

Recruitment & Retention Premia Policy

W29

Additionally refer to: Recruitment and selection policy
Pay Protection Policy

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4	Nov 2023	Chris Goulding	Draft	Scope: Change of policy for Exec Directors and VSM's. in line with other Trusts with regard the role of Rem Comm.
4	Nov 2023	Chris Goulding	Draft	Included a better definition of the weight of the job.
4	Nov 2023	Chris Goulding	Draft	National Premia: specified much clearer the action the Trust needs to take in response to changes in national premia.
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4	Nov 2023	Chris Goulding	Draft	9.1 reduced review to every 6 months instead of 12 months. Justification: regular reviews of premia is good practice.
4	Jan 2024	Chris Goulding	Draft	Included section on Roles and Responsibilities and Policy statement

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1. POLICY ON A PAGE

- The implementation of national terms and conditions of employment will ensure that the Trust employs staff on arrangements that are fair, appropriate and justifiable.
- Situations may arise when market pressures are such that the national terms and conditions 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 an individual so as to enable the recruitment problem to be solved.
- Recruitment and Retention Premia (RRP) applies to posts not people and is an addition to the pay of an individual or specific group of posts where market pressures would otherwise prevent the Trust from being able to recruit staff and retain them in sufficient numbers at the normal salary.
- National Premia payments are paid to groups of staff agreed nationally and the level of payment will be specified in accordance with national NHS rules.
- Trust Premia payments are paid in accordance with this policy.
- Short term premia payments will apply where the need for the payment is expected to disappear or reduce in the foreseeable future and awarded on a one off basis or for a fixed term and will not be pensionable, or count for the purposes of overtime, unsocial hours or any other payments linked to basic pay.
- Long term premia payments will apply where the need is not expected to vary significantly in the foreseeable future and will be pensionable and count towards overtime, unsocial hours payments and any other payments linked to basic pay.
- The combined value in monetary terms shall not exceed 30% of basic pay.
- Procedure for local premia payments: If a vacancy or retention problem can only be addressed through the payment of a local RRP the manager should prepare a business case. The Care Group Lead/Head of Service will assess the case and if agreed, the report should be submitted to the Deputy Director of People Services & OD. Where the Trust considers that a premia payment is justified, the proposal will be presented to the JNCC, and benchmark evidence and the experience of recruiting will be considered as key factors in determine whether the payment should be short or long term and to specify the duration. All premia payments are subject to regular review.
- Transfers and Promotions: Staff who move to a different post that does not attract an RRP, will lose their entitlement to the premium with effect from the date of transfer. If an employee is required to transfer because of organisational change and the premium is to continue for other job holders in the current post, then the Trust's normal pay protection policy will apply. Staff promoted within their current specialism will lose any RRP relating to that Band. The employee will be assimilated into the higher band at a pay point to ensure no financial detriment in basic salary occurs.



**The Shrewsbury and
Telford Hospital**
NHS Trust

2. POLICY STATEMENT

- 2.1 The Trust's policy is to follow National terms and conditions with regards the employment of all its staff.
- 2.2 NHS Employers advise that, in addition to national terms and conditions governing national recruitment and retention premia payments, Trusts have the opportunity in consultation with Trade Union and employer organisations, to introduce local arrangements regarding recruitment and retention premia (RRP), to meet the chronic short fall of recruiting suitably qualified staff and where there is a national shortage of specialists posts.
- 2.3 Situations may arise when market pressures are such that the national terms and conditions are insufficient to prevent local recruitment and retention difficulties.
- 2.4 Recruitment and Retention Premia (RRP) applies to posts not people and is an addition to the pay of an individual or specific group of posts where market pressures would otherwise prevent the Trust from being able to recruit staff and retain them in sufficient numbers at the normal salary.
- 2.5 Recruitment and retention premia payments should be based on benchmark data with other Trusts and as part of the business case, recruitment difficulties need to be clearly evidenced, in order to justify the payment being awarded to individual employees or a group of employees.
- 2.6 Recruitment and retention premia should not exceed 30% of basic pay and all payments should be reviewed every six months

3. SCOPE

- 3.1 The policy applies to staff covered by the NHS Terms and Conditions of Service Handbook. It does not apply to workers not employed by the Trust.
- 3.2 For Executive Directors and other Very Senior Managers, recruitment premia requests no longer need to be reviewed by the Trust's Remuneration Committee (consistent with other Trusts). Instead a new Recruitment Premia proforma will be created for this group of employees and it will be for the Director of People Services & OD and the Trust's Finance Director to approve. The form will ensure that clear criteria are set out including benchmarking the relative pay and terms and conditions with other Trusts and those of similar size and complexity.
- 3.3 This policy is established under and incorporates the terms of the national agreement on pay for staff 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.
- 3.4 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 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.

4. DEFINITIONS

4.1 Recruitment and Retention premia (RRP) are defined by the NHS Terms and Conditions of Service Handbook 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.” N.B. weight of a job is further defined as measured by the job evaluation process for agenda for change staff.

4.2 National premia are premia paid in accordance with national NHS rules.

4.3 Trust Premia payments are paid in accordance with this policy.

4.4 Short term premia (6 – 12 months) 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:

- may be awarded on a one-off basis or for a fixed term;
- will be regularly reviewed;
- will not be pensionable, or count for the purposes of overtime, unsocial hours payments or any other payments linked to basic pay.

4.5 Long term premia (up to 2 years) 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 up to 2 years (but reviewed at least every 6 months);
- will have their values regularly reviewed and maybe withdrawn subject to a 6 month notice period;
- will be pensionable, and will count for the purposes of overtime, unsocial hours payments and any other payments linked to basic pay.

