

## Market Factor Payments

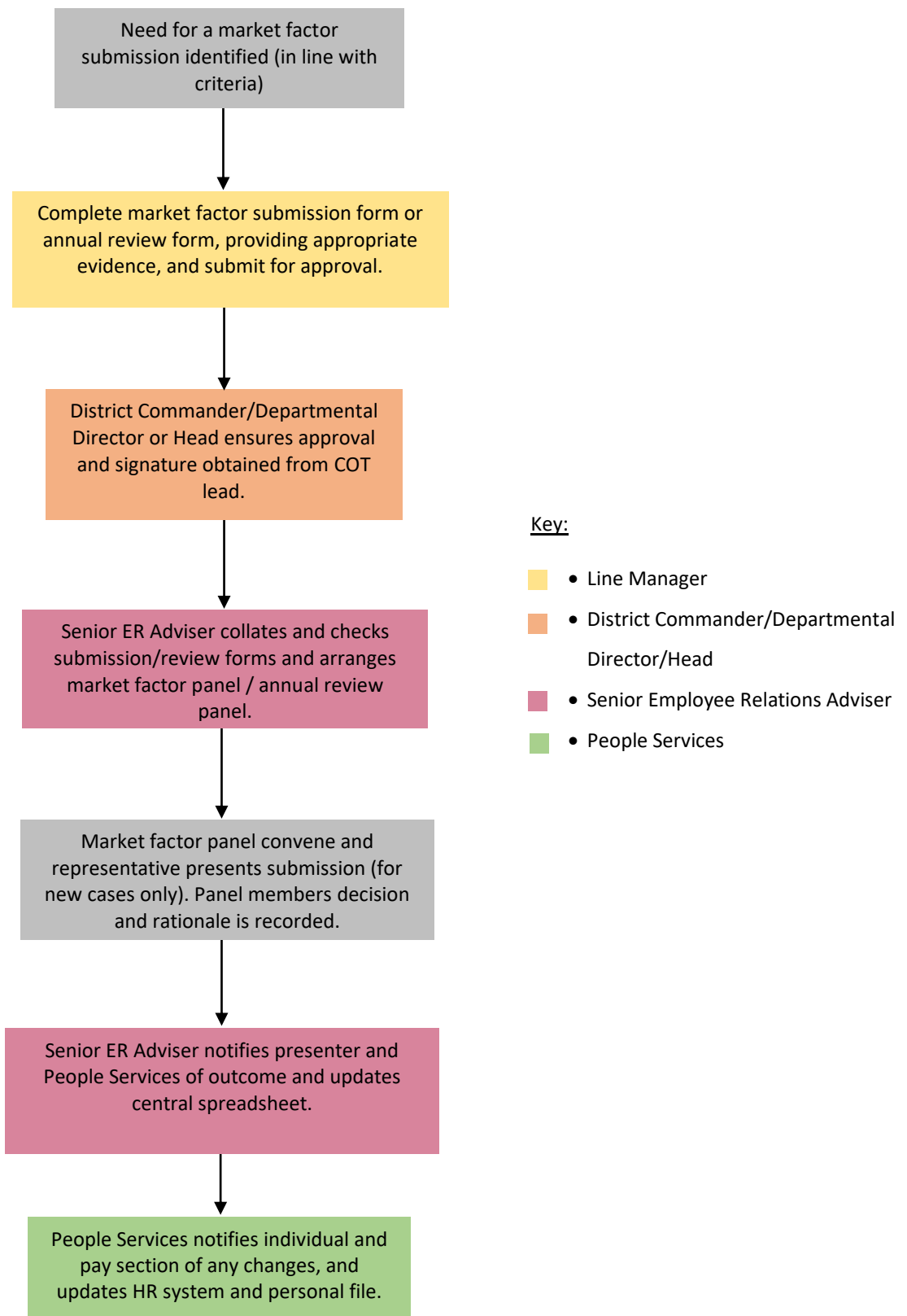
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## Flowchart – Submitting a Role to a Market Factor Panel



## Policy Statement

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### Summary

West Yorkshire Police (WYP) evaluates all police staff roles using a job evaluation system. On occasion, the organisation may find there is a pay differential between external and Force rates which results in instability in staff recruitment and retention.

In certain circumstances West Yorkshire Police may determine that payment of a temporary market factor supplement is appropriate in order to address exceptional pay differentials. This policy outlines when such supplements may be paid, the process by which cases are considered and approved and the conditions that apply when a market factor supplement has been awarded.

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### Scope

This policy applies to all police staff posts, where the relevant criteria are satisfied.

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## Principles

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### General

- The decision to award a market factor supplement to address an exceptional situation is made by a Chief Officer Team led panel.
- The panel must only consider a market factor supplement for roles that have experienced significant recruitment or retention issues, and where there is clear evidence of exceptional pay differentials within an appropriate external market that may be contributing to these recruitment or retention issues.
- Staff members which receive a market factor supplement will officially remain in the job evaluated grade of their substantive post, for the purposes of terms and conditions.
- All market factor supplements are temporary, and are reviewed on an annual basis, where it is possible the panel may decide to reduce or remove a payment
- In exceptional circumstances, the panel may agree a longer review period.
- The role profile should be checked for accuracy and a recent job evaluation must have taken place before any submissions for a market factor payment is made.
- A market factor payment is awarded to a post, not an individual. Therefore, any approval for a payment must be applied to all post holders carrying out that role.
- If a submission is declined, a new submission cannot be made for the same role until a minimum of 12 months has elapsed, unless there are exceptional circumstances.
- Some professional roles, for example, doctors and occupational health nursing roles, will have their salaries aligned to national scales through a

separate formalised agreement with the Chief Officer Team (COT).

