

Melton Borough Council

Market Increments and Supplements Policy

1. Introduction and Purpose

Market Increments or Supplements may be applied to posts in exceptional circumstances to enhance the grade. The application of market increments can only occur when there is an identifiable shortage of suitably qualified or skilled people within the area of choice. This is established by reviewing the external market by means of advertising the post at least once and by assessing the pay levels of other similar external posts.

To allow the post to be eligible for market increments, the advertisement must be given as wide a circulation as is reasonable. Advertising in Melton alone will not be enough.

The response to the advertisement must be low, with no applicants suitable for interview or those suitable for interview are not suitable for appointment. Either before or following the advertisement, the person specification must be reviewed with a member of the HR section to ensure criteria being used are incorporating elements of flexibility. Consideration must also be given to developing a career-graded post and appointing at a lower level. It may be necessary to re-advertise the post following this exercise.

2. Authority for Market Increments

Authority for application of market increments will come from the Chief Executive in consultation with Management Team. This authority will also decide the number of increments to be applied. It is important to remember, increments are applied to each incremental point and not just added to the top of the band, e.g. if the post is Band 10, spinal column point 34 to 37, adding three market increments will change the post to Band 10 spinal column point 37 to 40.

3. Advertising and Recruiting to Posts with Market Increments

When advertising posts with market increments the wording should indicate that, part of the salary is added supplement or increments. The contract of employment should also identify the additional increments and state that this element of the salary is temporary and subject to review every year.

4. Review and Removal of Market Increments

Every year, the manager in consultation with the HR, should review posts within his/her section that attract market increments. This review, on the anniversary of the appointment, is to confirm whether or not the application of the additional payments remains appropriate and should be supported with evidence of research. The manager should then submit a report to

Management Team for consideration. The review may result in the removal of the additional element of the salary if it is felt that the market pressure has eased.

Consultation with staff will take place and one years protection of pay will be awarded with annual cost of living allowed where applicable.

5. Some Questions You Might Ask

What is a market increment or market supplement?

There is no difference between a market increment and a market supplement. Both add increments to the grade of the post increasing the salary by a variable amount.

When should market increments or supplements be used?

When, because of market pressure it is hard to recruit to a post. In other words when there is a shortage in the market of a certain group of staff, often these are professional type posts. Market increments should only be used in exceptional circumstances.

Why not just evaluate the post again using job evaluation?

All posts have already been evaluated. Market pressures are not accounted for in job evaluation and therefore the evaluation will come out with the same result. The only reason for having a post evaluated again will be if the duties of the post have changed.

How will I know if there is a shortage in the market?

By advertising the post at least once as widely as possible and receiving no appropriate application forms. And by assessing the rewards being offered by other authorities and companies in the East Midlands area.

How will I know how many increments to add to the post?

You will need to report the situation to Management Team. They will decide the number of increments to be added.

Will they apply to other staff?

If there are other staff undertaking the same job with the same job description and post title, then the increments will be awarded to those staff, on the same basis. Management Team may consider awarding market increments for management posts that have the same scarce skills as those attracting the market increment in order to recruit or retain or ensure a differential in pay. This will not apply if the manager does not have the specialist/scarce skills. For example, a Manager's specialist knowledge/ qualification may be a specific area. That Manager may manage a post that attracts a market increment for skills in a different specialist area. In this case the manager would not be awarded a market increment even if it means they are managing people who are paid more than them because of the increment.

Will market increments be a permanent part of the salary?

No, they should be reviewed every year; by assessing the external market and the level other authorities are advertising posts. However once they have been paid as part of the salary for a number of years it will create dissatisfaction with staff to remove them that is why care must be taken when deciding whether or not they should be awarded.

Will the contract of employment say that they are temporary?

Yes, although this then discourages new employees to take up employment. It will be necessary for the contract to state the temporary nature of the additional payments to allow for their possible removal at a later date.

Will the advertisement state the full salary?

Yes, the advertisement should state the full band range with the market increments added, and state, for example, including two temporary market increments.

Amended AT March 11