

RECRUITMENT AND RETENTION PAYMENT POLICY

PART 1

1. POLICY STATEMENT

- 1.1 This document outlines the policy and procedure utilised by London Borough of Barnet for awarding either recruitment or retention payments.
- 1.2 This policy recognises the need for consistency, equity and fairness to be maintained across all Council services.
- 1.3 This policy is applicable to all Barnet Council employees. **It does not apply to teaching staff or staff employed in Schools who have their own procedures.**

2. ENGAGEMENT

- 2.1 This policy will be communicated to staff via team meetings/team brief and will be available for staff on the website.
- 2.2 Training and support will be available to all Line Managers in the implementation and application of this policy

3. SCOPE

- 3.1 This policy is applicable to all Barnet Council employees. **It does not apply to teaching staff or staff employed in Schools who have their own procedures.**

4. POLICY PURPOSE & AIMS

- 4.1 The aim of the Recruitment and Retention Payment Policy is to ensure that the Council remunerates all of its employees at a level at which recruitment or retention difficulties will not be encountered. This policy should be read in conjunction with the Council's terms and conditions of service handbook.

5. DEFINITIONS

- 5.1 Recruitment or Retention Payments (RRP) are additional payments to the basic pay of an individual post or specific group of posts. All payments are non-contractual.
- 5.2 Recruitment or Retention Payments 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". The payments are capped at 10% for each element.
- 5.3 A Recruitment and Retention Payment is a supplementary payment over and above the basic pay that the post holder receives by virtue of their position on their pay band.
- 5.4 A Recruitment or Retention Payment will apply to posts rather than to employees. Where an employee moves to a different post that does not attract a recruitment or retention premium, the payment will cease and pay protection will not apply.

- 5.5 Only in exceptional circumstance would both recruitment and retention payments be applicable and therefore normally a post or post(s) would qualify for one payment capped at 10% of basic pay.

Short Term Payments

- 5.6 Short-term Recruitment or Retention Payments will apply where the labour market conditions giving rise to recruitment or 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 one year. If it is expected that the premia payment will continue for more than one year, this should be considered under 'Long Term Premia' (5.8)

- 5.7 Short-term Recruitment and Retention Payments:

- 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 Payments

- 5.8 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.

- 5.9 Long-term Recruitment and Retention Premia:

- will be awarded on a long-term basis;
- will be regularly reviewed (not less than bi-annually);
- may be awarded to new staff at a different value to that which applies to existing staff;
- 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 and any other payments linked to basic pay.

- 5.10 Both long-term and short-term Recruitment and Retention Payments 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.

- 5.11 Any locally awarded recruitment or retention premium for a given post shall not exceed 10% of basic salary for each category. It will be the responsibility of the Manager to ensure that any payments awarded do not result in payments in excess of this amount. In the event that, following review and subject to a 6 month notice period the Recruitment or Retention Payment is withdrawn, pay protection arrangements will not apply.

6 PRINCIPLES

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

- 6.2 The Council may use payments 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.

6.3 Recruitment or retention payments 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;
- Councils locally have agreed to pay supplements for designated posts and the Council needs to remain competitive in the recruitment market for equivalent posts;
- There is a competitive labour market where salary survey data indicates that enhancements to Council 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.

6.4 However, if on the basis of paragraph 6.3 above, it is decided that the vacancy problem can be addressed most effectively only through a recruitment or retention payment, consideration should be given to 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).

6.5 Before consideration is given to payment of Recruitment or Retention Payment to ensure retention of staff, management will ensure non-pay benefits (e.g. training and development) are sufficiently developed.

7 ROLES / RESPONSIBILITIES / DUTIES

7.1 To ensure consistency in the application of payment of Recruitment or Retention Payments across the Council, the Line Manager should work with the Strategic HR Director in applying the appropriate award.

7.2 The application for the award of recruitment and retention premia can only be approved by a Director and the Strategic HR Director.

8 IMPLEMENTATION

8.1 This policy will be communicated to staff via team meetings/team brief and will be available for staff on the website.

8.2 Support will be provided to all Line Managers in the implementation and application of this policy.

8.3 Breaches of this policy may be investigated and may result in the matter being treated as a disciplinary offence under the Council's disciplinary procedure.

9 TRAINING & AWARENESS

9.1 A copy of the policy will be available on the Council's intranet and training needs will be identified via the appraisal process and training needs analysis.

10. MONITORING & REVIEW

10.1 The policy and procedure will be reviewed and audited periodically by General Functions Committee, Workforce Board in conjunction with the senior leadership

team and Trade Union representatives. Where review is necessary due to legislative change, this will happen immediately.

11 REFERENCES

- 11.1 This policy should be read in conjunction with the Council's recruitment policy and the Council's terms and conditions of service handbook.

PART 2

1. PROCEDURE

- 1.1 This section sets out the procedure by which the need for recruitment or retention payments will be decided.
- 1.2 Managers who identify that they have a current or potential serious recruitment or retention difficulty should discuss this with their HR Business Partner with a view to establishing the underlying reasons and finding a solution.

The Manager and HR Business Partner 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, etc;
 - whether the experience is national, local to the Council 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.
- 1.3 Where appropriate, local staff representatives will be included in these discussions.
- 1.4 Where the conclusion of these discussions is that it may be appropriate to authorise a recruitment and retention payment, the Recruiting Manager should prepare a written report (Appendix 1) setting out the case and including, for example:
- the department's staffing establishment and skill mix;
 - the current level of staffing and skill mix;
 - relevant performance data – targets, achievements etc;
 - evidence of the difficulties in recruiting/retaining staff within the grade(s) that are the concern;
 - details of the recent recruitment activity for the vacancies;
 - evidence that non-pay solutions have been tried and have proven unsuccessful;
 - the proposed level of payment and the grade(s) that this would apply to: this may be
 - set at different rates for pay points within the same grade;
 - 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;
 - evidence that the proposed payment has a basis in terms of pay rates elsewhere in the national or locally;
 - How and to what extent the proposed payment will address any current performance deficit i.e. what impact it will have on service delivery.

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 or retention difficulties. In this case the situation should be discussed with the Senior Manager/Head of Service and HR Business Partner as above and an appropriate action plan developed.

- 1.5 The agreed report should then be submitted to the relevant Director and Strategic HR Director for consideration.

BUSINESS CASE FOR RECRUITMENT AND RETENTION PAYMENT

Supporting Evidence

Post Title:	
Directorate:	
Post Pay Band:	
Number of Posts:	

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:			
Summary of identified difficulties to recruit or retain:			

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 post(s); National Shortages; Availability of Locum/Agency Equivalents; External Rates of Pay etc.

How many posts or similar posts are in the service/Delivery unit?

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: flexible working; additional training; changes to roles and recruitment initiatives.

Who else could be affected by this application? For example, are there any implications for posts that attract external sources of funding?

Please detail below how 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 COST OF RRP	X	Number of EMPLOYEES =	Total RRP Value
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Current Cost of Cover (per person):

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

Expected benefits of applying RRP

Proposed by:

Signed:

Date: