

## Human Resources Policy No.W29

# Recruitment & Retention Premia

**Additionally refer to:** **Agenda for Change Terms and Conditions handbook  
(Section 5 and Annex 10)**

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## **1. POLICY ON A PAGE**

- 1.1. The implementation of national terms and conditions of employment will ensure that the Trust employs staff on arrangements that are fair, appropriate and justifiable.
- 1.2. However, the situation may arise when market pressures are such that the national terms are insufficient to prevent local recruitment and retention difficulties. This policy sets out the Trust's approach to determining whether a pay premium should be paid to a designated group of staff or individual so as to enable the problem to be solved.
- 1.3. Please see section 7 for the Procedure for Local RRP

## 2. SCOPE

- 2.1 The policy applies to all staff covered by the Agenda for Change agreement. It does not apply to Executive Directors, doctors, dentists or workers not employed by the Trust.
- 2.2 This policy is established under and incorporates the terms of the national agreement on pay for staff other than doctors and dentists and will be automatically updated by any changes in that agreement. Similarly, it will be reviewed in the light of any change in national policy.
- 2.3 Under the principles set out in our Equality and Diversity policy, and so as to comply with legislation, the Trust seeks to ensure that the principles of equal pay are applied in the terms and conditions of employment of all staff. Accordingly, the payment of recruitment and retention premia will be subject to careful scrutiny pre-payment to ensure this is the most effective solution to the problem and that the decision is fair, objective, lawful and justifiable. Particular care will be taken when a proposed payment could be reviewed as favouring or disadvantaging any group because of their race, gender, age etc.

## 3. DEFINITIONS

- 3.1. **Recruitment and Retention premia (RRP)** are defined by the Agenda for Change national agreement as follows:

“A recruitment and retention premium is an addition to the pay of an individual post or specific group of posts where market pressures would otherwise prevent (the Trust) from being able to recruit staff to and retain staff in, sufficient numbers for the posts concerned, at the normal salary for a job of that weight.”

- 3.2. **National premia** are premia paid in accordance with national NHS rules.
- 3.3. **Local premia** are premia paid in accordance with locally agreed rules.
- 3.4. **Short term premia** will apply where the labour market conditions giving rise to the recruitment and retention problems are expected to be short term and where the need for the premium is expected to disappear or reduce in the foreseeable future. Short term premia:
  - may be awarded on a one-off basis or for a fixed term;
  - will be regularly reviewed;
  - may be withdrawn or have the value adjusted subject to a notice period of six months; and
  - will not be pensionable, or count for the purposes of overtime, unsocial hours payments or any other payments linked to basic pay.

- 3.5. **Long term premia** will apply where the relevant market conditions are more deep-rooted and the need for the premium is not expected to vary significantly in the foreseeable future. Long term premia:
- will be awarded on a long-term basis;
  - will have their values regularly reviewed;
  - may be awarded to new staff at a different value to that which applies to existing staff; and
  - will be pensionable, and will count for the purposes of overtime, unsocial hours payments and any other payments linked to basic pay.

## 4. GENERAL

- 4.1. Recruitment and Retention premia apply to **posts not people**.
- 4.2. Key points from the national agreement include:
- premia may be awarded on a national basis to particular groups of staff;
  - where agreed nationally, the level of payment will be specified or the Trust will be given guidance on the appropriate level of payment;
  - premia apply to posts and are not transferable to other posts if the postholder changes job within the Trust or leaves to join/joins from another Trust;
  - premia are supplementary payments over and above any other payments a jobholder receives by virtue of their post or working pattern;
  - premia will be defined as cash sums and will be separately identifiable from basic pay, and any other component of pay;
  - the combined value of any national and local premium payable to a post shall not normally exceed 30% of basic salary.

## 5. NATIONAL RECRUITMENT AND RETENTION PREMIA

- 5.1 National negotiations during the development of Agenda for Change identified a number of posts where there was prima facie evidence that a premium was necessary to ensure that Trusts were able to recruit during the transition to the new pay system. On 1<sup>st</sup> April 2013 all payments ceased in accordance with Annex 18.
- 5.2 Should national review result in further arrangements these will be implemented accordingly.

## 6. LOCAL RECRUITMENT AND RETENTION PREMIA

- 6.1 Annex 10 of the national terms and conditions handbook sets out a protocol for the payment of local recruitment and retention premia.
- 6.2 If it is decided that the vacancy or retention problem can be addressed most effectively only through payment of a local recruitment and retention premium, the Trust will decide in partnership with the JNCC whether the problem is likely to be resolved in the foreseeable future (in which case any premium should be short term) or whether it is likely to continue indefinitely (in which case any premium should be long term).
- 6.3 The Trust will then consult with neighbouring Trusts, JNCC and other stakeholders, before reaching a final decision.

## **7. PROCEDURE FOR LOCAL RECRUITMENT & RETENTION PREMIA**

7.1. This section sets out the procedure by which the need for a local recruitment and retention premium will be decided.

7.2. Managers who identify that they have a current or potential serious recruitment and retention difficulty should discuss this with their Workforce Business Partner with a view to establishing the underlying reasons and finding a solution without undue delay.

7.3. The Care Group lead Manager and Workforce BP will review:

- the recruitment activity to date, including the advertising that has already taken place (media, style etc.), the quality of the recruitment information pack (job description, person specification, department information etc.) and the response rates;
- whether the difficulty could be addressed through a more flexible approach to working patterns, the use of part-time staff, adjusted roles, service modernisation etc;
- whether an increased supply of candidates could be achieved through the use of an improved non-pay employment package – improved training package, relocation expenses, childcare support etc;
- whether the experience is national, local to the Trust only or whether it is also the case in other local relevant employers;
- whether the problems are related to avoidable work-related pressures, working environment, volumes, procedures etc. that require attention; the staff survey may have useful pointers in this regard;
- the reasons for leaving given in recent exit interviews (where available);
- whether the problem is seen as short or long term;
- whether the use of bank, agency or locum staff is an acceptable and more cost effective solution.

7.4. Where appropriate, local staff representatives will be included in these discussions.

7.5. Where the conclusion of these discussions is that it may be appropriate to pay a recruitment and retention premium, the Manager should prepare a written report setting out the case (appendix A):

7.6. In other cases, such as the planned closure of a service or a significant service growth in a hard to recruit to service, the Manager may wish to anticipate any expected recruitment and retention difficulties. In this case the situation should be discussed with the Care Group Lead /Head of Service and Workforce Business Partner as above and an appropriate action plan developed. Where a short term recruitment and retention premium is to be proposed, an appropriate report should be written by the Care Group/Head of Service, using the above as a guideline.

7.7. The Care Group Lead/Head of Service should discuss the report with their line Trust Board Director, who will assess the case and consider whether other service areas within the Trust may be able to support an alternative solution to the problem.

7.8. The agreed report should then be submitted to the Deputy Workforce Director who will:

- obtain pay and turnover data from other relevant organisations (where available);
- consider whether the proposal would set a precedent for other staff groups within the Trust and whether it is consistent with other payments made;
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- report on these matters to the relevant managers and staff representatives.

7.9 Where the Trust considers that a premium may be justified, the proposal will be discussed with the relevant staff representatives and the JNCC. The JNCC will consider whether the proposed payment is the most effective solution to the recruitment and retention problem before discussing the details of the payment.

7.10 Human Resources will retain a copy of the report and supplementary information for future reference.

## **8. AGREEMENT OF LOCAL RECRUITMENT & RETENTION PREMIA**

8.1. When determining the payment of a recruitment and retention premium, the following elements will be subject to consultation with JNCC with a view to reaching agreement:

- whether the payment is long term or short term;
- if short term, the anticipated or known period of the payment;
- the job(s) covered by the agreement;
- the amount payable, including whether the same amount is payable for all or whether this varies according to pay point within the grade, new entrants only etc;
- when the premium is to be paid e.g. monthly with pay, lump sum on entry, lump sum on completion of project;
- the review date for the payment;
- whether the payment amount will increase automatically with pay or to be reviewed separately.

8.2. All agreements will be subject to approval by the Trust Board's Remuneration Committee.

8.3. The introduction of a national premium for a group of staff will automatically replace any local premium already in place for the group of staff. Where the national premium is lower than the local premium the need for any supplementary local premium will be reviewed.

