



# Cabinet



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<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Market Forces Supplements Policy and Procedure
<b>Date:</b>	14 <sup>th</sup> February 2023
<b>Report on behalf of:</b>	Councillor Graeme Elliot, Portfolio Holder for Corporate Services
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix 1 – Market Forces Supplements Policy and Procedure Appendix 2 – Community Impact Assessment
<b>Background papers:</b>	None
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	Detailed within Appendix 1 – Market Forces Supplements Policy and Procedure

## Report Author / Responsible Officer(s)

Matt Rawdon, Assistant Director (People)

[Matthew.rawdon@dacorum.gov.uk](mailto:Matthew.rawdon@dacorum.gov.uk) / 01442 228513 (ext. 2513)

Priti Gohil, Human Resources Team Leader

[Priti.gohil@dacorum.gov.uk](mailto:Priti.gohil@dacorum.gov.uk) / 01442 228384 (ext. 2384)

<b>Corporate Priorities</b>	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need
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	<p>Ensuring efficient, effective and modern service delivery</p> <p>Climate and ecological emergency</p>
<b>Wards affected</b>	All
<b>Purpose of the report:</b>	For Cabinet Members to consider and approve the Market Forces Supplements Policy and Procedure
<b>Recommendation (s) to the decision maker (s):</b>	That Cabinet approves the Market Forces Supplements Policy and Procedure.
<b>Period for post policy/project review:</b>	The Market Forces Supplements Policy and Procedure is to be reviewed every 3 years from the date of approval.

## **1 Introduction**

Over Autumn 2022, a project was undertaken which explored the Council's recruitment difficulties and areas of high agency spend. In the discovery phase of the project, data was analysed on failed recruitment attempts, areas of high agency spend, reasons for staff leaving and what others were offering in relation to salary packages. From this phase, one of the key findings was that there were clear recruitment and/or retention issues across parts of the Council. The roles identified were consistent with those in other local authorities and centred on professional services such as Planning, Legal, Environmental Health and Surveyors.

## **2 Key Issues / Proposals**

The project identified various actions that are currently either being undertaken or are included in the people strategy delivery plan. However, the project also identified the need for the Council to revise its existing market forces policy, as it needed a stronger focus on governance and the application of market forces payments. The amendments are particularly important, as there was strong evidence to suggest that some roles across the Council would benefit from market forces payments to overcome some of their recruitment and retention issues. As it stands currently, there are no market forces payments applied to staff.

The proposed revisions in this policy have been benchmarked against good practice across the local authority sector. The main proposed changes to the policy include the requirement for a robust business case, which encompasses the following 4 steps:

Step 1 – Why is the Market Forces Payment required? Set out recruitment and retention issues such as failed recruitment, high turnover, high agency spend etc.

Step 2 – What is the correct market forces payment needed? What is the market paying, how does the Council compare?

Step 3 – Actions already taken: such as restructures, trainees/graduates, job amendment.

Step 4 – Approval route: detailing the route for approval, Assistant Director (People) and the Strategic Leadership Team.

There is a detailed toolkit included in the policy which will assist the completion of this new business case approach. The other key amendments include: how to change / reduce / terminate the market forces payment and the required review period for each payment.

The revised policy will provide the Council with a more robust procedure in effectively applying market forces payments in a fair and consistent way. The policy is set out in Appendix 1 of this report.

## **3 Options and alternatives considered**

The option not to make any amendments to the existing policy was dismissed given that market forces payments are now most likely to be required in some areas of the Council and a revised policy is required to apply market forces payments in a fair and consistent way.

## **4 Consultation**

In creating this policy, the following stakeholders have been consulted: Strategic Leadership Team, Finance and Resources Overview and Scrutiny Committee, HR team, Unison, Unite, Head of Financial Services and Assistant Director (Planning).

## **5 Financial and value for money implications:**

This will depend on the application of the policy. However, £200k has been proposed within the 23/24 draft budget to cover possible future costs. It is anticipated that agency staff costs should reduce if we are able to directly appoint more permanent staff members.

## **6 Legal Implications**

The Market Forces Policy has been revised to ensure consistency of application to mitigate against any future equal pay claims.

## **7 Risk implications:**

The revised policy has been designed to reduce the risks of market forces payments being applied inconsistently. The policy now has a robust justification stage via a business case and additional stages of approval.

## **8 Equalities, Community Impact and Human Rights:**

A Community Impact Assessment has been carried out and is contained in Appendix 2. There are no negative impacts have been identified from the market forces policy. It aims to provide a recruitment and retention tool to enable the Council to increase direct recruitment of candidates and also retain experienced/skilled staff in roles that are identified in the industry as being hard to fill. This new policy will provide a robust procedure in effectively applying market forces payments.

Human Rights – There are no Human Rights Implications arising from this report.

## **9 Sustainability implications (including climate change, health and wellbeing, community safety)**

There are no sustainability implications identified.

## **10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

There is a broader role for the Human Resources team to undertake within this revised policy, namely the first approval stage of the business case and ensuring the application of the policy is adhered to.

## **11. Statutory Comments**

### **Monitoring Officer:**

The policy should help to ensure that the Council can recruit and retain staff in key areas and therefore help to ensure that the Council meets of all its statutory requirements.

### **S151:**

The policy aims to increase staff retention and hence reduce the need to recruit or employ interim resources, which should see a reduction in Council staffing spend and recruitment costs. The project has a baseline budget of £200k proposed as part of the 2023/24 draft budget, that will be monitored and reported on.

## **12 Conclusion**

It has been identified that market forces payments in some areas may assist with recruitment and retention issues. It is considered prudent to have a revised Market Forces Policy that will provide a robust procedure to effectively apply market forces payments.