

# Policy

---

**Title:** Market Weighting Allowance – Level 7

---

**From:** HR/Reward

**Date:** 28 May 2014

---

## Introduction

The University recognises that there may be exceptional circumstances when, for particular groups of roles in certain disciplines, recruitment and/or retention levels cannot be maintained to meet the needs of the University because such roles or disciplines may attract higher salaries externally. In such circumstances a Market Weighting Allowance may be paid in addition to base salary at the appropriate grade (as evaluated through the HAY job evaluation scheme) to bring total pay in line with pay in other organisations.

Market Weighting Allowances will only be appropriate where particular roles have been identified as requiring a market premium; the weighting applies to all of those roles as a group. Market Weighting Allowances are variable pay elements which are subject to change; they will therefore be paid as a separate allowance on a monthly basis and are non-pensionable.

Market Weighting Allowances are applicable to job particular families/groups of roles, and not to individual employees, and so should not be used to secure the recruitment or retention of individual 'talent'; Consideration should be given to the Personal Value Allowance policy in such cases.

## Policy

### 1. Scope

This policy applies to Level 7 employees of the University of Southampton. (The existing market supplement provisions continue to apply at all other levels).

### 2. Identification of Market Weighting Allowances

The Dean of Faculty/Head of Professional Service is responsible for identifying a need for a new Market Weighting Allowance.

Funding also needs to be identified to support the case for a new Market Weighting Allowance, and be financed by the Academic Unit/Faculty/Professional Service, with sign-off from the Head of Faculty Finance/Professional Service Finance Manager. Finance will need to approve the additional allowance is budgeted.

### 3. Procedure and Payment of Market Weighting Allowances

Market Weighting cases will be investigated by the Reward Team, through use of relevant market pay data, to determine whether there is a need for a market weighting, and if so, what the appropriate level would be.

The case will consider/examine the following:

- Redesigning the job/team to provide the work in another way;
- Whether the post is essential to maintaining the business needs of the University;
- Whether turnover rates are significantly higher than the overall University figure;
- Whether an attempt has been made to recruit to the role and, if so, the number and quality of responses to job advertisements;
- Comparisons with other jobs:
  - Within the sector, *via* detailed and specific pay survey data (such as that currently available from sector-specific surveys conducted annually by UCEA, XpertHR and Hay).

- Locally/nationally/internationally, as appropriate, *via* pay surveys with appropriate scope (such as those currently available from Hay and IDS), and through research into job adverts and information sought from other employers.
- Recommendations for the appropriate value of the Market Weighting Allowance, if needed. Any Market Weighting Allowance will be expressed as a fixed lump sum, not a spinal point. The suggested value of the Market Weighting Allowance will normally be based on the median salary of the data used.

All Market Weighting Allowance reports are written by the Reward Team, and then submitted to the Dean of Faculty/Head of Professional Services and to the Provost for approval.

Where a Market Weighting Allowance is agreed, Human Resources will advise Payroll and amend employee contracts accordingly, to include the amount of the market weighting, the reason for the weighting, that it will be reviewed on an annual basis, and that the University has a right to withdraw or amend the payment.

The Market Weighting Allowance will be payable to any other post holder with an exactly comparable job\* (i.e. the post holder is working to the same job description). Where similar posts exist (i.e. the job description is similar, but not identical), the market weighting procedure must be applied separately.

*\* HR will identify job categories eligible for market weighting using benchmarking surveys and will work with faculties where required to determine application.*

Where a Market Weighting Allowance is not agreed, the Provost will discuss further with the Dean of Faculty/Head of Professional Service and will consider whether other allowances in place are more appropriate.

The Market Weighting Allowance is not pensionable and will not be affected by annual pay awards. Payment will be made on a pro-rata basis for part time staff, according to the number of hours worked.

#### 4. Benchmark Review of Existing Market Weightings

In September each year, the Reward Team will review active market weightings.

The review will benchmark salaries using the most recent pay survey data from a variety of sources, and in the local market, if necessary. If the survey does not contain data necessary to complete the survey, the Provost can request the commission of a new survey, at the cost of the Faculty/Professional Service. The median of the data samples will be used.

As a result of the benchmarking review, Market Weighting Allowance in payment may either continue at their current level, increase, decrease or be removed. The Reward Team will discuss the outcomes of the benchmark review with the relevant Dean of Faculty/Head of Professional Service and confirm the outcome in writing to each employee. Employees will be notified of any changes to Market Weighting Allowances at least three months prior to any changes taking effect.

#### **Maintaining this policy**

The University will monitor the effectiveness of this policy and its general compliance within the organisation. This policy will be kept up to date and amended accordingly to reflect any changes in response to revised legislation and applicable standards and guidelines.

This policy will be reviewed at least annually.

DATE	REV No	CONTENT	PREPARED BY	APPROVED BY
May 2014	1	New policy	A Gameson	UCU JNC