

## HUMAN RESOURCES POLICY

### RECRUITMENT & RETENTION PREMIA

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<b>Equality Impact Assessment</b>	
<b>Date</b>	<b>Issues</b>
22.03.13	None

<b>Policy Validity Statement</b>
This policy is due for review on the latest date shown above. After this date, policy and process documents may become invalid. Policy users should ensure they are consulting the currently valid version of the documentation.

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## **1. POLICY STATEMENT**

1.1 The aim of the Recruitment and Retention Policy is to ensure that the CCG remunerates all of its employees at a level at which recruitment and retention difficulties will not be encountered. This Policy also takes full account of the arrangements for the policy as defined under the NHS Terms and Conditions of Service.

1.2 This policy will apply to all employees.

## **2. PRINCIPLES**

2.1 A recruitment and retention premium may be awarded on either a short-term or long-term basis, determined by principles outlined in the following paragraphs.

2.2 Training and support will be provided to all Line Managers in the implementation and application of this policy

2.3 To ensure consistency in the application of payment of Recruitment and Retention Premia the CCG should not offer a local Recruitment and Retention Premia without prior consultation with Staff Side.

2.4 The application for the award of recruitment and retention premia can only be generated at senior manager level.

2.5 The Human Resources Service will maintain a database of all recruitment and retention premia being paid within the CCG, and will initiate a review of all premia at least annually and provide a report to each Chief Officer.

2.6 The CCG may use a premium in two main ways; either through recruitment; or through a requirement to retain staff; based on the job within a locality or through a market shortage or a specific skill set, both of these may be applied in a long or short term capacity.

2.7 Recruitment and retention premia will be considered in cases where it is proven that adjustments to non pay benefits are unlikely to improve the situation and one or more of the following conditions apply:

- There are documented labour market shortages within a defined geographical area;
- NHS employers locally have jointly agreed to pay supplements for designated posts and the organisation needs to remain competitive in the recruitment market for equivalent posts;
- There is a competitive non-NHS labour market where salary survey data indicates that enhancements to Agenda for Change evaluated pay rates would be required to attract and retain staff;
- Where there is consistent data showing high patterns of turnover, supported by exit interview data, indicating a direct link to dissatisfaction with pay levels.

2.8 However, if on the basis of paragraphs 4.13 and 4.14 above, it is decided that the vacancy problem can be addressed most effectively only through payment of a recruitment and retention premium, management and staff side should decide in partnership 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).

2.9 Before consideration is given to payment of Recruitment and Retention Premia to ensure retention of staff, management will ensure non-pay benefits (e.g. training and development)

are sufficiently developed. Where possible local turnover rates should be compared with national rates. Regular analysis of exit interview data will be undertaken to assess how far pay is a factor in employees' decisions to leave the CCG.

- 2.10 If it is decided that a retention problem can be addressed most effectively only through payment of a recruitment and retention premium, the organisation will decide 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).

### **3. DEFINITION**

- 3.1 Recruitment and Retention Premia (RRP) is an additional payment to the basic pay of an individual post or specific group of posts.
- 3.2 Recruitment and Retention Premia may be paid in circumstances "where market pressures would otherwise prevent the employer 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".
- 3.3 Recruitment and Retention Premia is a supplementary payment over and above the basic pay that the post holder receives by virtue of their position on their pay band, any high cost area supplements, or any payments for unsocial hours or on-call cover.
- 3.4 Recruitment and Retention Premia will apply to posts rather than to employees. Where an employee moves to a different post that does not attract a recruitment and retention premium, either within the same organisation or elsewhere in the NHS, their entitlement to any previous recruitment and retention premium will cease and pay protection will not apply.

#### ***Short Term Premia***

- 3.5 Short-term Recruitment and Retention Premia will apply where the labour market conditions giving rise to 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 will normally be applied for a period of no longer than two years.
- 3.6 Short-term Recruitment and Retention Premia:
- may be awarded on a one-off basis or for a fixed-term;
  - will be regularly reviewed (not less than annually);
  - may be withdrawn, or have the value adjusted, subject to a notice period of six months; and
  - will not be pensionable, or count for purposes of overtime, unsocial hours payments or any other payments linked to basic pay.

#### ***Long Term Premia***

- 3.7 Long-term Recruitment and Retention Premia will apply where the relevant labour market conditions are more deep-rooted and the need for the premium is not expected to vary significantly in the foreseeable future.
- 3.8 Long-term Recruitment and Retention Premia:
- will be awarded on a long-term basis;
  - will be regularly reviewed (not less than annually);
  - 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.

- 3.8 Both long-term and short-term Recruitment and Retention Premia will be expressed as cash sums and will be separately identifiable from basic pay, any high cost area supplement, and any other component of pay.
- 3.9 Any locally awarded recruitment and retention premium for a given post shall not normally exceed 30% of basic salary. It will be the responsibility of the CCG to ensure that any premium awarded locally do not normally result in payments in excess of this amount. In the event that, following review and subject to a 6 month notice period the Recruitment and Retention Premia is withdrawn, pay protection arrangements will not apply.

#### **4. EQUALITY**

- 4.1 In applying this policy, the organisation will have due regard for the need to eliminate unlawful discrimination, promote equality of opportunity, and provide for good relations between people of diverse groups, in particular on the grounds of the following characteristics protected by the Equality Act (2010); age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, and sexual orientation, in addition to offending background, trade union membership, or any other personal characteristic.

#### **5. MONITORING & REVIEW**

- 5.1 The policy and procedure will be reviewed periodically by Human Resources in conjunction with operational managers and Trade Union representatives. Where review is necessary due to legislative change, this will happen immediately.

### **PART 2**

#### **1. PROCEDURE**

This policy should be read in conjunction with any local procedure for determining recruitment and retention premia.

**Title of the change proposal or policy:**

Recruitment & Retention Premia Policy

**Brief description of the proposal:**

To ensure that the policy amends are fit for purpose, that the policy is legally compliant, complies with NHSLA standards and takes account of best practice.

**Name(s) and role(s) of staff completing this assessment:**

Shamshy Salehin, HR Consultant, Cheshire HR Service

**Date of assessment: 22<sup>nd</sup> March 2013**

**Please answer the following questions in relation to the proposed change:**

**Will it affect employees, customers, and/or the public? Please state which.**

Yes it will affect all employees and members of the public applying for positions within the organisation.

**Is it a major change affecting how a service or policy is delivered or accessed?**

No

**Will it have an effect on how other organisations operate in terms of equality?**

No

**If you conclude that there will not be a detrimental impact on any equality group, caused by the proposed change, please state how you have reached that conclusion:**

No anticipated detrimental impact on any equality group. The policy adheres to the NHS LA Standards, AFC Terms and Conditions, is legally compliant and takes account of best practice. Makes all reasonable provision to ensure equity of access to all staff. There are no statements, conditions or requirements that disadvantage any particular group of people with a protected characteristic.

**Please return a copy of the completed form to the Equality & Diversity Manager**