



## SCOTTISH EXECUTIVE

Health Department  
Human Resources Directorate

Dear Colleague

### RECRUITMENT AND RETENTION POLICY

#### Summary

1. The Agenda for Change Terms and Conditions of Service Handbook contains a facility to pay recruitment and retention premia in 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 and retain staff (Section 5 and Annex R).

2. The Scottish Pay Reference and Implementation Group (SPRIG) recommended the development of a single policy for NHSScotland. The policy has gone through an extensive partnership process and was agreed by the Terms and Conditions Committee of the then Human Resources Forum.

#### Background

3. The policy requires NHS Boards to apply to the Scottish Terms and Conditions Committee of the Scottish Partnership Forum for the application of any such premia. This will ensure a consistent approach to the application of recruitment and retention premia across NHSScotland. The policy should be used to request a specific level of premia to be applied to all staff groups listed in Annex R, ie those jobs where it has been agreed across the UK that there is prima facie evidence that a premium is necessary in relation to the relevant external labour market, and also to seek approval for payment of a premium for any new posts NHS Boards believe may fall within the relevant criteria.

**25 October 2005**

#### Addresses

##### For action

Chairs, NHS Boards and Special Health Boards  
Chief Executives, NHS Boards and Special Health Boards  
Directors of Human Resources, NHS Boards and Special Health Boards

##### For information

Members, Scottish Partnership Forum  
Members, HR Forum  
Members, SPRIG

#### Enquiries to:

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## **Action**

4. NHS Boards and Special Health Boards are asked to ensure that the Recruitment and Retention Premia Policy attached to this letter is implemented.

5. Employers are asked to make their own arrangements for obtaining additional copies of this letter and the Recruitment and Retention policy. The documents can also be viewed on <http://www.show.scot.nhs.uk/sehd/hdl.asp> and on the *Agenda for Change* pay modernisation website.

Yours sincerely

A handwritten signature in black ink that reads "Michael Palmer". The signature is written in a cursive style.

MIKE PALMER  
Assistant Director of Human Resources  
(Workforce and Pay Policy)

**NHS SCOTLAND**

*AGENDA FOR CHANGE POLICY*

Recruitment and Retention  
Premia Policy

Version 1  
August 2005

**Policy for the Application of  
Recruitment and Retention Premia (Agenda for Change)**

**1. INTRODUCTION**

The Scottish Terms and Conditions Committee has developed this policy in response to the guidance on recruitment and retention premia contained within the Agenda for Change agreement. This policy will be applied across NHSScotland (NHSS) to ensure that a consistent approach is adopted when considering the application of recruitment and retention premia.

Where approved, the premia will be awarded to both existing and new staff.

**2. PURPOSE**

This policy is intended to ensure that posts within NHSS, which are hard to recruit to/have high levels of turnover, are reviewed in a fair manner to identify whether the application of a Recruitment and Retention Premium would encourage a greater volume of applicants/post holders to remain with the organization and would represent value for money.

**3. POLICY STATEMENT**

The application of a Recruitment and Retention Premium (RRP) to any post should not be regarded as the only method to resolve recruitment and/or retention problems.

Line managers and post holders in collaboration with Human Resources personnel and the relevant staff side organisation(s), should consider whether the following options may resolve the problems without the application of a financial incentive, for example:

Flexible Working (including home working, job share, part-time, full time etc) – application of PIN guideline on Family Friendly Policies;

Career Development Opportunities;

Enhanced/Additional Training;

Skill-mix within the existing team/cross-professional boundary working.

**4. SCOPE**

This policy applies to all posts with the specific exception of:

- Medical and Dental Staff
- Senior Managers who do not fall within the Agenda for Change agreement

## 5. **RESPONSIBILITIES**

### **RESPONSIBILITY OF THE SCOTTISH PARTNERSHIP FORUM**

- To ratify the decisions of the Scottish Terms and Conditions Committee.
- To monitor the use and application of RRP across NHSS.

### **RESPONSIBILITY OF THE SCOTTISH TERMS AND CONDITIONS COMMITTEE**

- Determine the recommendation for each application for RRP made by NHS Boards/Special Health Boards.
- Assess each application according to the criteria set out within this policy bearing in mind the wider context affecting the NHS workforce.
- Complete regular and timely reviews of Long-Term and Short-Term RRP in line with the recommendation made on the original application.
- The award, monitoring and review of all premia will be in partnership through the Scottish Terms and Conditions Committee who will make recommendations to the Scottish Partnership Forum.

### **LOCAL RESPONSIBILITIES**

#### **Staff side representatives and managers have a responsibility to:**

- Ensure that a range of non-financial incentives have been implemented and monitored prior to an application being made
- Support Line Managers, where appropriate, in completing the Application Forms
- Make an application for RRP to be applied to a post(s), where appropriate.

## 6. **POLICY IN PRACTICE**

### **6.1 Definitions**

**Short Term RRP** are awarded and will apply where 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 RRP:

- May be awarded on a one-off basis or for a fixed period
- Will be reviewed at least on an annual basis by the Scottish Terms and Conditions Committee
- May be withdrawn or have the value adjusted subject to a six months notice period unless or a defined fixed-term. This decision will be made by the Scottish Terms and Conditions Committee.
- Will not be pensionable, or count for the purposes of overtime, unsocial hours payments or any other payments linked to basic pay.

**Long Term RRP** are awarded and will apply where the need for the premium is not expected to vary significantly in the foreseeable future.

Long-term RRP:

- Will be awarded on a long-term basis
- Values will be reviewed at least annually
- Will be pensionable and will count for the purposes of calculating overtime, unsocial hours payments and any other payments linked to basic pay.

## **6.2 Alternatives to RRP**

Premia may be considered if recruitment and retention difficulties continue after the following measures have been explored and considered and following the protocol below to ensure consistency of application:

### **Recruitment**

Premia will be considered when:

- Posts have been advertised in relevant local, regional, national and/or professional media as appropriate to the post, which resulted either in no successful recruitment and/or insufficient applicants to fill all vacant posts.
- It could reasonably be assumed that vacancies could not be filled through, for example, advertising in a different media or, if practicable, by waiting for an expected increase in supply (e.g. from new trainees).
- In considering the above two points, information on previous media effectiveness, number and suitability of applicants, cost effectiveness of using agencies or Locum will have been utilised as far as possible.
- Non-pay benefits (e.g. childcare support, training and development, relocation) have been sufficiently developed and applied to the post(s). Application of PIN guideline on Family Friendly Policies.
- The work cannot be done in a different way (new ways of working, job re-design, training and development, amended KSF, etc)
- Flexible working patterns (part-time, job share, home working etc) have been fully explored and found to be unworkable.

### **Retention**

Premia will be considered when the relevant steps under recruitment above have been considered, in particular:

- Non-pay benefits (eg childcare support, training and development, relocation) have been sufficiently developed and applied. Application of PIN Guideline on Family Friendly Policies.
- Exit Interview information has been reviewed and actioned as far as possible to assess how pay influences employees' decisions to leave the Service
- Cost effectiveness of using agencies or locum has been utilized as far as possible;

- The work cannot be done in a different way (new ways of working, job re-design, training and development, amended KSF, etc).

If it is agreed that the vacancy or retention problem can be addressed effectively only through payment of a recruitment and retention premium, a RRP Application form must be completed and sent to the Scottish Terms and Conditions Committee together with supporting information.

The Scottish Terms and Conditions Committee will decide whether the application of a RRP is appropriate and whether the problem is likely to be resolved in the foreseeable future (short-term RRP) or whether it is likely to continue longer-term (long-term RRP).

### **6.3 Nationally Agreed RRP (UK)**

There are a limited number of posts for which the award of a premium has been agreed at UK level on the basis that there is a UK-wide recruitment and retention problem. When the new pay system is fully operational across the NHS it is expected that evidence will be sought that it is not possible to recruit or retain at the normal job-evaluated pay level before agreeing a recruitment and retention premium. However, during the interim period data on recruitment at the new pay levels cannot be sought until the new pay rates are in force.

A list of jobs has therefore been agreed at UK level to ensure the position of the NHS is maintained during the transitional period. (See list below)

Full details are contained within Annex R of the Agenda for Change Terms and Conditions of Service Handbook.

The jobs which are subject to nationally (UK) agreed premia are listed below:

- Chaplains
- Clinical Coding Officers
- Cytology Screeners
- Dental Nurses, Technicians/Therapists and Hygienists
- Estates Officers/Works Officers
- Financial Accountants
- Invoice Clerks
- Biomedical Scientists (MLSOs)
- Payroll Team Leaders
- Pharmacists

- Qualified Maintenance Craftspersons
- Qualified Maintenance Technicians
- Qualified Medical Technical Officers
- Qualified Midwives (new entrants)
- Qualified Perfusionists

### **Determination of UK Premia Rates**

Only two of the jobs defined in the current UK agreed list (above) have had a premium rate nationally defined. These are Qualified Maintenance Craftspersons and Qualified Maintenance Technicians. The rate of these premia is currently £2,899 for 2005-6 and will increase in line with future pay uplifts.

It is specified within Annex R of the Agenda for Change Terms and Conditions of Service Handbook, that where Chaplains are in receipt of an Accommodation Allowance this should be replaced by a recruitment and retention premium. In the case of Chaplains, therefore, any level of allowance must not be less than the level of any accommodation allowance already paid.

Except in the case of the above posts, the premia rates for all relevant occupations specified, above, will be determined by the Scottish Terms and Conditions Committee and ratified by the Scottish Partnership Forum (in accordance with the arrangements described in this Policy). The level of premia determined will be sufficient to ensure no loss in salary and that staff in these positions do not require any additional salary protection arrangements

### **Minimum Level of UK Premium**

The level of premium will be determined on assimilation in cash value at a level to ensure that at assimilation an existing member of staff will be no worse off. The level of premium agreed will therefore be at least sufficient to ensure that the staff in posts defined above, do not require protection under the separate protection arrangements.

Should it be determined that any of the occupations specified in the above paragraph do not locally represent recruitment or retention difficulties then the decision will be made that no premia will be payable. Such decisions will be kept under review.

Any future increase in the premia values will be by agreement at UK level.



## **Maximum Level of National Premium**

Unless necessary to ensure no loss as described in this Policy, the combined value of any nationally awarded premium will normally not exceed 30% of basic salary.

### **6.4 RRP within NHSScotland**

The Scottish Partnership Forum (SPF) has the opportunity to agree both short-term and long-term premia for NHSScotland, subject to the criteria set out below.

The SPF would normally only award up to 30% of basic pay for RRP (under exceptional circumstances it may be possible to agree a higher rate) based on the application of the criteria contained in this Policy.

### **6.5 Implications for Pay**

The level of premia payable will be agreed for NHSScotland (with the exception of Maintenance Craftspersons and Maintenance Technicians), and whilst this will not normally exceed 30% of basic pay it will be a cash value at a rate at least sufficient to ensure no loss. This should ensure that staff in these posts do not require protection arrangements.

Valuation of premia levels will involve consideration not only of the above, but also factors such as

- Comparison of external pay rates
- The local labour market
- Value for money versus Agency and overtime rates

### **6.6 Review Process**

In circumstances where the NHS Board(s) disagree with the outcome of the application determined by the Scottish Terms and Conditions Committee, they will be asked to submit an application for review. This application will be based upon the same decision making principles outlined in the above process, highlighting specific issues that the NHS Board(s) wish to make.

