

Market Supplement Policy and Procedure

DOCUMENT CONTROL	
Title:	Market Supplement Policy and Procedure
Type of Document: <i>Policy/Procedure/Guidelines</i>	Policy and Procedure
Date Approved:	17 April 2024
Approved By: <i>Which Committees - Governance, etc.</i>	Remuneration Committee HR&EDI
Review Date:	2026-2025
Document Intranet Location: <i>Insert link</i>	[insert date and location]
External Sources e.g. Legislation, ACAS/Legislation/Professional Bodies: <i>if applicable</i>	National Pay Framework Agreement Guidance on use of Attraction and Retention Premia Equal Pay Act 1970
Other relevant policies to refer to:	Senior Staff Remuneration Policy Retention Policy and Procedure HERA Re-Grading Policy and Procedure
Consulted: <i>Executive / UNISON / UCU / GMB / UNITE any other leadership mgt group who have endorsed this</i>	All recognise trade unions
Equality Impact Assessment (EIA) File location: <i>Insert link</i>	[Insert date and location]
Data Impact Assessment File location: <i>Insert link</i>	N/A
Version No:	Version 1.0
Status of Document:	Draft
Previous Approved Version No:	October 2019
Document Author:	Reward Manager
Document Owner:	Human Resources Directorate

This policy will be reviewed periodically to ensure compliance with changes in employment law and equality and diversity legislation. In the event that this policy or procedure is not so compliant, the relevant legislation shall prevail.

Changes to this policy will be subject to consultation and agreement with the University's recognised Trade Unions before implementation

Contents

POLICY	3
1. Policy Statement	3
2. Policy Aims	3
3. Scope	3
4. Principles	3
5. Benchmarking Sources	4
6. Market Supplement Criteria	4
7. Payment of Market Supplements	5
8. Reducing or Withdrawing a Market Supplement	5
9. Monitoring and Review	6
PROCEDURE	6
10. Requests for a new market supplement	6
11. Reviewing Existing Market Supplements	7
Appendix A: Market Supplement Application.....	8
Appendix B: Equality, Diversity and Inclusion - Statement of commitment.....	12

POLICY

1. Policy Statement

- 1.1. Brunel is committed to the principles of equal pay for work of equal value. The way we grade posts, and therefore the salary range, is determined by the outcome of job evaluation. This ensures a consistently applied and robust approach to determining salary, which measures the relative value of positions across the University. However, there may be occasions where the evaluated grade may not be as competitive as those offered in the wider labour market, leading to recruitment and retention difficulties. In such cases where there is a clear business need, supported by objective market data, a market supplement that is paid in addition to basic salary may be appropriate.

2. Policy Aims

- 2.1. In conjunction with our job evaluation arrangements, this policy has been developed to:
- ensure a fair and transparent approach to considering and applying market supplement;
 - provide a means for objectively justifying the need to offer different rates of pay to employees whose work is of equal value is objectively justifiable;
 - comply with equal pay legislation and best practice;
 - maintain the integrity of our pay and grading structures; and
 - seek to ensure Brunel recruits and retains talented employees.

3. Scope

- 3.1. This policy and procedure apply to Brunel employees who are in positions in Grades 1 to 10 and to professorial colleagues. It does not apply to agency workers or self-employed contractors.
- 3.2. As set out in the Senior Staff Remuneration Policy, market benchmarks are already taken into account as part of the annual review of salaries for senior leaders paid at Grade 11 (i.e. spot salaries). Consequently, this procedure does not apply to colleagues in these positions.
- 3.3. Brunel has particular responsibilities in relation to migrant workers who have been issued with a Certificate of Sponsorship (CoS). The line manager will need to notify the Global Mobility and Immigration team when a supplement is approved for colleagues who are in receipt of a CoS. The team will then notify the Home Office of the salary change within 10 days of the day that the supplement comes into effect as this is a legal requirement.

4. Principles

- 4.1. Brunel is committed to ensuring transparency, fairness and equality in all our reward practices. This policy seeks to support our commitment to equality and diversity as set out in the Equality, Diversity and Inclusion Statement of Commitment included in **Appendix B**.
- 4.2. Market supplements will only be made in exceptional circumstances where there is a clear and demonstrable business need and an objective assessment of appropriate evidence has been carried out.
- 4.3. If the duties and responsibilities of a post have changed, a HERA regrading application should be considered to ensure the correct established salary grade is in place before making a case

for a market supplement.

