

**Manchester City Council  
Report for Information**

**Report to:** Personnel Committee – 14 February 2024

**Subject:** Market Rate Supplement Report

**Report of:** Director of HR, OD and Transformation

**Summary**

This report provides a summary of Market Rate Supplements currently in place in the Council.

**Recommendations**

The Committee is requested to note the Market Rate Supplements currently in place in the Council as detailed in the report.

**Wards Affected:** All

<b>Environmental Impact Assessment</b> - the impact of the issues addressed in this report on achieving the zero-carbon target for the city
This report covers how we attract and retain staff in hard-to-fill roles where other organisations' salary offer exceeds the Council's pay structure. Offering a competitive salary in this market is an important component of attracting and retaining staff, all of whom are engaged and essential to achieving this target.

<b>Our Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Council is a major employer in the City and Market Rate Supplements seek to balance the need for the competitive remuneration of employees in hard-to-fill roles or business-critical roles, both existing and prospective, to attract and retain the skills needed to deliver the organisational and the City's objectives (Our Manchester) and the cost of this to the communities it serves. Market Rate Supplements are reviewed periodically to ensure they remain necessary, fair and value for money.
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	

A connected city: world class infrastructure and connectivity to drive growth	
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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Market Rate Supplement Policy

## 1.0 Introduction

- 1.1 The Council has a formal policy on the use of Market Rate Supplements (MRS) and any decisions are taken in line with that policy.
- 1.2 A Market Rate Supplement is a time limited additional payment to the basic salary of a role that has been subject to job evaluation. Payments are entirely discretionary and limited to a restricted number of jobs and are agreed on an exceptional basis where there is clear evidence that the position of the role on the new pay structure is, in monetary terms, significantly lower than the market rate *and* there are recruitment *and/or* retention difficulties.

- 1.3 There are two types of Market Rate Supplements:

A **Market Rate Recruitment Supplement** is a temporary payment applied to a post by enhancing the salary, bringing the overall reward up to the market rate.

A **Market Rate Retention Supplement** is a temporary payment made to retain an individual in a business-critical role over and above their basic salary in order to retain their services, bringing their total reward package up to a competitive Market Rate.

- 1.4 Market Rate Supplements are determined by the relevant Strategic Director in conjunction with the Director of HR, OD & T and must be justified with reference to clear supporting evidence. Consideration must also be given to alternative solutions. MRS are ultimately approved by the Director of HR,OD & T following consideration of the evidence provided.
- 1.5 Reports are provided to the relevant Strategic Directors on a monthly basis three months prior to the end date of the MRS so that the MRS can be reviewed in a timely manner. The review results in either a decision to end the MRS in line with the original end date or for it to be extended for an additional 12-month period. Any proposed extensions require a further full market analysis exercise to ensure there is a high degree of rigour applied to the process and must be approved by the Director of HR,OD & T. In the event that there is evidence that the market dictates ongoing payment of the supplement is necessary, this must be reviewed every 12 months.

## 2.0 Current details

- 2.1 As of 1<sup>st</sup> November 2023, there are a total 196 of MRS attached to 26 different roles in the Council within the following directorates:

Directorate	Number of individuals receiving a MRS	Number of discrete roles carried out by those individuals receiving a MRS	Reduction /increase in last 6 months
Children Services	180	15	increase of 13
Chief Executives	0	0	decrease of 19
Corporate Core	12	7	increase of 1
Neighbourhoods	2	2	increase of 1
Growth & Development	2	2	decrease of 15
Adult Services	0	0	0

2.2 There is an overall reduction of 19 market rate supplements, this has been mainly due to service redesigns.

2.3 The total number of roles which received a market rate supplement has decreased by 13, with only 26 roles now attracting market rate supplements.

2.4 No analysis by gender, ethnicity or any other protected characteristic has been undertaken because the MRS relates to posts rather than individual postholders.

### 3.0 Rationale for use of Market Rate Supplements

#### 3.1 Children Services

- 97% due to recruitment challenges and competitive job market primarily in terms of those roles where Registered Social Worker qualification is required and where there is a national shortage of skills/ hard to recruit
- 3% due to the need to retain existing skills and experience in a competitive job market.

#### 3.2 Corporate Core

- 25% due to retention of skills & experience / competitive market
- 75% based on retention of existing skills and experience in a competitive job market, service redesign is underway that is expected to remove the need for the MRS.

#### 3.3 Neighbourhoods

- Both MRS in place are based on retention of existing skills and experience in a competitive market.

#### 3.4 Growth & Development

- Both MRS in place are based on retention of existing skills and experience in a competitive market.

#### **4.0 Recommendation**

- 4.1 Personnel Committee are requested to note the Market Rate Supplements currently in place in the Council.