



Market Supplement Policy Reference Number: PKC003

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Version Control

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December 2018	Policy Review
January 2023	Update of Portal information
August 2023	Policy Review, combine policy and How to Guide into new format.

Table of Contents

Introduction	2
Consultation/Agreement process	2
Application	2
Scope	3
Principles and Procedures	4
Appendix 1 – Market Supplements – Portal Process	5

Introduction

Market supplements are used to enhance the benefits package of jobs where there is proven recruitment or retention difficulties, without altering the job evaluation determined grade for that post.

Market supplements may be agreed when it can be shown that the salary range attached to the grade for 'hard to fill or retain' posts is significantly lower than those offered elsewhere and that this is having an adverse or potentially adverse impact on the ability to recruit and/or retain staff.

Consultation/Agreement process

This is a Council Policy which has been subject to consultation with the relevant Trade Unions. Any review or amendment by the Council will be following consultation with the Trade Unions.

Services, employees, and representative groups such as established Staff Networks have had the opportunity to contribute to the development of the policy and associated guidance. Perth & Kinross Council have a number of externally awarded accreditations and the design of this policy has been undertaken considering the requirements of these.

Application

Perth & Kinross Council aims to deliver fair work that offers all our employees an effective voice, opportunities, security, fulfilment, and respect and that balances the rights and responsibilities of employers and workers. The development and implementation of our policies is fundamental to this.

This policy applies to all employees. It is applied regardless of:

- length of service
- protected characteristic – there shall be no discrimination on grounds of age, sex, disability, race, religion, sexual orientation, gender reassignment, marital or civil partnership status or pregnancy or maternity status
- caring responsibilities
- care experience
- military experience

An Equality Impact Assessment has been completed to ensure that the design and application of this policy meets our obligation under the Public Sector Equality Duty requirements of the Equality Act 2010 to:

- Eliminate unlawful discrimination, harassment and victimisation, and other prohibited conduct.
- Advance equality of opportunity and foster good relationships between people who share a relevant protected characteristic and those who do not.

The completed assessment can be found on our website.

Scope

The payment of a market supplement will be considered by the Council in certain circumstances: Where a Service has experienced difficulty recruiting to a specific post; or to support the retention of key groups of employees where there are proven retention problems.

Before the use of a supplement is considered, managers must have considered other adjustments to the role which may address the identified issue e.g. changing work style arrangements.

If a market supplement is applied, it will normally be paid to all existing employees in that specific job, unless there is justification for the supplement applying to only specific postholders.

The supplement is subject to income tax, national insurance and pension contributions. It will be shown as a separate element on the Council's payroll system so that the use of supplements can be monitored for equal pay purposes. Care should be taken to eliminate the risk that the payment of a market supplement does not give rise to any equality issues, eg a potential equal pay claim.

Before applying for a market supplement, the manager should ensure the availability of budget and obtain prior authorisation. Once this is confirmed, a vacancy request or a request for existing employees to receive a market supplement should be submitted for consideration through [MyPKC Staff Portal](#) via MyView.

Approval, where granted, will initially be for a one-year period when it will be subject to further review.

Principles and Procedures

Application

When recruiting within the vacancy request on [MyPKC Staff Portal](#), the manager should include reference to the market supplement in the Advertisement Information section. Within the request, there must be evidence provided that the post has been advertised and no appointment made (available from the Recruitment Team).

For existing employees, the application can be made using a change of circumstance form on [MyPKC Staff Portal](#).

In addition, in all situations, the following justification information should also be provided:

- Salaries and other benefits paid by a range of other organisations, as well as evidence that the duties are broadly similar.
- That all other options have been fully considered and that the payment of a temporary market supplement is the only viable option to ensure the efficient delivery of services.
- That there are sufficient funds available in the Service budget.

If the application of a market supplement to a vacancy will mean that existing employees are to receive a market supplement, this needs to be included on the submission along with the proposed implementation date.

Implementation

When advertising a vacancy, the job advertisement information must clearly state the amount of the market supplement and that it is a temporary payment within 'The Role' section on [MyPKC Staff Portal](#).

Existing employees will require a letter temporarily amending their terms and conditions of employment to advise of the amount of market supplement and the period for which the payment will be made. HR Employee Support will issue the letter following approval via the [MyPKC Staff Portal](#) process.

Review

The need for a market supplement must be reviewed on an annual basis. The line manager should therefore complete a new change of circumstance Market Supplement

submission providing updated evidence for any extension consideration through [MyPKC Staff Portal](#). An extension can only be made for a maximum period of one year.

Managers requiring assistance should contact their Human Resources Officer for further advice or email HR@pkc.gov.uk.

Appendix 1 – Market Supplements – Portal Process

[Market Supplement – Portal Process](#)