

Report to: Council Functions Committee
Date of Meeting: 20 January 2010
Report of: Head of Human Resources
Title: Proposed Market Factor Supplement Policy

1. **SUMMARY**

The previous Market Factor Supplement procedure has been revised and updated to provide detail around the allocation of new Market Factor Supplements and also to provide greater detail on the review process, setting out a timescale for such reviews to take place. The new policy has been prompted by the introduction of Shared Services and the need for a consistent approach across all services and to harmonise with Three Rivers District Council. The new Market Factor Supplement Policy contained in Appendix One sets out the proposed future arrangements for handling Market Factor Supplements at Watford Borough Council and Three Rivers District Council to ensure a consistent approach for Shared Support Services between Watford and Three Rivers District Council.

2. **RECOMMENDATION**

RECOMMENDED that the proposed policy is adopted.

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Report approved by: Tricia Taylor, Corporate Director

3.0 **DETAILED PROPOSAL**

3.1 Introduction

The Council recognises that there are certain circumstances where it might be necessary to have to pay a salary that is over and above the job evaluated rate of pay for the job. One example of this is where there are skills shortages for particular specialist or hard to fill jobs that results in the pay for those jobs being inflated.

The attached policy covers such requirements and lays out the procedure to be adopted when considering requests for Market Factor Supplements. It is also essential to ensure a consistent approach to the review of allocated Market Factor Supplements in light of changes within the market place. This policy identifies the process to be adopted to ensure reviews are conducted on a regular basis, with sufficient notice being given to staff where any change to the Market Factor Supplement, including the removal of the Supplement, are proposed.

- 3.2 This policy has been considered by Leadership Team and UNISON have been consulted. It is therefore recommended that this policy is approved.
The policy has also been considered and approved by Three Rivers Management Board and Unison.

4.0 **IMPLICATIONS**

4.1 Financial

The Head of Strategic Finance comments that the proposed changes can be accommodated within the staffing budgets for 2010/2011.

4.2 Legal Issues (Monitoring Officer)

The Head of Legal & Democratic Services comments that the legal implications have been included in the policy.

4.3 Staffing

The new policy will update and clarify the policy and practices which apply in the allocation of Market Factor Supplements.

4.4 Accommodation

There are no implications.

4.5 Equalities

There are no implications considered as the allocation of a Market Factor Supplement is to specific roles which have been identified as hard to fill, within the criteria outlined.

4.6 Community Safety

There are no implications in this report.

4.7 Sustainability

There are no implications in this report.

4.8 Potential Risks

The purpose of this report is to reduce the risks of successful litigation against the council by updating our written policy

Appendices

The Proposed Market Factor Supplements Policy is attached at Appendix A

Background papers: None

File reference: None