

If you have a query on this agenda
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19 September 2006

TO: ALL MEMBERS OF THE PERSONNEL COMMITTEE

To all other Members of the Council for information

Dear Member

PERSONNEL COMMITTEE

Your attendance is requested at a meeting of the Personnel Committee to be held on **Wednesday 27 September 2006 at 2.00pm** in the **Committee Room** to consider the following matters.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Elizabeth Goodall'.

Elizabeth Goodall
Chief Executive

A G E N D A

1. APOLOGIES

2. DECLARATIONS OF INTEREST

Councillors are reminded of their obligations under the Code of Conduct to declare any personal and prejudicial interests.

3. MINUTES

To confirm the minutes of the meeting of the Committee held on 2 August 2006 (previously circulated) as a correct record.

4. REVIEW OF PERSONNEL POLICIES - MARKET FORCES SUPPLEMENTS POLICY

Draft Policy attached.

In accordance with agreed procedure, the suggested policy is attached and Committee Members are requested to study it and forward any observations to the Senior Personnel Adviser well in advance of the meeting. All observations will be circulated to all Members of the Committee

5. EXCLUSION OF PUBLIC AND PRESS

That under Section 100(A)(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the business specified in Item 6 because it is likely that, if members of the press and public were present, there would be a disclosure to them of exempt information as defined in paragraph 4 of Part 1 of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing that information.

6. REVIEW OF PERSONNEL POLICIES - REDUNDANCY AND RE-DEPLOYMENT

Update Report and Policy for members only is attached.

In accordance with agreed procedure, the suggested policy is attached and Committee Members are requested to study it and forward any observations to the Senior Personnel Adviser well in advance of the meeting. All observations will be circulated to all Members of the Committee.

Members of the Personnel Committee

D Whitehead (Chairman)
J P L Tory (Vice Chairman)
Mrs S Chapman
B G Cooper
R E Moyle
C A Pemberton
G F Spencer

MARKET FORCES SUPPLEMENTS POLICY

1. Introduction

The Council recognises that the labour market is dynamic and to ensure that the Council is always able to offer competitive salaries, it needs some flexibility in its pay arrangements. In particular, it needs a facility to pay Market Forces Supplements where there is a material justification for paying a supplement beyond the salary that is determined through job evaluation and the pay and grading structure.

This policy contains the agreed approach to be taken to the application, monitoring and review of Market Forces Supplements within the Council that may be applied on the re-appointment of posts.

2. Background and Principles

North Dorset District Council is committed to single status employment and seeks to ensure employees receive equal pay for work of equal value.

Any Market Forces Supplement shall be objectively justified, and shall not be awarded to any post unless the criteria below are met. (3)

Market Forces Supplements will be regularly (at least annually) reviewed and consequently can be withdrawn, should the review demonstrate that current evidence does not justify a Market Forces Supplement. Therefore it is important that expectations of Market Forces Supplements are managed, and as such, before a Market Forces Supplement is awarded to an employee they must agree to and sign the attached amendment to contract.

If a market supplement is introduced to a particular post category, it shall be applied to all current employees in that post category.

Market Forces Supplements form part of an employee's pay (all the salary, wages, fees and other payments paid to them for their own use in respect of their employment) and as such will be pensionable.

Market supplements should not be included as part of an employees' salary when mortgage application references are being completed/total income calculations are being carried out.

Consideration must be given to the wider issue of development and training needs in order to address national skills shortages, including appointment of trainee posts.

3. Criteria

All the criteria below should be applied when considering the application of a market supplement and only when a post is due for re-appointment.

3.1 Market Data

Evidence collected over the preceeding 6-9 months, that more substantial remuneration packages are available for the specified group of staff within the appropriate local, regional or national marketplace. At least three examples of jobs, salaries and summary of main duties will be required.

3.2 Recruitment

Evidence of a poor response to adverts in terms of both quantity and quality of candidates. To qualify, a job will have had to be adequately advertised with an unsatisfactory response.

3.3 Staff Turnover and Retention difficulties

Evidence of high staff turnover in the last 12 months due to lower pay levels or other benefits (exit interview)

4. Quantification

A market supplement is paid as a cash sum allowance in addition to monthly salary and will not be subject to annual cost of living pay awards.

Under no circumstances will the market supplement alter the grading of the post determined by the Job Evaluation process. The supplement only affects the total pay that the post attracts, for the period it is applied.

The allowance will be paid for a maximum period of 1 year, but reviewed annually. Where appropriate, supplements will be pro-rata to the hours worked.

5. Funding

The cost of market supplements shall be met from service salary budgets. Where a post goes across more than one service, the cost must be apportioned accordingly.

6. Procedures and Approvals

The Team Leader should put forward the case for applying a market supplement to a post using the criteria set out in section 3 to the Senior Personnel Adviser. Where necessary, market data may need to be collected from external agencies, to provide evidence and support for both the need for a market supplement and the proposed amount of that supplement.

Senior Management Team will consider a report on the proposal and decide the outcome, including amount of the supplement. Once a decision has been made to apply a market supplement, the appointing Service will require the recipient to sign an Addition to their Contract of Employment.

The Personnel Service will maintain a database of all Market Forces Supplements that are approved.

7. Consultation with Trade Unions

The Council's recognised Trade Unions will be consulted about any proposals to introduce, vary or cease Market Forces Supplements.

Market Forces Supplements should be introduced in accordance with this policy. A decision to introduce, vary or cease a market supplement will be made by the Senior Management Team unless it decides that the decision can be delegated to the relevant Team Leader.

Communication with staff in receipt of market supplements.

Staff in receipt of a market supplement will be given an annual statement which will:

- Identify their annual basic salary and separate annual market supplement payment that will apply for the next 12 months together with conclusions of the annual review of the supplement

AND

- (a) If there is an intention to continue the market supplement for more than 12 months, the statement will identify the remaining duration of the Market Forces Supplement and remind the member of staff that the payment of a market supplement may be decreased or withdrawn.
- (b) If a review has prompted the need for a Market Forces Supplement to be reduced or withdrawn, the statement will give the member of staff minimum of 6 months notice (subject to the initial specified period of the Market Forces Supplement being honoured) of the reduction/cessation of the market supplement.

8. Review of Market Supplements

Reviews will take place under three circumstances.

- (i) At least 3 months prior to the end of the guaranteed period, each Market Forces Supplement will be reviewed. The Personnel Officer will notify the appropriate Team Leader of service when a review is due. The Team Leader should undertake the review and present the findings to the Senior Personnel Adviser in line with the procedure set out above in section 6. Employees will receive a minimum of 6 months notice if the market supplement is being withdrawn and the reasons for this decision. Therefore a review will occur at least annually.

- (ii) A review should also be carried out when an individual leaves a post that has attracted a market supplement, in order to assess the need to advertise the vacancy with a market supplement in the current labour market. Where such a review leads to a decision to withdraw the market supplement, this will apply with immediate effect to vacant posts. Existing employees still within the initial guaranteed period will not be immediately affected by such a decision, but notice will be given.

Further reviews will need to be carried out should a post be regraded through further job evaluation assessments.

9. Review of Protocol

This protocol will be reviewed at least on an annual basis and as and when deemed appropriate by the Senior Personnel Adviser to ensure its effectiveness.

Signed: _____ on behalf of North Dorset District Council

Date _____

Signed: _____ on behalf of UNISON

Date _____

***NDDC Employment Policy
Equal Opportunities in Employment Policy & Procedure
Issue No: 1***

***Consultation with staff: [date]
Made by Cabinet: [date]
Effective date: [date]***

Associated Policies
Equal Opportunities