- 4.4. A market supplement is applied to a position in response to market conditions; should a position that is identified for a market supplement have more than one post-holder, all colleagues in that position should receive the same market supplement (pro rata for part time colleagues).
- 4.5. Since market supplements relate to the position rather than the post-holder(s), they should not be used as a mechanism to reward employee performance. Excellent performance should instead be recognised using the Awards for Excellence Scheme or through academic promotion procedures if applicable.
- 4.6. While market supplements assist employee retention by ensuring salaries are aligned with market benchmarks, they should not be used to try and retain an individual employee because of their individual contributions. In these circumstances Brunel's Retention Policy and Procedure would be the appropriate policy to consider.
- 4.7. Market supplements are regularly reviewed, usually every two years, and may increase or decrease in value depending on the market benchmarking data or removed entirely if there is no longer an objective justification to continue paying the supplement in addition to basic salary.

5. Benchmarking Sources

- 5.1. It is important that benchmarking data used for pay determination is objective and comparable to the position being considered. Comparing salaries from job advertisements alone can be problematic as it may not be clear if positions are comparable in terms of duties, size and scope.
- 5.2. Benchmarking data will need to include the HE sector although additional benchmarking data for comparable sectors (NHS, local government, other not-for-profit sectors) where we also compete for talented employees may also be appropriate. When considering benchmarking data from other sectors it is important to consider any differences in the total reward offering including basic salary, additional allowances, pension contributions, annual leave provision and other employee benefits.
- 5.3. To ensure objective comparability, benchmarking data will be drawn from:
 - UCEA's annual Staff Remuneration Survey
 - UCEA All Industry Data
 - IDR Pay Survey (multi-sector) and
 - Comparable roles within Brunel.
- 5.4. By exception, and where there is a skills shortage within the particular industry specialism where benchmarking data from the agreed sources above is limited, data will be gathered from comparable advertised vacancies from suitable sectors. This data will be reviewed by the HR Directorate to ensure suitable comparability.
- 5.5. When determining market supplement levels, the median benchmark is normally used. The Market Supplement form will outline the lower quartile, median and upper quartile range and will be provided to the Market Supplement panel for information purposes.

6. Market Supplement Criteria

- 6.1. Market supplements will only be awarded where there is a clear and objective business case,

using the pro forma provided in **Appendix A**.

6.2. The business case will need to set out:

a) evidence of at least one unsuccessful recruitment campaign in the preceding six months due to higher external market pay rates in comparison to the total reward packages available to employees at Brunel;

or

b) evidence of employee retention difficulties and staff leaving or being approached for similar positions with a higher level of remuneration using objective data such as turnover data and exit interview responses;

and

c) benchmarking data from agreed sources (provided by HR);

d) analysis of any equal pay impact this will have for those in comparable positions;

e) Confirmation that consideration of forthcoming pay increases including the annual pay award and incremental progression has been taken into consideration.

7. Payment of Market Supplements

7.1. Market supplements are additional payments to basic salary and are subject to the normal statutory deduction including income tax and National Insurance Contributions. They are paid equally over 12 months and identified separately on payslips and other salary related documentation.

7.2. Market supplements are paid on a pro rata basis for part time employees.

7.3. While in place, market supplements are superannuable and included in the calculation of any statutory and occupational pay elements such as overtime, sick pay, family leave and redundancy.

7.4. Market supplements are not subject to any cost of living increases.

7.5. Market supplements are not affected by normal automatic increments or progression.

7.6. Agreed market supplements for employees in existing positions will be paid in the month following confirmation of the supplement by the Market Supplement Panel. For new appointments, the market supplement will be applied from the start of their employment.

8. Reducing or Withdrawing a Market Supplement

8.1. Where an employee who is in receipt of a market supplement moves to another position within Brunel that does not attract a supplement, the market supplement for their previous role will end on the date they commence their new position.

