

Policy on Recruitment & Retention Premia

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RELATED POLICIES AND LEGISLATION

Policy Reference Number	Policy Title
Section 5 and Annexes J & R (Recruitment and Retention Premia)	NHS Terms and Conditions of Service Handbook (November 2004)
	SHA Grievance Procedure

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1. INTRODUCTION

This policy has been developed to determine recruitment and retention premia (RRP) for posts within NHS Yorkshire & the Humber Strategic Health Authority (SHA). It complies with the requirements of Section 5 and Annexes J & R (Recruitment and Retention Premia) of the NHS Terms and Conditions of Service Handbook (November 2004) (the Handbook).

This policy should be read in conjunction with Policy on Determining Salaries on Appointment.

It should be noted that this policy will apply to all employees of the SHA except those on VSM (Very Senior Managers) Pay and Conditions of Service who will be subject to separate arrangements as determined nationally by the Department of Health and locally by the SHAs Remuneration Committee.

2. NATIONAL FRAMEWORK

2.1 General

A RRP is an addition to the pay of an individual post or specific group of posts 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.

NHS employers may apply a RRP to posts of a specific class or type. They may also be applied to individual posts where the post is unique within the organisation concerned.

RRP may also be awarded on a national basis to particular groups of staff on the recommendation of the Pay Review Body and/or the Pay Negotiating Council, where there are national recruitment and retention pressures.

RRP will be supplementary payments, over and above the 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.

RRP will apply to a specific post and not to an individual member of staff. Where a member of staff moves to a different post that does not attract a RRP, either within the same organisation or elsewhere in the NHS, their entitlement to any previous RRP will cease.

NHS employers and staff representatives, in partnership, will follow the procedure set out in Annex J of the Handbook in deciding the award of a RRP.

Annex R provides initial guidance on setting the levels of long term RRP which have been agreed in principle at national level and states:

As set out in paragraph 5.2 of the Handbook, employers may establish different premia for different classes or types of post provided there is

evidence that the recruitment and retention position is different, for example because they have significantly different job descriptions and are in different pay bands under the new system.

Unless necessary to ensure no loss as described above, no premium may exceed 30% except as set out below.

- Premia in excess of 30% may be paid where justified under the criteria in Annex J of the Handbook, subject to the provisions concerning earned autonomy in Annex K.

2.2 Short-Term and Long-Term RRP

The body responsible for awarding a RRP shall determine whether to award a long-term or short-term premium.

Short-term RRP 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.

Long-term RRP 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.

Short-term RRP:

- 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 purposes of overtime, unsocial hours payments or any other payments linked to basic pay.

Long-term RRP:

- Will be awarded on a long-term basis (i.e. the premia remains as long as the individual remains in post);
- Will have their values reviewed regularly;
- 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.

Both long-term and short-term RRP 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.

2.3 **Maximum Value**

The combined value of any nationally awarded and locally awarded RRP for a given post shall not normally exceed 30% of basic salary. It will be the responsibility of employers to ensure that any premia awarded locally do not normally result in payments in excess of this amount.

3. **YORKSHIRE AND THE HUMBER SHA POLICY – GUIDING PRINCIPLES**

- A RRP will only be considered on the basis that it is considered to be the most effective way of attracting and retaining staff.
- The requirements to be considered in developing a proposal for a RRP are set out in Appendix 1
- Any proposal to pay a RRP will be developed in partnership with local staff representatives.
- Any proposal to pay a RRP will be subject to consultation and discussion with other organisations in Yorkshire.
- RRP will apply to posts not individuals
- 'Foreseeable future' for the purposes of short-term RRP and long-term RRP has been defined by Yorkshire and the Humber SHA as a period of three years.

4. **YORKSHIRE AND THE HUMBER SHA PROCEDURE FOR DETERMINING RRPS**

4.1 **Recruitment**

4.1.1 **Newly Established Posts**

All new vacancies will be advertised in relevant local, regional, national and/or professional media.

Where adverts have produced no suitable applicants, the HR Manager and line manager will jointly consider the reasons for this. Account will be taken of:

- The number of applicants.
- Relevant national vacancy data and local labour market information.
- The media used, and
- Any non-pay improvements that could be made to the employment package, or
- Any expected increase in the supply of staff suitable for the post.

If it could be reasonably assumed that vacancies could be filled through, for example, advertising in different media or by waiting for an expected increase in supply then vacant posts will be re-advertised.

If it is decided that the vacancy problem can be addressed most effectively only through payment of a recruitment and retention premium, the HR Manager and line manager will submit a proposal based on the flow chart in Appendix 1 for consideration by the local Job Evaluation Group (LJEG).

