

GUIDANCE: GEOGRAPHICAL SUPPLEMENT SCHEME

Introduction

1. A Geographical Supplement (GS) is an addition to the pay of a group of posts at specific location(s) within a probation Area.
2. For a GS to be applicable there must be clear evidence of high living costs in the travel to work area that are higher than those of staff living in neighbouring areas together with major comparative recruitment and retention problems at the locations.

National Scheme

3. It will be open to Probation Boards/Trusts and/or Trade Unions to make an application to the NNC to request that an area or locality within an area be covered by a geographical supplement; that an existing supplement be changed; or that an existing supplement be withdrawn.

Unilateral submission to the NNC should only be made in exceptional circumstances after local negotiating procedures have been completed. Following authorisation by the NNC, supplements should be reviewed at least annually and a Business Case must be submitted every three years to justify the continued payment of a supplement. Where continued payment is no longer justifiable, or a lower payment is more appropriate, the payment should be withdrawn or the value adjusted, subject to a notice period of three months.

4. A Business Case must have been submitted to the NNC and have been approved before the GS can apply to employees in the areas/localities concerned. Applications may be for the whole or part of an Area.

A GS is expressed as a cash sum and is separately identifiable from basic pay. It ranks for pension purposes but is not enhanced when either unsocial or excess hours are worked. In the interests of transparency, GS payments are not paid through the salary spine.

5. A GS that has been approved will be implemented from the date of formal submission to the NNC.

London Allowance

6. London Allowance will continue to be paid to relevant employees and the Geographical Supplement Scheme will not be applicable to these employees. London Allowance will be:

1 April 2008 £3,700
1 April 2009 £3,800

Procedure

7. The NNC will consider submissions in accordance with the following procedure:

i) Submission Stage one

The Business Case must provide evidence that:

- Costs for staff living in the travel-to-work area covered by the proposed Geographical Supplement are significantly greater than for staff living in neighbouring travel to work areas; and
- Comparative recruitment and retention problems have existed, over a significant period of time that have seriously adversely affected service delivery; and
- Annual staff turnover is significantly higher than that currently applicable across both the UK public and private sectors, and

The Business Case should include:

- a. The level of Geographical Supplement being sought and the location(s) to which it will apply;
- b. Details of the parties who are making the application and a named person and contact details should it be necessary to obtain further information;
- c. Explanation as to why a Geographical Supplement is needed and what it will achieve that other pay or non-pay strategies cannot;
- d. Information, including examples, as to how service delivery is being seriously adversely affected over a significant period of time across the location(s) for which the Geographical Supplement is being sought. Initiatives already in place to address explicitly these problems must also be included;
- e. Information on Market Forces Supplements that are already being paid at the relevant locations;
- f. Description of any other pay and/or non-pay initiatives used to recruit and retain staff and how successful they were;
- g. A salary survey that includes relevant comparisons for a minimum of five major local employer competitors, where practicable;
- h. Information provided from employee exit interviews, if conducted;
- i. Staff turnover data;

- j. Views of trade unions through the appropriate JNCC representatives who may be involved in the application;
- k. Information on consultation that has taken place with adjacent Probation Areas on any potential repercussive effects for them of implementing the GS being sought;
- l. Any other relevant information to justify the payment of the level of Geographical Supplement sought.

ii) Submission Stage two: Determining the Payment Level

In the second stage, the appropriate level of payment is determined by the NNC. There are three levels of GS payment:

	1 April 2008	1 April 2009
Level 1	£3,700	£3,800
Level 2	£1,750	£1,800
Level 3	£ 875	£ 900

The level of payment is determined against the following headings:

- cost of living data for the area
- housing cost
- local labour market information
- other relevant information, including affordability.

Attention should also be given to likely aggregated housing and travel to work costs based on where staff actually live.

Where acute recruitment, retention and staff turnover difficulties are restricted to certain occupations at locations, GS payments would not be applicable. However, in such circumstances a case may exist for payment of a Market Forces Supplement.

Review

- 7. The amounts payable at each level of GS and London Allowance will be reviewed annually, from 1 April 2008, as part of the annual pay review process. The NNC will conduct a review of the Geographical Supplements Scheme in April 2009.

November 2009