5. PRINCIPLES

5.1 Recruitment and Retention premia apply to posts not people.

5.2 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.

6. ROLES AND RESPONSIBILITIES

6.1 Trust Board

- 6.1.1 The Trust Board has a strategic responsibility to ensure that the policy is communicated to all employees and is effectively implemented.

6.2 Director of People and OD/Director of Finance

- 6.2.1 The Director of People Services and OD has overall responsibility for this policy for monitoring compliance and effectiveness.
- 6.2.2 The Director of People Services and OD/Director of Finance, accountable to the Trust Board, has a specific responsibility for the approval of Executive Director and other Very Senior Managers recruitment premia.

6.3 Deputy Director People Services and OD/Workforce and Finance Business Partners

- 6.3.1 The Deputy Director People Services and OD together with the Workforce and Finance Business partner for the Division, will scrutinise all business case submissions to ensure the appropriate benchmark data and recruitment difficulties are evidenced before a report is presented to JNCC for consideration.

6.4 Directorate/Divisional Line Managers

- 6.4.1 The Directorate/Divisional managers and the relevant line managers have a responsibility to identify where Recruitment and Retention premia should be applied. They will need to follow the procedure in section 9 in order to submit a business case setting out the reasons why applying a recruitment and retention premia is justified and ensuring the supporting evidence is robust and value for money.
- 6.4.2 All Trust Managers are responsible for the equitable implementation of this policy and for ensuring that all employees understand the policy.

7. NATIONAL RECRUITMENT AND RETENTION PREMIA

- 7.1 The Trust will update this policy in accordance with changes introduced nationally through NHS Employers guidance and changes in employment legislation.

8. LOCAL RECRUITMENT AND RETENTION PREMIA

- 8.1 Annex 10 of the national terms and conditions handbook sets out a protocol for the payment of local recruitment and retention premia.
- 8.2 If it is decided that the vacancy or retention problem can only be addressed most effectively 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).
- 8.3 The Trust will then consult with neighbouring Trusts, JNCC and other stakeholders, before reaching a final decision.

9. PROCEDURE FOR LOCAL RECRUITMENT & RETENTION PREMIA

- 9.1 This section sets out the procedure by which the need for a local recruitment and retention premium will be decided.
- 9.2 Managers who identify that they have a current or potential serious recruitment and retention difficulty should discuss this with their HR Business Partner with a view to establishing the underlying reasons and finding a solution.
- 9.3 The Lead Manager will review:
 - the recruitment activity to date, including recruitment 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 NHS Trust 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.
- 9.4 Local staff side representatives should be informed of these discussions.
- 9.5 Where the conclusion of these discussions is to pay a recruitment and retention premium, the Manager should prepare a written business case setting out the case (appendix A):.
- 9.6 In other cases, such as the planned closure of a service or a significant service growth in hard to recruit areas, the Manager will need 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 HR Business Partner, and an appropriate action plan developed. Where a short term recruitment and retention premium is to be proposed, the business case drawn up by the manager should be signed off by the Care Group/Head of Service.

- 9.7 The Care Group Lead/Head of Service should discuss the business case with their Executive 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 or whether a recruitment and retention premia is justified.
- 9.8 The agreed business case should then be submitted to the Deputy People Services and OD 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;
 - report on these matters to the Executive Director and other relevant managers and staff-side representatives.
- 9.9 Where a recruitment and retention premium is justified, the proposal will be considered for approval by the JNCC using the criteria set out in point 9.

10. AGREEMENT OF LOCAL RECRUITMENT & RETENTION PREMIA

- 10.1 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.
- 10.2 The introduction of a national premium for a group of staff will automatically replace any Local premium already in place for the same group of staff. Where the national premium is lower than the local premium the need for any supplementary local premium will be reviewed.
- 10.3 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 to determine whether the funds are allocated from existing budgets, or a separate business case is required.

11. REVIEW

- 11.1 Locally determined premia (short and long term) will be subject to 6 monthly 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. .
- 11.2 It may be necessary to review the need for alternative action so as to help reduce or remove the recruitment and retention problem.
- 11.3 The review will include taking into account benchmark data and similar arrangements in other local NHS employers and stakeholders.
- 11.4 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 one month's notice of any change in value or withdrawal.

12. TRANSFERS AND PROMOTIONS

- 12.1 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.
- 12.2 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.
- 12.3 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.

13 TRAINING NEEDS

- 13.1 Training in relation to this possible is not mandatory. Line managers in particular should be familiar with this policy and seek advice from HR as appropriate.

14 REVIEW PROCESS

- 14.1 This policy will be reviewed in 3 years or before if there are local/national or legislative changes.
- 14.2 In order that this document remains current, any of the appendices to the policy can be amended and approved during the lifetime of the document without the document having to return to the ratifying committee.

15 PROCESS FOR MANAGING COMPLIANCE

Aspect of compliance	or	Monitoring method	Responsibility for monitoring (job title)	Frequency of monitoring	Group or Committee that will review the
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effectiveness being monitored				findings and monitor completion of any resulting action plan
Records of numbers of staff with RRP payments	Capture and analysis of personal files and via ESR.	HR/Finance	Annual	JNCC/JLNC
Checking procedures		HR/Finance	Annual	JNCC/JLNC

15.1 Where action is required recommendations and action plans will be developed from the analysis and will be part of the reporting mechanism.

16. References

16.1 Agenda for Change Terms and NHS Terms and Conditions of Service handbook.

APPENDIX A

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:		

Evidence of the difficulties in recruiting/retaining staff within the band(s) that are the concern:

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

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

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).

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;

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
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 Care Group Lead/Head of Service

.....

Date:.....

Signed by HR BP

.....

Date:.....

Signed by Deputy Director People & OD Services

.....

Date: