



HUMBERSIDE FIRE AND RESCUE SERVICE

# People & Development

## Market Supplements Policy (Green Book Staff)

<b>Owner</b>	<b>Executive Director of People and Development</b>
<b>Responsible Person</b>	<b>Head of Human Resources</b>
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What we must  
do well



How we support our  
communities



We value and support  
the people we employ



We efficiently manage  
the Service

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## **1. INTRODUCTION**

Humberside Fire & Rescue Service (HFRS) is committed to the principles of equal pay for work of equal value and has a Job Evaluation Scheme to measure the relative value of all corporate jobs. The grading, and therefore the salary range, of all Green Book posts is determined by the outcome of job evaluation.

It is essential that HFRS is able to attract staff with skills, knowledge and experience to meet its corporate objectives and priorities.

### **Core Code of Ethics**

HFRS has adopted the Core Code of Ethics for Fire and Rescue Services. The Service is committed to the ethical principles of the Code and strives to apply them in all we do, therefore, those principles are reflected in this Policy.

### **National Guidance**

Any National Guidance which has been adopted by HFRS, will be reflected in this Policy.

## **2. EQUALITY & INCLUSION**

HFRS has a legal responsibility under the Equality Act 2010, and a commitment, to ensure it does not discriminate either directly or indirectly in any of its functions and services nor in its treatment of staff, in relation to race, sex, disability, sexual orientation, age, pregnancy and maternity, religion and belief, gender reassignment or marriage and civil partnership. It also has a duty to make reasonable adjustments for disabled applicants, employees and Service users.

## **3. AIM AND OBJECTIVES**

The aim of this policy is to ensure that HFRS recruit the best people for each post, whilst ensuring that it complies with equal pay legislation and is not discriminatory in applying a market supplement to a post.

## **4. ASSOCIATED DOCUMENTS**

- [Equality Impact Analysis](#)
- Legal Reference
  - [Equality Act 2010 Code of Practice on Equal Pay](#)
- National Guidance
  - [Local Government Green Book Terms and Conditions of Employment](#)
- Other HFRS Policies
  - [Recruitment and Selection Policy](#)

## **5. POLICY STATEMENT**

HFRS is committed to the principles of equal pay for work of equal value and has a Job Evaluation Scheme to measure the relative value of all corporate jobs. The grading, and therefore the salary range of all Green Book posts is determined by the outcome of job evaluation. It is essential that HFRS is able to attract staff with skills, knowledge and experience to meet its corporate objectives and priorities.

There may, however, be times when the grading of a post results in an inability to successfully recruit staff in particular posts due to market factors. In such cases it may be appropriate to pay a market supplement in addition to the salary to ensure that such a post is filled. Such a payment is lawful under the Equality Act 2010 where there is evidence to justify that market factors are the material factor for the post attracting a higher rate of pay to that of other posts graded similarly.

This policy will set out when such supplements may be paid, the process by which these cases are considered and approved, and the principles applied to them.

HFRS recognises the need to have a policy to deal with difficult recruitment situations where conditions in the market for particular skills are causing recruitment problems that are impacting on the delivery of service.

The use of market supplements must be justified by clear and regularly updated evidence of recruitment difficulties backed up by good quality market data, and that all jobs receiving a market supplement must be regularly reviewed and benchmarked.

## **6. PURPOSE**

The objectives of market supplements are to ensure that HFRS:

- Recruits the best people for each post.
- Complies with equal pay legislation and is not discriminatory in applying a market supplement to a post.
- Provides a fair and transparent process for considering payments of market supplement where a recruitment problem has been identified.
- Where market conditions so demand, seek to award an additional payment to achieve effective recruitment.

## **7. PRINCIPLES**

Any market supplements shall be objectively justifiable and will be applied according to the following principles:

- Market supplements will normally only be considered for posts or roles that have been identified as 'hard to fill' by the Head of Function.

- Market supplements will only be considered where it can be shown that an offer of a commencing salary at above minimum of the respective grade has been unsuccessful in filling the vacancy on two occasions.
- The agreed market supplement to be paid will vary from post to post and the evidence provided by the manager of comparable roles in similar sectors.
- Market supplements are not permanent additions to salaries and are designed to address particular circumstances that may relate to recruitment difficulties or occupations where there is a market shortage.
- It should not be assumed that simply because other employers offer higher salary levels that HFRS will necessarily be able to follow suit.
- Market supplements will normally be applied for a period of two years. They will be reviewed after 18 months and may be withdrawn should the review demonstrate that market evidence does not justify a supplement continuing. If the market supplement remains after being reviewed after the two-year period, the supplement will be reviewed every two years thereafter.
- Market supplements form part of an employees pay and will attract annual pay awards and be pensionable. The amount of any market supplement will be clearly identified as a separate payment and not incorporated into the basic grade/rate of pay. It will not alter the grade of the post determined by job evaluation.
- Market supplements will be highlighted as part of an employee's salary when, for example, mortgage application references are being completed and total income calculations are being carried out.
- Payments will be made on a pro-rata basis to the hours worked for staff working part time.
- Market supplement payments are subject to deductions in respect of National Insurance and Income Tax.
- The market supplement payment applies to the post and if the post holder is promoted to another post which is not subject to a market supplement, the payment will cease from the date of their commencement in the new position.
- Market supplements will be clearly indicated in job adverts and the employment terms and conditions to prospective employees.

## **8. PROCESS**

### **Justification**

A pre-requisite to formal consideration of a market supplement will be evidence of recruitment difficulties. In all cases the validity of such evidence must be agreed between the Head of Function and the Head of Human Resources.

## **Recruitment Difficulties**

Evidence of a poor response to adverts in terms of both quantity and quality of candidates must be provided. To qualify, a job will have to be advertised on at least two previous occasions with an unsatisfactory response. The Head of Function will follow this up to establish the reason for the poor response as this may not be just about salary levels, it could be due to other factors.

## **Formal Consideration**

In order for a market supplement to be given further consideration, evidence must be obtained of average salaries for similar posts being at least 5% higher than those of comparable posts at HFRS. Without that threshold being reached, no further consideration will be given to the application of a market supplement.

## **Business Case**

The Business Case should:

- Provide the evidence to show that pay is the primary issue
- Provide details of other attempts to resolve the issue
- Provide market data showing the difference between the salaries offered and the external market rate
- Present a proposal for the amount of supplement to be offered.

## **Obtaining Approval**

The Head of Function will put forward their Business Case for applying a market supplement ([Appendix A](#)), citing the evidence described above, to the Executive Director of People and Development for consideration by the Executive Team.

## **Review of Market Supplements**

- Human Resources will maintain a database of all market supplements that are approved and will ensure that the allowances are paid for a maximum of two years. It will be the responsibility of the Head of Function who initiated the need for the market supplement to ensure that it is reviewed after 18 months, in time for it to be renewed or discontinued as appropriate.
- If the review deems that the market supplement is no longer justifiable then the post holder's salary will be adjusted accordingly.
- A review will also be carried out when a post that has attracted a market supplement becomes vacant, in order to assess the need to advertise the vacancy with a market supplement in the current market. Where such a review leads to a decision to withdraw the market supplement, this will apply with immediate effect to the vacant post.

### **Job Evaluation and Market Supplements**

A review will be carried out whenever a post is re-evaluated through the job evaluation process. If a review results in a decision that the market supplement is no longer justified at the same level, it will be amended and implemented (if applicable) at the same time as the commencement of the new salary.

**If you require any further guidance in relation to this policy,  
please contact Human Resources**

**APPENDIX A: BUSINESS CASE**

**MARKET SUPPLEMENT**

<b>Directorate:</b>
<b>Function:</b>
<b>Post:</b> (Including Grade)
<b>Date of Application:</b>
<b><u>Summary of Proposal</u></b> (including proposed implementation date and cost of proposal)



**Information supporting application:**

**Recruitment:**

Number of applications for the post, number of candidates shortlisted, and media used for each of the recruitment campaigns

**Staff turnover:**

The staff turnover rate for the post and the reasons for leaving as stated on exit interview (if available).

**Impact:**

Outline the potential problems caused by the recruitment issues, how the post has been vacant and what has been the impact on the Service.

**Market Data:**

What is the local 'going rate' for the job. This can be obtained from job advertisements, survey data/pay databases and direct from other local authorities. Posts must be matched in terms of duties and responsibilities and terms and conditions must be ascertained. Information should be provided for comparable posts in at least 3 similar organisations.

**Options considered:**

Could the post be redesigned? Consideration must be given to training and development of existing staff and/or establishing trainee posts, to address recruitment difficulties or skill shortages.

**Date/s of any previous Market Supplement Application/s and outcome/s**

**Any other information/comments**

Proposed by .....

Signed .....

Job Title ..... (Head of Function)

**SUPPORTED / NOT SUPPORTED\***

Signed.....

Job Title: Head of Human Resources

**APPROVED / NOT APPROVED\***

Signed.....

Job Title: Executive Director of People and Development