

# Market Pay Policy and Procedure

October 2020

## Policy control

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<b>Approving Bodies</b>	HR Committee, Board Governors
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## **Market Pay Policy and Procedure**

### **1. Introduction**

- 1.1 This policy applies to those posts at the Glasgow School of Art that are subject to the arrangements agreed as part of the local implementation of the National Framework Agreement.
- 1.2 GSA is committed to the principles of equal pay for work of equal value, and has introduced a single job evaluation scheme (HERA) to measure the relative value of all jobs. The grading, and therefore the salary range, of all posts subject to the National Framework Agreement are determined by the outcome of job evaluation.
- 1.3 However, there are occasions when the grading determined for a post results in an inability to successfully recruit or retain staff in particular roles which require specific knowledge or experience. In such cases it may be appropriate to pay a market supplement in addition to the salary determined by the grading of the post to ensure that such a post is filled. Such a supplement is lawful where there is evidence to justify that market factors are the “material reason” for the post attracting a higher rate of pay than other posts graded similarly.

### **2. Scope and Purpose**

- 2.1 This policy sets out when such supplements may be paid, the process by which these cases are considered and approved, and the conditions applied to them.
- 2.2 This policy has been agreed in partnership between GSA and the four recognised trade unions, EIS, UCU, UNISON and Unite.

### **3. When is a Market Supplement Appropriate?**

- 3.2 The payment of a market supplement can be appropriate where:
  - there is sufficient evidence to prove that a post cannot be filled at the salary level determined by job evaluation (e.g. one or more unsuccessful recruitment attempts in the preceding 6 months), or
  - there is sufficient market evidence to suggest that similar posts exist elsewhere, that attract a higher rate of pay and there is a likelihood of being unable to attract the relevant calibre of candidates to a vacancy, or
  - there is sufficient evidence of skilled staff leaving GSA, or being approached, for similar jobs with a higher level of pay elsewhere (such cases must be underpinned by exit interview details or other evidence).
- 3.3 The ultimate test of whether a market supplement is applied will be based on an analysis of the market which would be undertaken independently by HR.

- 3.4 Where such circumstances exist, the Heads of School/Department must contact HR to explain the situation and seek advice. HR will record the reasons given for seeking a market supplement. Consideration of requests to pay market supplements will be given on a case by case basis.
- 3.5 Where a market supplement is being considered for an existing or planned post or group of staff, HR will research the market to obtain tangible market information on the level of salary being paid for similar posts in other organisations. This is likely to include salary survey information or advertisements and job descriptions from at least two similar posts. Ensuring that it can withstand any challenges under Equal Pay legislation, HR will then propose the value of any supplement and the conditions that apply to it, and where appropriate, the trades unions will be consulted as to the need and level of the proposed supplement. In those cases, where there is a need to respond quickly (e.g. where a member of staff in a role requiring unique knowledge or experience is approached by an external organisation), feedback will be sought within twenty-four hours.

#### **4. Conditions Attached to Market Supplements**

- 4.1 Market supplements will be paid on a time-limited basis for up to a maximum of two years, subject to annual cost of living uplift as appropriate. HR will review market conditions approximately six months prior to the expiry of the supplement to determine whether the continuation of a market supplement is justifiable or necessary. This review will be carried out using, as far as possible, the same range of comparative survey data. Any changes in the level of supplementation will be determined (based on evidence) by the Director of HR in consultation with the trade unions. Where there ceases to be an organisational need or market justification for a supplement, payment will be terminated and six months' notice will be given.
- 4.2 Further particulars of such posts will identify market supplements as a distinct and separate element of pay, and must state the duration of the supplement.
- 4.3 The supplement will be subject to pension contributions. These conditions will be confirmed in the Contract of Employment. Market supplements will also be subject to statutory deductions e.g. tax and national insurance.
- 4.4 Market supplements are paid in relation to specific posts. Therefore, where it is agreed that the payment of a market supplement is appropriate, all staff carrying out the duties of the post must receive the same supplement on the same conditions.

#### **5. Monitoring**

- 5.1 The payment of market supplements will be monitored to ensure there is no unfair allocation of supplements on equality grounds. The outcomes of the monitoring process which will include total number of posts covered, the levels of supplement and their distribution by School/Department and occupation (including all the equality strands) will be presented along with other performance indicators to relevant committees within GSA including the HR Committee.