8.2. Should a review of a market supplement and the benchmarking data determine that a market supplement is no longer justified, the employee will be given three months' notice that the supplement is to be withdrawn. To support employees with the financial transition, the

supplement will be phased out as follows:

- Months 1 – 4: 75% of the market supplement will be paid
- Months 5 – 8: 50% of the market supplement will be paid
- Months 9 – 12: 25% of the market supplement will be paid.

9. Monitoring and Review

- 9.1. Market supplements will usually be reviewed every two years by the Market Supplement Panel. The HR Directorate will contact Heads of Departments/Directors and the HR Business Partner to trigger the review process in line with the procedure set out in section 10.
- 9.2. The application of market supplements, including equality data when it can be presented in a suitably anonymized form and the impact on pay equality, will be reported annually to the Remuneration Committee.

PROCEDURE

10. Requests for a new market supplement

- 10.1. Requests for a new market supplement for existing positions and new or vacant positions should follow the procedure set out below. For new and vacant positions, the market supplement will need to be determined prior to advertising the position.
- 10.2. Requests for a market supplement should be submitted using the pro forma in **Appendix A** by the line manager with advice from their HR Business Partner.
- 10.3. Requests should be discussed with the Executive Dean of College (for academic positions) or Director of Professional Services area (for professional services positions) and submitted only with their support.
- 10.4. Market benchmarking data will be provided by the HR Directorate (usually the Reward Manager) using the agreed benchmarking sources set out in section 5.
- 10.5. The completed request should be submitted by email to the HR Directorate at Rewards@brunel.ac.uk
- 10.6. The HR Directorate will arrange for the market supplement request to be considered by the Market Supplement Panel, which comprises:
 - The Deputy Vice-Chancellor
 - The Chief Operating Officer
 - The Director of Human Resources
 - The Associate Director of HR – Employment Services
- 10.7. In addition to the market supplement request, the HR Directorate will also provide the Market Supplement Panel with data on equality considerations including internal relativities and the impact on any gender, ethnicity and disability pay gaps.
- 10.8. The Market Supplement Panel will consider the case and whether the benchmarking data and recruitment/retention evidence justifies the application of a market supplement.

- 10.9. Where a market supplement is justified the Market Supplement Panel will identify the level of supplement to be applied, which will normally be aligned to the median benchmark. Only in exceptional circumstances and with a strong business case, will the Market supplement Panel consider an upper quartile range point for a market supplement.
- 10.10. The Market Supplement Panel's decision will be communicated by the HR Directorate to the Head of Department and Executive Dean or the Director of Professional Services.
- 10.11. There is no right of appeal against the decision of the Market Supplement Panel.

11. Reviewing Existing Market Supplements

- 11.1. Market supplements are regularly reviewed, usually every two years. The HR Directorate will contact Heads of Departments/Directors and the HR Business Partner to trigger the review process in line with the procedure set out in section 10.
- 11.2. The Market Supplement Form should be submitted by email to the HR Directorate at Rewards@brunel.ac.uk
- 11.3. There is no right of appeal against the decision to remove or reduce a market supplement. However, a summary of the market benchmarking data will be provided to the employee to demonstrate transparently why the supplement is no longer justified.

Market Supplement request form

Appendix A: Market Supplement Application

This form should be completed by the line manager and supported by their Executive Dean/Director. This information will form the record of the investigations and the rationale for the decision.

College/Directorate		
Form Completed by (line manager)		
Position title (line manager)		
Position title		
Position grade	Grade	
Position Status	New <input type="checkbox"/>	Existing <input type="checkbox"/>
New Market Supplement request or Extension	New <input type="checkbox"/>	Extension <input type="checkbox"/>
If an extension, please state the justification reason for the previous allowance and if this still applies:		
Name of current or most recent role holder(s)		
Executive Dean/Director Name:	Signature:	
Comments:		

Evidence of recruitment issues (to be completed by Line manager)		
Has there been any recent failed recruitment attempts to this post?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Did the feedback indicate that the salary range was the main contributor?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If yes, please provide details:		
Has the employee(s) indicated that they are dissatisfied with their current pay? Please explain:	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Have the position duties and responsibilities changed? If so, what has changed, please explain:	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If yes, then the role may need to be graded again. **Please contact your HR Business Partner for further information.**

Has there been a high turnover (above the national average) in this post? Contact HR Rewards for advice if needed.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
---	------------------------------	-----------------------------

If yes, provide details of turnover:

Knowledge and Experience of employee(s) in the post (if applicable) (to be completed by Line manager)

Name	Current Salary			Knowledge and Experience
	<i>Spinal Point</i>		<i>Total</i>	
	<i>Market Supplement</i>		£	
	<i>Other Allowance</i>			
	<i>Spinal Point</i>		<i>Total</i>	
	<i>Market Supplement</i>		£	
	<i>Other Allowance</i>			

Market data (to be completed by HR Rewards Team)

Market data source	Job title/location (Specialism data)	Lower Quartile	Median	Upper Quartile
UCEA - HEI data				
UCEA – All industry data				
IDR – Public Sector (Incomes data research)				
IDR – All industry data				
Other				

Internal Comparator role	Salary 1.0 FTE	Market Supplement Value

Market pay benchmarking Outcome (to be completed by HR Rewards Team)

What is the average market pay rate for the post? (Including pre 92 University and Location data)	Lower Quartile	Median	Upper Quartile

What is the difference between the average market rate and the current employee's rate of pay?

Employee	Current 1.0 FTE	Lower Quartile	Median	Upper Quartile

Equality Impact Assessment, including pay gaps (to be completed by HR Rewards Team)

Recommended Market Supplement Value (to be completed by HR Rewards Team)

Employee	Grade and salary point	Market Supplement Value	Total 1 FTE
	G LA		

Recommended premium (to be completed by the Market Supplement panel)

What is the value of the allowance to be offered to the current incumbent(s)?

Employee(s)	Grade and salary point	Market Supplement Value	Market Position (LQ, Median, UQ)

Please provide additional rationale if a higher than Median market position is being approved.

Market Supplement panel Chair (signature): _____

Date: _____

Form to be returned to the HR Rewards Team

Appendix B: Equality, Diversity and Inclusion - Statement of commitment

Brunel University London is committed to fostering an inclusive and diverse workplace that values and respects the unique contributions of all individuals.

We believe that embracing equality, diversity, and inclusion not only enhances our organisational culture but also drives innovation, collaboration, and employee satisfaction. We strive to create an environment where everyone feels welcomed, empowered, and supported, regardless of their race, ethnicity, gender, age, sexual orientation, disability, religion, or any other characteristic protected by or under the Equality Act 2010

Our commitment to equality, diversity, and inclusion extends to all aspects of our employment practices, including recruitment, hiring, promotions, training, and overall career development. We actively promote fairness, equity, and opportunity for all employees, recognising that diversity in backgrounds, perspectives, and experiences strengthens our ability to achieve our goals and serve our customers and stakeholders.

In order to achieve an environment that is free from unlawful discrimination and which encourages everyone to contribute fully to its work, the University will endeavour to ensure that it eliminates discrimination, harassment, victimisation and any other conduct that is prohibited by Law.

Intentions

The University commits to increasing the representation of underrepresented groups in leadership positions and providing training and development opportunities to all employees regardless of their background or identity. We aim to achieve this by implementing fair and unbiased recruitment and hiring practices that attract a diverse pool of qualified candidates. We will actively seek to eliminate any barriers to entry and ensure equal opportunities for all individuals, regardless of their background or characteristics.

Support and resources have been made available to employees to help them succeed and thrive in the workplace. This includes programs that support work-life balance, flexible work arrangements, mentoring and coaching programs, and access to employee resource groups.

We are committed to ensuring pay equity within our organization, conducting regular reviews to identify and address any disparities based on gender, race, or other protected characteristics. We will maintain transparency and fairness in our compensation practices.

We will provide regular diversity and inclusion training programs to educate employees about unconscious bias, cultural competence, and respectful communication. These initiatives aim to promote understanding, empathy, and an inclusive mindset throughout the organisation.

It is important to regularly monitor progress toward our diversity and inclusion goals, and adjust our retention policy as needed to ensure that we are creating a workplace that values and supports all employees equally.