

Market Pay

1. BACKGROUND

- 1.1 In May 2013, the University agreed to implement two new forms of payment replacing Market Supplements (MS) as set out in section 5 of the Second Joint Report (University Reporter, [6302, 2012-13, p.423](#)).
- 1.2 Market Pay (MP) has replaced new MS awards for assistant and academic-related staff.¹
- 1.3 MP is a pensionable payment which assists in matching total pay to that in the employment market for the specific skills or profession without distortion of the grading structure or job evaluation methodology. It provides institutional flexibility to enable competitive salaries to be paid for recruitment or retention purposes where there are proven market premia.

2. INTRODUCTION

- 2.1 The grade of an office or post is determined prior to advertisement using the Higher Education Role Analysis scheme.
- 2.2 Where evidence indicates that similar posts outside of the University command higher than the salary determined by role analysis it may be appropriate to request MP in order to secure the recruitment or retention of an individual.
- 2.3 This document sets out the procedure for the consideration of applications for MP awards from 1 January 2014.

3. ELIGIBILITY AND CRITERIA

- 3.1 MP is aimed at assistant, academic-related and research posts where a particular specialist skill or a market premia exists. MP will only be paid where pay levels cannot be accommodated within the appropriate salary band/grade and there is clear objective evidence and “market data” to support the case being put forward.
- 3.2 Appointments requiring a MP award should be made on:
 - A fixed term basis with a defined end point agreed at the outset; and
 - An open-ended or permanent basis with a MP award for a fixed period of time.

¹ It is possible that MP could also be awarded to academic staff but an Advanced Contribution Supplement (ACS) should be regarded as the primary means to supplementing the income of academic staff for recruitment or retention purposes.

- 3.3 For further information or advice please speak with your HR Business Manager or HR Adviser in the first instance.

4. PROCEDURE

4.1 Application

- 4.1.1 Heads of Department (or nominated deputies) or equivalent are responsible for initiating and preparing an application for those whom they wish to be considered for a MP award, in consultation with their HR Business Manager.
- 4.1.2 Applications should be submitted using the HR50 form available from your HR School Team. If the starting salary on recruitment is above the first three spine points for the grade, a completed HR4 form should also be submitted.
- 4.1.3 Accompanying MP data should be detailed on, or attached to, the form. The HR Division holds available information on general levels of salary and pay trends for major categories of staff. Please contact the appropriate HR School Team if assistance is required with sourcing market pay data.
- 4.1.4 Institutions are expected to meet the full costs of an approved ACS from chest and non-chest sources available to them. The funding source should be stated on the application, however the default assumption will be that funding will follow that of the applicant's post.

4.2 Approval

- 4.2.1 Applications will be considered and approved by the Head of the School, the Registry, or other Head of a Non-School Institution, as appropriate, in consultation with a member of the HR Division.
- 4.2.2 Exceptionally, academic staff may be considered for MP and such cases must be approved by the Vice-Chancellor or nominated deputy in consultation with the Head of the School, Academic Secretary, the Registry, or other Head of a Non-School Institution, as appropriate, and a member of the HR Division.
- 4.2.3 In all cases, where the proposed MP is 10% or higher of the lowest salary point of the grade or band, the HR Committee must also approve the award (or for those on grade 12, the Remuneration Committee of the Council (REMCO)).
- 4.2.4 No indication of the outcome should be provided to the potential recipient until the award has been approved.

4.3 Recruitment

4.3.1 Immigration rules mean that it is only possible for MP to be paid from the start of employment to an individual who is sponsored under Tier 2 of the points based immigration system where details of the payment have been included in the advert for the role. The wording that must be used in adverts is as follows:

- In exceptional circumstances, it may be possible to offer a supplement to the salary range stated for this role of up to X%/X amount for X period. Any such supplement would be awarded on the basis of a demonstrable history of outstanding achievement and an expected future level of contribution and is entirely at the discretion of the University.”

4.3.2 The only exceptions to this are where:

- The Resident Labour Market Test (RLMT) does not need to be met for a particular role. Guidance on when the RLMT is not applicable can be found on the HR Division’s [Immigration](#) web pages; and
- It has been agreed in advance with the Head of Recruitment/Immigration and Compliance Manager that the phrase ‘Competitive salary’ can be used in adverts instead of stating specific salary package details. Please note that there are strict immigration rules on this exception so advice must be sought from HR before it is used.

4.3.3 Please contact the [HR Compliance Team](#) for further guidance.

4.4 Pay Progression

4.4.1 An MP will be increased in line with national pay awards.

4.4.2 Individuals in receipt of MP may apply, or be nominated by their Institution for, contribution increments or a change in salary band/grade. Any contribution increments or band/grade changes awarded will be incorporated into the individual's base pay and the MP reduced by a corresponding amount so that their overall pay remains the same. Individuals would not experience an increase in the overall pay they receive until their MP had been fully absorbed into their underlying base pay.

4.4.3 Where an individual is in receipt of MP and an Advanced Contribution Supplement (ACS) the ACS will be reduced first when contribution increments or band/grade changes are awarded.

4.5 Expiry

- 4.5.1 At the end of the agreed fixed term period, if an individual is continuing in employment the MP would come to an end unless an application was made to the appropriate body for a new MP award. The case for a new MP award must be based on new or updated market data.
- 4.5.2 Where an individual is sponsored by the University under Tier 2 or Tier 5 of the points-based immigration system and it is possible that MP is to be removed from him/her, this must be discussed with the HR Compliance Team in advance. This is to ensure that the removal is possible under current immigration rules and that any resulting salary change is reported to UK Visas and Immigration within required timescales.

4.6 Concerns

- 4.6.1 Employees who feel that they have been treated unreasonably under any section of the procedure can, in the first instance, raise the matter with their manager, Head of Institution, HR School Team or Trade Union.
- 4.6.2 Ultimately employees have the right to raise the matter through the relevant grievance procedure for their staff category.

5. TIMETABLE

- 5.1 Applications for MP can be made at any time of the year, however Institutions should ensure timely applications and be mindful of the approval process.
- 5.2 The MP process has superseded new MS awards with effect from 1 January 2014.

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