

MARKET PREMIUM POLICY FOR RECRUITMENT AND RETENTION OF STAFF

Version 2, March 2010

(Adapted for Schools)



This policy outlines KCC's approach to the payment of a market premia as a way of ensuring the authority has the ability to attract, motivate and retain appropriate staff.

Introduction

The application of this policy will help to ensure that the Council has the flexibility to award incentives to recruit and retain staff in areas where this is difficult to achieve.

Staff within the Council, including schools, must be appointed to posts which have been graded under the current grading scheme. Salary will be determined by this scheme, and in accordance with the principles of equal pay, to ensure that staff across KCC are given equal pay for work of equal value.

External labour market conditions can produce a situation in which staff with scarce skills and expertise can command higher salaries than the current grade for the job.

In these **exceptional** circumstances, the Council will, at its discretion, make additional payments in line with this policy to recruit and retain such staff, without distorting the pay structure. Governing Bodies of schools can also exercise this discretion and, if they adopt this policy should make reference to it in their Pay Policy.

Scope

For recruitment purposes, payments made under this policy will only apply to posts which have been advertised at least twice without successful appointment and have been approved by the Chair of Governors.

For retention purposes, payments made under this policy will normally only be made in exceptional circumstances where the Chair of Governors can demonstrate difficulties retaining staff will cause skills shortages that will prevent effective business operations.

KCC's Approach to Market Premium Pay

- A Market Premium payment is an addition to salary for a specific individual, post, or group of posts.
- It will be paid where this post(s) has been identified as 'hard to fill' and the school is prevented from being able to recruit or retain staff on the salary determined by the Council's grading scheme.

- In order to ensure Market Premium payments are only used in appropriate circumstances, they will be based on agreed principles and paid only when specified criteria are met.

Market Premium Principles

- There are a three options for determining the amount and type of market premium payment, including:-
 - One off lump sum on appointment (Recruitment Payment)
 - Instalments (quarterly), for up to a 2 year period, with review for any extension (Market Pay Premium)
 - Deferred lump sum to be paid after an agreed period of employment. (Retention Payment)
- All types of payment will be subject to appropriate contractual conditions being met
- Payments to part time staff in 'hard to fill' posts will be made on a pro-rata basis.
- These payments will be in addition to the individual's normal salary and will be subject to the normal income deductions. The Market Pay Premium will be pensionable.
- The amounts and/or type of payment must be based on research of the market rate for the job. The research will be conducted by the school. The agreement of the relevant Manager in consultation with the headteacher is needed, prior to a report to the School's Pay Committee.
- Annual Review of payment, which may increase, decrease or remove payment.
- 6 month notice of withdrawal of payment.

Monitoring

The use of market premiums will be monitored to ensure compliance with the policy, for equalities purposes and to identify improvements in the market premium procedure.

The Market Premium Policy will be reviewed every three years in order to meet KCC's needs and to recognise good practice and improvements.

The 'Market Premium Procedure for Recruitment and Retention' provides more detailed advice and can be accessed on Kent Trust Web