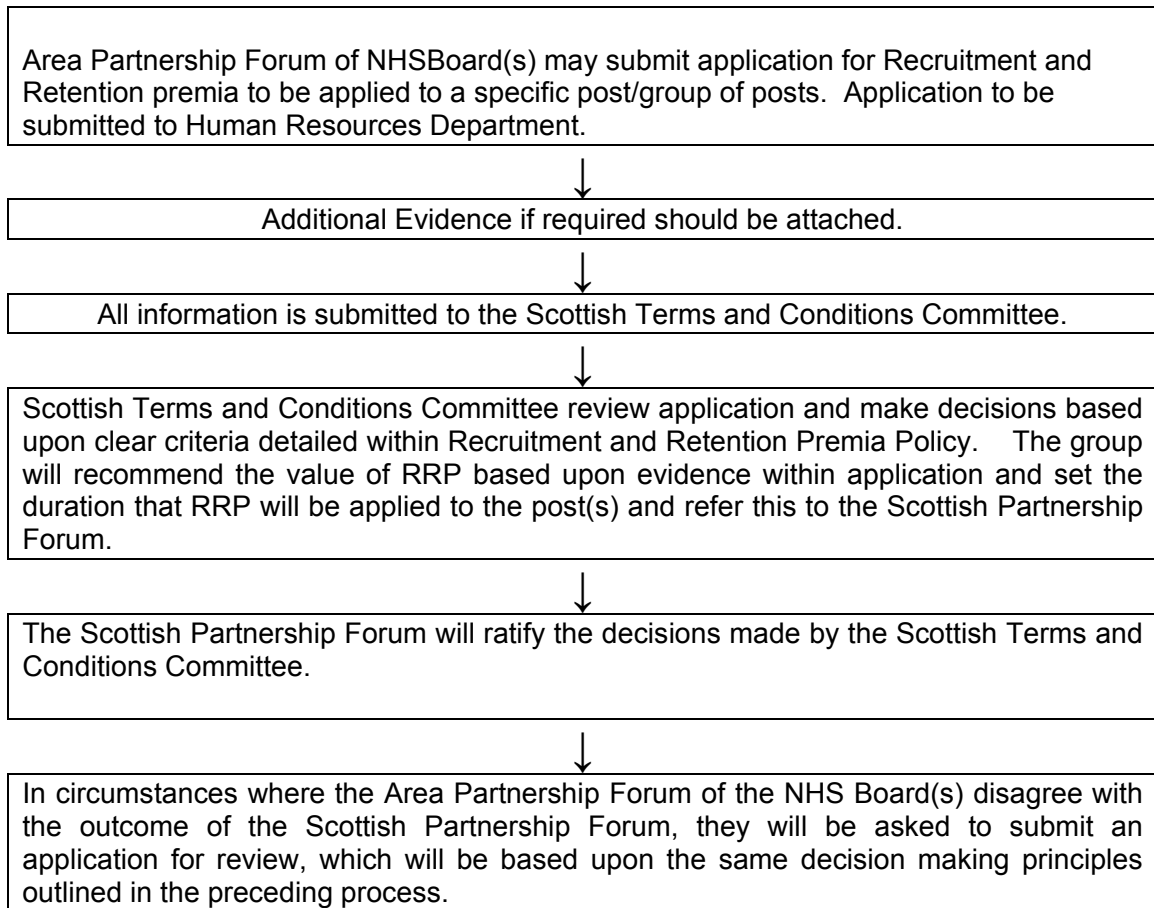
## **7. MONITORING**

The policy will be regularly monitored by the Scottish Terms and Conditions Committee and Scottish Partnership Forum.

A list of posts to which RRP apply will appear in Appendix 4 and will be updated on an annual basis.

## **Appendices**

- 1. Process Flow Chart**
- 2. RRP Application Form**
- 3. Decision Making Record Form**



## **Recruitment and Retention Premia ~ Review Process**

**Appendix 1b**

The review process for Recruitment and Retention Premia will follow the same principles as the process detailed in Appendix 1a. The review will compare the original evidence (and where appropriate, previous review information) for the application of the continued premia against updated recent evidence.

**Application for Recruitment & Retention Premia**

Post Title:	
Directorate:	
Service/Department:	
Post Pay Band:	
Number of Posts	

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

**Reason For Application:** 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 (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.

<b>Suggested Value of RRP based upon above information(per full-time post):</b>	£_____per annum OR -----% of salary
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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; recruitment initiatives.

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**Who else could be affected by this application? For example are there any other posts/departments/services that could be affected; Implications for joint posts in the organisation (i.e. Joint Social Services posts or posts that attract external sources of funding).**

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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)**

<b>Suggested</b>		<b>Number of</b>		<b>Total</b>
<b>RRP Value</b>	<b>x</b>	<b>Employees</b>	<b>=</b>	<b>Cost of RRP</b>

**Current cost of Locums (per person):**

**How do you suggest that the RRP should be funded? (e.g. Existing/Additional Funding)**

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**Expected benefits of applying RRP (i.e. reduced waiting times; Reduced complaints; increased applications; improved absence rates, reduced turnover, etc.)**

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**Please attach any relevant supporting statements.**

**Signatures of Chief Executive:**

\_\_\_\_\_

**Employee Director:** \_\_\_\_\_

**Date:** \_\_\_/\_\_\_/\_\_\_ **Position:** \_\_\_\_\_

<u>Scottish Terms and Conditions Committee Only</u>		<b>Date Received by HR:</b> ___/___/___	
RRP Agreed?	<input type="checkbox"/>	<b>Effective Date :</b> ___/___/___	
Short Term RRP?	<input type="checkbox"/>	<b>Long Term RRP?</b>	<input type="checkbox"/>
RRP Not Agreed?	<input type="checkbox"/>	<b><i>Please state reasons for not awarding RRP in the box below:</i></b>	
<b>First Review Date:</b>		<b>Review Intervals:</b>	
<b>Please list Scottish Terms and Conditions Committee members in attendance at the decision meeting</b>			
<b>Meeting Date</b> ___/___/___			
Scottish Partnership Forum	Accept	<input type="checkbox"/>	Reject <input type="checkbox"/>
<b>Reason for Rejection:</b>			



RRP Decision-Making Record Form

Post Title:		
Pay Band:		
Reason for Application		
Outcome:		