8.4. Where a premium is to be paid, the staffing budget of the Department(s) concerned will be reviewed by the relevant Manager and Finance Manager.

## **9. REVIEWS AND PROTECTION**

9.1. Locally determined premia will be subject to annual review to determine the need for the continuation of the payment. The original criteria for the payment will be used for the review in order to ensure these remain appropriate. All changes will be discussed at JNCC and will be subject to agreement by the Remuneration Committee.

9.2. It may be necessary to review the need for alternative action so as to help reduce or remove the recruitment and retention problem.

9.3. The review may also include taking into account the views of, and similar arrangements in, other local NHS employers and stakeholders.

9.4. Where the payment is to be reduced or removed, the payments to be made during the phasing out period, if any, will be agreed. It should be noted that all short term premia are subject to six months notice of any change in value or withdrawal.



## **10. TRANSFERS AND PROMOTIONS**

- 10.1. Staff who move to a different post that does not attract a recruitment and retention premium, whether within the Trust or from another Trust, will lose their entitlement to the premium with effect from the date of transfer.
- 10.2. Staff who voluntarily move to another post outside their current specialism will lose any premium with immediate effect. If an individual is required to transfer as a result of organisational change and the premium is to continue for other jobholders in the current post, then the Trust's normal Protection of Pay policy re organisational change will apply.
- 10.3. Staff who are promoted within their current specialism will lose any premium relating to their current band with immediate effect but will become eligible for any premium payable to the higher band. The individual will be assimilated into the higher band at a pay point so as to ensure no financial loss in basic salary inclusive of premium (this excludes the impact of other pay supplements such as unsocial hours payments), subject to the maximum of the scale for the new pay band. Guidance should be sought from HR where this would mean the individual progressing through a threshold in the new pay band, as a personal arrangement will be required.

**BUSINESS CASE FOR RECRUITMENT & RETENTION PREMIA**

**Supporting Evidence**

Post Title:	
Care Group/Directorate	
Centre/Department:	
Post Pay Band:	
Establishment and skill mix):	
Current level of staffing and skill mix	
Relevant performance data	targets, achievements etc

Is this application for problems with: (Please Tick)		
Recruitment <input type="checkbox"/>	Retention <input type="checkbox"/>	Both <input type="checkbox"/>
Are you applying for:		
Short Term RRP <input type="checkbox"/>	Long Term RRP <input type="checkbox"/>	
Proposed Effective Date:	Proposed Duration:	
Is there any other RRP currently applied?		
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If YES, Please give further details:		

<b>Evidence of the difficulties in recruiting/retaining staff within the band(s) that are the concern:</b>
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Evidence of previous attempts to recruit or retain. In this section you should include information such as exit interview results; response to adverts; turnover rates for posts(s); National Shortages; Availability of Locum/Agency Equivalents; External (non-NHS) Rates of Pay, etc

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If you are providing information about external rates of pay for similar posts, please attach recent adverts

Suggested Value of RRP based upon above information (per full-time post):	£..... per annum
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Please summarise any other action that has been taken/considered to overcome recruitment or retention issues. This should include evidence that non-pay solutions have been tried and have proven unsuccessful (flexible working; additional training; changes to roles and recruitment initiatives).

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The proposed premium:-

- level of payment and the band(s) that this would apply to (this may be set at different rates for pay points within the same band);
- whether a long term or short term premium is proposed;
- the number of staff involved;
- the cost of the proposal and the additional costs currently being incurred in supporting the service;

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Please detail below the total cost of the proposed RRP and any cost saving that could be achieved through the application of RRP (i.e. reduction in agency costs)

Suggested RRP VALUE	X	Number of EMPLOYEES	=	Total COST OF RRP
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Current cost of Locums (per person):

Where will the RRP be funded from? (e.g. Existing/Additional Funding)

Expected benefits of applying RRP (IE reduced waiting times; reduced complaints; increased applications; improved absence rates, reduced turnover etc)

How and to what extent the proposed premium will address any current performance deficit i.e. what impact it will have on service delivery

Signed by Assistant COO/Head of Service

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Date:.....

Signed by Workforce BP

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Date:.....