

**COMMITTEE:** ADMINISTRATION AND REGULATION

**DATE:** 15<sup>TH</sup> JULY 2020

**SUBJECT:** REVISED MARKET SUPPLEMENTS POLICY –  
UPDATE

**REPORT BY:** SERVICE DIRECTOR,  
HUMAN RESOURCES AND MONITORING  
OFFICER

**CONTACT OFFICER:** ANNE DAVIES 01582 546330  
HR BUSINESS MANAGER, STRATEGY

**IMPLICATIONS:**

<b>LEGAL</b>	✓	<b>COMMUNITY SAFETY</b>	
<b>EQUALITIES</b>	✓	<b>ENVIRONMENT</b>	
<b>FINANCIAL</b>	✓	<b>CONSULTATIONS</b>	✓
<b>STAFFING</b>	✓	<b>OTHER</b>	

**WARDS AFFECTED: NONE**

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### **PURPOSE**

1. In accordance with the market supplement policy, to provide the Administration and Regulation Committee with an annual update on the market supplements currently in place.
2. To review the effectiveness of the policy following amendments agreed from 1<sup>st</sup> April 2019.

### **RECOMMENDATIONS**

3. Administration and Regulation Committee is recommended to note the report and to be advised that a further report will be scheduled following the review of market supplements which are due to expire on 31<sup>st</sup> March 2021.

## **BACKGROUND**

4. The council introduced market supplements in April 2013. The policy and procedure has been amended a number of times. The latest revised Market Supplement Policy and Procedure was agreed at Administration and Regulation Committee on 29<sup>th</sup> January 2019. It became effective from 1<sup>st</sup> April 2019.
5. There were a number of significant changes agreed from 1<sup>st</sup> April 2019.
  - Agreements span 2 years (April 2019 to March 2021) rather than 1 year as previously
  - Employees can choose to receive their payments annually in advance or monthly with their usual salary
  - Repayment terms for leaving the council before the expiry of the 2 year agreement encourage retention for the full 2 year period
  - Pay Panel membership streamlined
  - Reduced administrative burden on managers when payments are reviewed
  - Agreements run with financial years to assist in budgetary planning, rather than July to June as previously
6. All current agreements are due to expire on 31<sup>st</sup> March 2021, apart from the new market supplements recently agreed for nurses within Adult Social Care whose agreements run from 8<sup>th</sup> April 2020 until 31<sup>st</sup> March 2022.
7. When the new scheme started last year it was agreed to review all payments between November 2020 and March 2021, that is before the end of the current agreements. Preparatory work is underway to conduct the review.
8. As the majority of market supplements are awarded to social care posts, these have been prioritised for review to assist in recruitment. New starters at this point can be guaranteed a pro rata payment only until 31<sup>st</sup> March 2021, in line with agreements issued to existing staff. It is more attractive for applicants to be assured of their income longer term, and to know that their market supplement will be guaranteed from April 2021 until March 2023.

## **REPORT**

9. **Appendix A** shows all agreed market supplements. New payments were agreed for Lead Community Learning Disability Nurse and Community Learning Disability Nurses effective from 8<sup>th</sup> April 2020. The scheme allows new 2 year agreements to be introduced in line with financial years and therefore these payments were agreed to expire 31<sup>st</sup> March 2022.

