

SALISBURY CITY COUNCIL

Subject : Application of Market Forces Policy: Head of Business & Communications Manager
Committee : Personnel Committee
Date : 24 April 2024
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1. Report Summary:

- 1.1. The report considers a request for the application of a market forces supplement to the role of Head of Business & Communications, formally the Business & Communications Manager post.

2. Background:

- 2.1. A market force supplement is an additional payment to the basic salary of an individual job or specific groups of jobs where market pressures would otherwise prevent an employer from being able to recruit or retain employees with a particular skill or group of skills.
- 2.2. Employers have in place such policies to allow greater flexibility around salary to aid recruitment and retention.
- 2.3. It may be necessary from time to time to apply a market force supplement to the assessed job evaluation grade of a job. Usually this will be as a result of a skills shortage in the jobs market (local or national) or because the market rate for a particular skill set is higher than that determined by local job evaluation and the pay and grading structure.

3. Job Evaluation:

- 3.1. The Council is committed to the principles of equal pay for work of equal value and by using a job evaluation process this ensures a consistently applied and robust approach which measures the relative value of jobs within the council. This in turn determines the grade and position on the council's pay structure.
- 3.2. However, there may be exceptional circumstances explicitly due to labour market conditions where the evaluated grade results in an inability to successfully recruit or retain suitable staff for specific jobs. In these exceptional circumstances, it may be appropriate for consideration to be given to the payment of a market supplement to overcome this problem.

4. Detail

- 4.1. The Chief Executive Officer of Salisbury City Council is committed to the ambition of generating significant income to offset any increases in council tax. The mantra

for this is that every pound earned is a pound less for the residents of Salisbury to pay.

4.2. Central to the continued growth of income to the council is the appropriate appointment of a capable individual able to deliver on three key outcomes:

4.2.1. Event Planning

4.2.2. Communications and Marketing

4.2.3. Income Generation

4.3. Salisbury City Councils precept was last noted as third highest in the country.

What sets out the Authority from others is the level of non-council tax income generated. This is demonstrated by its change in financial status from *Smaller Authority* and AGAR financial reporting to that of a principal authority and full code reporting for the first time in 2024/25.

4.4. During the first round of recruitment for the Business & Communications Manager, there were 25 applicants. Of those 25, five were shortlisted. None of the candidates interviewed were appointable.

4.5. The conclusion of the interview panel, chaired by the Chief Executive Officer, with support from the Responsible Finance Officer and Head of Human Resources, was that candidates were experienced in two of the three fields required, rather than all three.

4.6. This paper asks for a market premium to be added to the existing upper grade of £48,474, for a total upper offer of up to £60,000 for the successful candidate.

4.6.1. For the 2024/25 financial year,

4.6.1.1. Current budgeted uplifts for salaries have been estimated at 8.5%.

This would see the current salary band move from:

	Lower benchmark	Upper benchmark
Current 2024/25 Salary	£46,464	£48,474
Budgeted 2024/25 Salary	£50,413	£52,594

4.6.1.2. As such, the market force element of this request would be £7,406.

This moves the upper budgeted value from £52,594 to £60,000.

4.7. The financial model for this recommendation is based on a zero additional cost for the 2024/5 financial year. This can be met from existing budget in 2024/25.

4.7.1. This is based on the budgeted salary cost of a 12 month post at mid-point (£51,504).

4.7.2. The successful candidate would be employed from Month 4 (1st July 2024) at up to £60,000 per annum, x 9 months of the year = £45,000 and within budget (£51,504).

4.8. For the 2025/6 financial year, the ongoing additional funding for this post would be offset against an annual, personal income target of at least £25,000. This would be new revenue to the Council.

4.8.1. Failure to deliver against this personal target would see the market supplement removed from the overall salary.

4.9. Market force pay grade can be demonstrated by the following comparable roles currently out for recruitment within the public sector:

Employer Type	Role	Cost	Based
NHS	Business Manager	£50,952 – 57,349	Salisbury
Civil Service	Assistant Head of Commercial	£68,775 – 75,920	Andover
NHS	Contracts Manager	£50,952 – 57,349	Southampton
Civil Service	Lead Business Manager	£51,934 – 60,189	Bristol
Civil Service	Delivery Manager	£52,344 – 58,794	Bristol
Local authority	Economic Development Manager	£56,713 – 59,946	Chichester
Recruitment – private sector	Business Development Manager	£40,000 – 60,000	Bournemouth
Civil Service	Country Partnership Manager	Circa £62,000	Remote
Housing – private sector	Business Development Manager	£65,000 – 75,000 + car + private healthcare	Remote

5. Recommendation:

It is recommended that the committee:

5.1. Agree the application of a market forces supplement to the role of Head of Business & Communications of up to £7,406.

5.2. Review using the Market Forces Policy.

6. Wards Affected: All

7. Background papers:

- 7.1 Job Evaluation policy [HR120 DOC86221 Job Evaluation Scheme Policy 2022.DOC](#)
7.2 Appendix A (attached) - Green Book statement on market forces.
7.3 Market Forces policy [HR163 Market Forces policy.docx](#)

8. Implications:

- 8.1. **Financial:** The financial model for this recommendation is based on a zero additional cost for the 2024/5 financial year and subsequent years.
- 8.2. **Legal:** The market forces policy reflects current employment law.
- 8.3. **Personnel:** As shown in the report
- 8.4. **Environmental Impact:** Nil in relation to this report.
- 8.5. **Equalities Impact Statement:** Evidence will be gathered from recruitment and market rates to apply to a role rather than an individual; in line with our market forces policy, an ongoing yearly review will be carried out.

Appendix A

Green Book text relating to Market Supplements:

25. Market Supplements

25.1 Pay arrangements should generally be set at a level that will recruit and retain employees, minimising the need to use market pay supplements. However, there may be a small number of jobs for which it is not possible to recruit and/or retain employees at the job-evaluated rate, because of local or national shortages. In these circumstances it may be necessary to consider market supplement schemes. Such schemes should:

- be based on clearly evidenced recruitment and/or retention problems;
- have clear, transparent and fair criteria for the application of market supplements;
- ensure that market salary testing uses appropriate market comparators for the particular post(s);
- apply to existing as well as newly recruited postholders in the same job;
- ensure that the 'job evaluated' grade and any additional market supplement are clearly identified, shown as a separate allowance to the pay/grade determined by job evaluation, and understood by employees in receipt; and
- ensure that the contractual terms of future payments are sufficiently clear to enable the payments to be withdrawn if the 'market' changes.

25.2 Organisations should also undertake regular equalities monitoring with the trade unions of the outcomes of the application of market supplements, for example, gender monitoring for jobs in receipt of the payments.

25.3 Where market supplements are applied, they should be reviewed regularly to

ensure that they are consistent with these criteria above. If current payments cannot be justified by reference to these criteria, these should be discontinued.