conjunction with the relevant service manager and director.

3.3 The recruitment market supplement will be paid as part of the monthly salary in twelve equal instalments during the year and will be subject to deductions for tax, national insurance and pension contributions. The supplement will not be subject to the annual pay award and will not be taken into account for any salary related enhancements e.g. overtime which will be paid at the normal salary rate. Part time and job share employees will receive a pro rata market supplement.

3.4 The recruitment market supplement will be given for a minimum two-year period initially. This will be annually reviewed to confirm that the supplement is still necessary and at the appropriate level.

3.5 Where the removal or reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Removal or reductions of the market supplement will follow the process set out in section 6.

4 Process and principles for agreeing a market supplement for retention purposes

4.1 Whilst the market supplement is principally to enable the council to be able to compete in a highly competitive market to attract new employees, there may be cases where a supplement should also be considered for existing similar posts. This may occur in situations where a new recruit is offered a supplement which would then cause equally mobile colleagues to leave and seek a similar salary elsewhere.

4.2 Where a market supplement has been identified to aid with recruitment then consideration should be given to other existing posts in the same service to determine whether a market supplement for retention purposes should be given.

4.3 The level of the market supplement payment will be agreed by Management Team (in consultation with the Chair of General Purposes Committee) following a report and recommendation from the Head of HR & Development, compiled in conjunction with the relevant service manager and director.

4.4 The retention market supplement will be paid as part of the monthly salary in twelve equal instalments during the year and will be subject to deductions for tax, national insurance and pension contributions. The supplement will not be subject to the annual pay award and will not be taken into account for any salary related enhancements e.g. overtime which will be paid at the normal salary rate. Part time and job share employees will receive a pro rata market supplement.

4.5 The retention market supplement will be given for a minimum two-year period initially. This will be annually reviewed to confirm that the supplement is still necessary and at the appropriate level. Where a the removal or reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Removal or reductions of the market supplement will follow the process set out in section 6.

5 Process and principles for agreeing a golden hello payment for recruitment purposes

5.1 Golden Hello payments will generally only be considered by management team for posts which have been identified as needing to have a market supplement. However, there may be exceptional circumstances whereby a post attracts a golden hello payment but not attract a market supplement. There is no automatic assumption that a golden hello payment will be paid in addition to a market supplement being identified.

5.2 The level of the golden hello payment will be agreed by Management Team (in consultation with the Chair of General Purposes Committee) following a report and recommendation from the Head of HR & Development, compiled in conjunction with the relevant service manager and director.

5.3 The general principles of a golden hello are that the agreed amount is paid in two instalments. The first instalment is paid as 50% of the total golden hello amount upon joining the Council, with the second instalment paid after six months upon completion of a successful probationary period. The instalments will be subject to deductions for tax and national insurance.

5.4 Part time and job share employees will receive a pro rata amount of the total golden hello figure based on the percentage of the part time contractual hours against the full-time equivalent hours. If working hours are subsequently increased after the start date, this will not attract any additional payments.

5.5 The Golden Hello payment will normally be repaid in full if the employee leaves within 24 months of joining the organisation.

5.6 Each time a vacancy occurs which attracts a market supplement, management team will give consideration as to whether it is appropriate for the Golden Hello payment to be advertised and to the level of such payment.

5.7 For the avoidance of doubt Golden Hello payments will not be paid to existing members of staff. No member of staff may receive more than one Golden Hello payment.

6 Removal or reduction of the market supplement

6.1 The availability of skills varies over time. As professions are identified as skill shortage areas and salaries rise they can attract an increased number of trainees. Where this is the case, the council would not wish to incur unnecessary salary costs, i.e. paying substantially more for a role above the actual job evaluated grade if the job evaluated grade would be sufficient to attract high quality applicants.

6.2 Management team will review the posts attracting a supplement on an annual basis in January each year.

6.3 When it is clear that a particular profession or skill area no longer necessitates a market supplement this will be withdrawn over a phased period of two years – with the withdrawal of 25% of the supplement every six months until the employee returns to the normal rate for the job.

6.4 The assessment of the on-going need will relate to the national skills assessment combined with local salary reviews and the response to recruitment campaigns. When a market supplement is to be withdrawn the employee will be notified by the end of January and the phased withdrawal will commence in April of that year. In this way the annual pay award should help to offset any reduction.

6.5 If a post which attracts a market supplement is re-graded to a higher salary scale, the market supplement will be automatically reduced or removed.

6.6 The amount that it will be reduced by will be the difference between the increase in the top of the spinal column point of the new salary grade compared to the top of the spinal column of the old salary grade and the amount of the market supplement. If the difference exceeds that of the market supplement amount then the market supplement will be removed from the date the new grade is implemented from.

**Human Resources
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