The LJEG will consider the proposal and reach a decision about the award of a RRP. The LJEG will decide if 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). For these purposes, Yorkshire and the Humber SHA has determined that 'foreseeable future' should be defined as a period of three years.

Subject to the agreement of the LJEG the HR Manager will consult with neighbouring employers, staff organisations and other stakeholders. Any issues raised through this process will be referred back to the LJEG before a final decision is made about implementing any premium.

4.1.2 Existing Posts

When an existing post is advertised, the level of RRP and type of RRP (short-term or long-term) applicable to the post will be used for recruitment purposes, subject to any changes arising from the Annual Review (see paragraph 4.3 below).

An existing post is defined as a post where formal agreement has already been reached by the LJEG about the award of a RRP and has either been vacated by a previous post holder, or is a post that has multiple occupants.

Subject to any changes arising from the Annual Review, this might mean that there is no RRP for new appointments to existing posts, or the level and type of RRP awarded to newly appointed staff is at a different level to that which applies to existing staff.

4.2 Retention

Where it is considered that the establishment of a RRP is required to increase the retention of staff, the HR Manager and line manager will develop a proposal based on the flow chart at Appendix 1 for consideration by the LJEG.

As a minimum, evidence will be required to confirm that non-pay benefits have been sufficiently developed and there is evidence from exit surveys that pay is a factor in employees' decisions to leave the organisation. Where possible, local turnover rates will be compared with national rates

The LJEG will consider the proposal and reach a decision about the award of a RRP. The LJEG will decide if 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). For these purposes, Yorkshire and the Humber SHA has determined that 'foreseeable future' is defined as a period of three years.

Subject to the agreement of the LJEG, the HR Manager will consult with neighbouring employers, staff organisations and other stakeholders. Any issues raised through this process will be referred back to the LJEG before a final decision is made about implementing any premium.

4.3 Annual Review

Once RRP's are awarded, they will be reviewed annually by the LJEG

The review will include:

- How far the RRP have allowed Yorkshire and the Humber SHA to reduce its vacancy rates and turnover;
- The likely impact on the service of removing or reducing a RRP
- Any changes in the labour market circumstances.

The review will determine whether a given premium should be either:

- Withdrawn;
- Increased or reduced;
- Move from short-term to long term, or vice-versa;
- Inflation rate upgrade added

4.4 Right of Appeal

Where an individual post holder or group of post holders is unhappy about a decision in relation to RRP for the post that they hold, they will have the right to access Yorkshire and the Humber SHA's normal Grievance Procedure.

Appendix 1

THE PROCESS FOR THE APPLICATION OF RECRUITMENT & RETENTION PREMIA

Y	N	N/A
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Consider non-pay benefits such as Improving Working Lives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
↓			
Comparison of local turnover rates with national rates. Is there a national shortage/local shortage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
↓			
Exit surveys to assess how far pay is a factor in employees' decisions to leave the organisation. Evidence to show why the previous post holder left the role.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
↓			
Consultation with neighbouring employers, Yorkshire and the Humber SHA Workforce Directorate, relevant staff organisations and other stakeholders prior to commencing the Recruitment and Retention premia process. Ascertain relevant information from Yorkshire and the Humber SHA Workforce Directorate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
↓			
Exploration of all avenues in relation to the recruitment to a post or group of posts, within a reasonable length of time, in conjunction with Yorkshire and the Humber SHA HR Manager. All new vacancies should be advertised in relevant local, regional, national and/or professional media.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
↓			
Consider waiting for an expected increase in supply (for example from new trainees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
↓			
Consider the impact on other staff within the employing organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
↓			
Decision to address most effectively only through payment of a recruitment and retention premium	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
↓			

Collation of information in relation to number of times (previous) post advertised before being filled, number of applicants to (previous) posts, vacancy level within service



Would service collapse without appointment?



Levels of support to the role – (i.e. is there sufficient administrative staff support?)



Would this set a precedent?



Evidence that the premia will be cost effective (e.g. cheaper than alternative locum payment; will not lead to pay escalation).



Decide in partnership with the local staff representatives 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).



Once agreement, has been made to award the RRP – the evidenced information outlining the level of RRP and percentage should be forwarded to Yorkshire and the Humber SHA JE Lead. The JE Lead will then look at the information and approve the process has been followed.



Yorkshire and the Humber SHA JE Lead will inform the LJEG of the outcome



The JE Lead at Yorkshire and the Humber SHA will hold a database relating to all recruitment and retention premia and neighbouring SHA data as appropriate and will monitor information and trends