- The payment of a marker factor supplement will not be affected by an individual being away from their role on any form of leave, so long as they remain in their substantive post and the market factor payment continues to be approved for that particular role.
- If an individual moves from a role that has a market factor supplement attached to it, then the payments to that individual will cease with effect from the date of the move.
- Pension contributions will be deducted from market factor payments, and will be taken into account in the calculation of pension benefits.

## Responsibilities

### Line Managers

Line Managers are responsible for:

- Completing the market factor submission form and any subsequent annual review forms; and
- Providing information to clearly evidence that the salary differential between the grade awarded by the job evaluation scheme and the external market is not sufficient to recruit and retain suitably skilled, qualified and experienced post holders.

### District Commanders or Departmental Directors/Heads

District Commanders or Departmental Directors/Heads are responsible for:

- Recommending roles for consideration of a market factor payment, and signing the submission and/or review forms as appropriate;
- Obtaining approval from the relevant COT member, and
- Attending the market factor panel to present the case for any new submission.

### Senior Employee Relations Adviser

The Senior Employee Relations Adviser is responsible for:

- Arranging the market factor panel for any new submissions, and the annual market factor review panels, and sending out forms for the review panels as necessary;
- Attending the panel to record all decisions and rationales;
- Ensuring all the correct forms have been completed and signed, and that appropriate supporting evidence has been provided;
- Checking how recently the role has been reviewed and evaluated at a job evaluation panel;
- Providing policy advice and relevant job evaluation information to the panel; and
- Notifying the presenter, and People Services of the outcome of the panel, updating all relevant records where appropriate.

**Market Factor Panel**

The Market Factor Panel members are responsible for:

- Determining whether the information presented clearly evidences that a salary differential exists, and if so, considering whether the differential is causing significant difficulties with the recruitment and retention of staff in that role; and
  - Balancing market differentials against the benefits of public sector employment and the need to deliver value for money.
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**People Services**

People Services are responsible for:

- Notifying payroll of any changes with regards to the award or removal of a market factor payment; and
  - Notifying the relevant individuals and updating their personal files and the HR system as appropriate.
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**Process****Submission**

- All applications for a market factor payment must be made in writing on a market factor submissions form and they must have the approval from the relevant COT member before submission to the Employee Relations Team.
  - The submission form must clearly state the effects on recruitment and/or retention, and the affected posts identified. It must also include documented evidence to support the market factor payment application, based on the following criteria:
    - Instability in staff retention;
    - Failure of established recruitment process; or
    - Significant pay differential between external and Force rates.
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**Panels**

- Market factor panel members must comprise of:
  - Deputy Chief Constable (DCC) (Panel Chair);
  - Assistant Chief Officer – Business Operations;
  - People Director;
  - UNISON Branch secretary or GMB Convenor;
  - Senior Employee Relations Adviser who will provide policy advice and to record the outcome.
- Market factor panels will typically be held every 3 months, and new submissions will be aligned to these quarterly panels wherever possible.
- Where scheduling commitments of the panel members will result in a significant delay, the Chair of the Panel may approve the use of an alternative chair/panel member. However, the panel must always include two members of the COT. The People Director may also delegate to another member of the People Senior Leadership Team (SLT) for the same reasons.
- A union representative must always be in attendance at a market factor

payment panel.

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## Payment Approved

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### Principles

- Where a market factor payment is approved, the supplement will be paid with effect from the date of the market factor panel, unless the panel specify that the change will be made from an alternative date.
  - The award will be determined by the panel and will be paid as a (reviewable) supplement to the substantive grade for the post. This will be applied at the same level to all individuals carrying out that role, and will be pro rata for job share staff.
  - Affected staff members will officially remain in the job evaluated grade of their substantive post and they will progress as normal through the increments for their grade.
  - The market factor element will be then applied to each substantive spinal column point of the job evaluated grade,
  - Terms and conditions will remain in line with the post holders substantive grade, e.g. annual leave will continue to be based on the hay evaluated grade not the level of the market factor supplement.
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## Reviews

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### Review Panels

- A review of all roles which are in receipt of a market factor payment will typically be carried out by the market factor panel on an annual basis. In exceptional circumstances, the panel may agree a longer review period.
- The decision will be made based on evidence provided by the department and balanced against the benefits of public sector employment and the need to deliver value for money.
- A market factor payment review form will be sent out to the District Commander/Head of Department or equivalent, 2 months prior to the annual review panel date for completion of up to date information regarding the post and comparable market rate information.
- Failure to complete the review form and provide the documentation to evidence the supplement payment is still required, may result in the market factor payment being removed.
- Unless a specific request is made, a presenter will not usually be required to attend the review panel where the situation remain unchanged from the original submission.
- If following the annual review, the panel considers that a:
  - Payment is no longer necessary then it will be removed; or
  - Lower payment is necessary then it will be reduced.
- The effective date of the removal/reduction will be from the date of the review panel, unless agreed otherwise by the panel.

- Protection of earnings is not applicable to market factor payments.
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## Additional Information

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### Compliance

This policy complies with the following legislation:

- Equality Act 2010
  - Data Protection Act 2018
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### Further Information

Further guidance in relation to this policy can be sought from the Employee Relations Team, who will be able to advise further on the process.

- Market Factor Submission Form
  - Annual Review Form
  - Market Factor Panel Operating Arrangements which will be provided to panel members.
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