10. **Employees who receive a market supplement payment**  
There are 205 employees (195.5 FTEs) who currently receive a market supplement. This represents approximately 6.5% of the workforce. This compares to 177 employees (168 FTEs and 5.8% of the workforce) when last reported to committee in January 2019. Therefore, over the last 18 months, these payments have attracted 28 extra recruits into posts that are difficult to fill and retain.
11. **Are market supplement payments achieving their aim?**  
Of the current total, 171 employees occupy social care roles. This is an increase from 148 employees who occupied social care roles receiving market supplements in January 2019. The current total includes 4 community learning disability nurses who now receive payments following the introduction of a market supplement to these roles in April 2020. Overall this is an increase of 23 employees to strengthen the council's social care workforce compared to January 2019 – an increase of 15.5%.
12. Appendix B show the comparative data for post occupancy – comparing June 2019 to June 2020. Data highlighted in green shows increased numbers compared to a year ago. Red highlights show where staff numbers have fallen in those posts. There have been some notable increases in the workforce both in adults and children's social care. The payments agreed for the Planning service are also beginning to show an effect. Across all other posts, market supplement payments appear to be helping to maintain a 'steady state'.
13. **Starters and Leavers since April 2019** – Since the new policy was put in place 30 employees have left posts which attracted payments under this policy. Of these, 19 (63% of leavers) worked in Children's social care, 7 (23%) worked in Adult social care – a mixture of social workers and occupational therapists and 4 (13%) from Place and Infrastructure – public protection, procurement and planning.
14. Reasons for leaving vary from better prospects elsewhere, to moving out of the area through to probationary dismissal and retirement.
15. Over the same period there have been 50 new recruits into posts which attract market supplements.
16. **How do employees prefer to be paid their market supplement?** – A key feature of the new policy and procedure was to allow employees a choice about how they received their payments. The option to receive an annual payment, 'up front', has been very popular with 67% of employees currently opting to be paid in this way.
17. Considering the information above – some 'churn' yet an overall net

increase in staff occupying posts which attract these payments - it appears that employees who occupy these posts are still in demand in their particular employment sphere and can move easily out of the council's workforce. However, the council appears to be making progress in filling and retaining its workforce in these key areas.

18. Market supplement payments work alongside other initiatives such as state of the art recruitment processes, attractive employee benefits, thorough induction, caseload monitoring, support and training towards career development and flexible working, in persuading employees to join and stay within the workforce.
19. In summary, the application of market supplements is helping to stabilise post occupancy levels in most job groups, and is proving a key tool to increase staff in others.
20. The payments are due to be reviewed shortly. The council's financial situation is challenging, and any movement in the level of payments agreed for the forthcoming 2 years (2021 – 2023) must balance affordability with the risk of undoing some of the service benefits that these payments are beginning to yield.

### **PROPOSAL/OPTION**

21. That the committee note the report and will receive a further update in due course, following the outcomes of the 2020 Market Supplement review.

### **LEGAL IMPLICATIONS**

22. There are no direct legal implications to this report, however there is potential for equal pay disputes to arise from this process. This is minimised by having a robust independent review mechanism that forms part of the policy and procedure.
23. This report has been cleared by Jasbir Josen in Legal Services on 29<sup>th</sup> June 2020.

### **FINANCIAL IMPLICATIONS**

24. There are no direct financial implications to this report. Appendix A shows the market supplement payments currently agreed, headcount and FTE for June 2019. Appendix B shows the headcount and FTE of those currently in post and receiving payments.
25. The total annual cost in 2019/20 for market supplement payments was £1,007,300 including National insurance at 13.8% and employer's pension contributions at 19.5 %.

26. One of the aims in applying market supplements is that vacancies will be filled and employees will be retained, thereby reducing agency costs.
27. There is sufficient budget in 2020/21 to cover the costs for payments due this year. The panel that reviews these payments includes the Service Director, Finance and Audit or his representative.
28. This report has been cleared by the Dev Gopal, Service Director, Finance and Audit on 30<sup>th</sup> June 2020.

### **STAFFING IMPLICATIONS**

29. This report has implications for a number of posts, employees and the Council's recruitment and retention policies and strategies.
30. This report has been cleared by Angela Claridge, Service Director, HR & Monitoring Officer on 29th June 2020.

### **EQUALITIES IMPLICATIONS**

31. A robust process of allocating and reviewing market supplement payments is critical to avoid inequalities.

### **CONSULTATION ARRANGEMENTS**

32. None currently. The Trade Unions are provided with the outcomes of the reviewing panels.

### **LIST OF BACKGROUND PAPERS**

Appendix A **Market Supplements agreed for 2019 / 2021**  
Appendix B **Market Supplements – comparative data of staff numbers & FTE in post, June 2019 compared to June 2020**

### **LOCAL GOVERNMENT ACT 1972, SECTION 100D**

None