

# Medway Council Market Premia Scheme



# Medway Council Market Premia Scheme

## 1.0 Principles and Criteria

- 1.1 In order to ensure market premia are only used in appropriate circumstances, it is essential that they are based on agreed principles and paid only when specified criteria are met.
- 1.2 Market Premia should be:
- Used in exceptional circumstances only;
  - Take account of any equal pay/value considerations, in order to avoid/minimise the potential for challenge on this point;
  - Paid as a clearly identified supplement, with properly documented supporting reasons;
  - Be time limited in their application;
  - Subject to regular monitoring and review.
- 1.3 Any case for the payment of market premia must be properly justified, with supporting evidence from the following range of criteria:
- A clear definition of the job or group of jobs for which payment is proposed;
  - Evidence of pay-related recruitment and retention difficulties against a range of indicators, e.g.:
    - Turnover rates;
    - Number of responses to job advertisements
    - Qualitative assessment of applicants;
  - Market-based salary comparisons with competing local/regional employers (both public and private sector);
  - Only used after other recruitment initiatives have been explored/exhausted (eg. Innovative/targeted advertising, promoting the advantages of living and working in Medway, promoting non-pay benefits);
  - Essential to maintain adequate staffing levels in order to ensure service delivery requirements are met;
  - Exploration of the use of other measures, e.g. changes to organisational/working arrangements;
  - Consideration of the impact on other existing staff within the defined job group.
- 1.4 In addition to the criteria above account should be taken of the wider employment context applicable to the occupational group and whether the making of a market premia payment will address the particular issues underlying the recruitment/retention difficulties, or whether alternative/ additional actions are required. For example:
- Are the difficulties an indicator of other issues of concern within the service/occupational group which can be more appropriately resolved by other management action and/or non-pay measures?
  - Is there a regional national shortage for which new/alternative training schemes would be more appropriate solution?

- Are there more appropriate ways of resourcing/delivering the service rather than through an in-house workforce?

## **2.0 Payment Amount and Type**

2.1 There are a number of options for determining the amount and type of the payment, e.g.

- One off lump sum or installments (monthly or less frequently);
- Based on % of salary;
- Additional increments

2.2 Payments will be subject to appropriate contractual conditions being met, e.g. remaining within the Council's employment for a specified period.

2.3 The amounts and/or type of payment will be determined according to the particular occupational group and nature of difficulty by the relevant Director in consultation with the Head of HR and Organisational Change.

## **3.0 Approval process**

3.1 A case for the payment of market premia must be made by the appropriate Director, following consultation with the appropriate trade unions, with the costs of payments met by the employing directorate from within existing resources. The authority to agree any such proposal is delegated to the Chief Finance Officer and the Head of HR and Organisational Change.

3.2 Payments will be made through payroll and will be subject to appropriate statutory deductions. They should be clearly identified as a separate payments from the substantive salary.