

Dear Colleague

RECRUITMENT AND RETENTION PREMIA POLICY

Summary

1. This Director's Letter contains a further revision to the policy for submitting applications for recruitment and retention premia (RRP) to the Scottish Terms and Conditions Committee (STAC) under the terms of the Agenda for Change (AfC) agreement. It replaces previous guidance contained in HDL(2005)47, issued on 25 October 2005, CEL(2008)37, issued on 9 September 2008, CEL(2009)41, issued on 15 October 2009 and DL(2015)3, issued on 25 March 2015.

Background

2. The changes to the policy are, firstly, at Section 2 expanding the "Purpose" section to consider workforce planning, fair work and working longer, and secondly at Section 6.2 under "Retention" where the option of a collaborative solution with other public sector organisations is included.

Action

3. NHS Boards, Special Health Boards and NHS National Services Scotland (Common Services Agency) are asked to ensure that this letter is drawn to the attention of all those involved in the consideration of recruitment and retention premia under AfC.

4. Employers are asked to make their own arrangements for obtaining additional copies of this Director's Letters (DL) which can be viewed at www.sehd.scot.nhs.uk.

Yours sincerely



Shirley Rogers
Director, Health Workforce and Strategic Change

DL (2017) 5

30 March 2017

Addresses

For action

Chief Executives, NHS
Boards and Special Health
Boards and NHS National
Services Scotland (Common
Services Agency)
Directors of Human
Resources, NHS Boards and
Special Health Boards and
NHS National Services
Scotland (Common Services
Agency)

For information

Members, Scottish
Partnership Forum
Members, Scottish Terms
and Conditions Committee
Members, Scottish
Workforce and Governance
Group

Enquires to:

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List of Attachments

- Annex A – Scottish Terms and Conditions Committee: Protocol for Managing Business (To provide background on how STAC operates)
- Annex B – Recruitment and Retention Premia Policy
- Annex C – Form to be used for Applications for a Recruitment and Retention Premium
(A “Word” version of the application form is available in the “Circulars and Guidance” section of the STAC website - www.stac.scot.nhs.uk)
- Annex D – Recruitment and Retention Premium Decision-Making Record Form
- Annex E – Recruitment and Retention Premia – Review Process
- Annex F - Form to be used for Applications for a Review of an Existing Recruitment and Retention Premium
(A “Word” version of this form is available in the “Circulars and Guidance” section of the STAC website - www.stac.scot.nhs.uk)
- Annex G - Assessment form to be completed by the Scottish Terms and Conditions Committee

**SCOTTISH TERMS AND CONDITIONS COMMITTEE (STAC)
PROTOCOL FOR MANAGING BUSINESS**

Secretariat

STAC will have a tripartite secretariat made up of neutral officials appointed from the Scottish Government and nominated individuals from the staff and employer side. For the sake of clarity, the Scottish Government personnel shall be known as the "admin secretariat" with the staff and employer side representatives referred to as the "staff secretariat" and "employer secretariat" respectively.

It will be the admin secretariat's role to make arrangements for meetings, produce minutes and facilitate the general workings of the Committee. All papers pertaining to the work of the Committee, including its sub-groups, should be copied to the admin secretariat, part of whose duty will be to keep records, track progress on issues and finalise with the staff and employer secretariats the form of words to be used for communications to the service through HDLs, or other appropriate means.

Process for placing items on STAC agenda

As a negotiating Committee, STAC will place emphasis on the correct protocol for bringing issues to the table and on giving all sides reasonable time for reflection and preparation.

The staff and employer side chairs shall together decide on the agenda for each STAC meeting supported by their respective secretariats. The agenda will be decided at a pre-meeting convened between the chairs and the secretariats.

All members wishing to place items on the agenda for discussion at STAC shall do so through their respective secretariats.

The staff and employer secretariats will inform the admin secretariat of prospective items for the agenda a week before the pre-meeting and the admin secretariat will share this information with the other side so that all parties will have a reasonable opportunity to consider each item and come to the pre-meeting suitably briefed.

Day to day operation of Committee

All committee business will be conducted through the chairs with each secretariat acting as a point of contact for their respective side and the admin secretariat acting in support of the co-chairs.

Relationship of STAC to wider NHS management and staff

Part of STAC's function will be to disseminate the correct procedure for addressing queries on terms and conditions to the wider health service. As a general principle, queries should be addressed locally if possible, with questions being fed up the appropriate management line and only reaching STAC if no satisfactory answer can be arrived at through this process. So, for example, questions from payroll personnel about the application of pay circulars should be addressed, in the first instance, to

the Director of Finance who will, if necessary, refer the matter to the Management Steering Group who may, if no resolution can be reached, refer the issue on to STAC.

Colin Poolman

Staff side Co-chair
Scottish Terms and Conditions
Committee

Calum Campbell

Management side Co-chair
Scottish Terms and Conditions
Committee

NHSSCOTLAND

AGENDA FOR CHANGE POLICY

Recruitment and Retention
Premia Policy

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

1. INTRODUCTION

The Scottish Terms and Conditions Committee have 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 an application for 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 NHSScotland, 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.

Employing organisations have an obligation to ensure robust workforce planning methodology is in place to identify and mitigate workforce pressures. It is important that organisations demonstrate that they have identified workforce pressures at the earliest opportunity. This should be clearly identified within the planning process, with clear mitigation strategies and highlighted within their risk register.

To meet the fair work dimensions health boards need to implement systems that remove barriers to opportunity and allow staff to access and progress in work, such as access to apprenticeships and training that support career development pathways for all staff. Boards need to investigate and interrogate the workforce profile within the organisation, identify where any barriers to opportunity arise and address these creatively.

NHS Boards should adopt a life stage approach that helps workers at all ages maximise their contribution within the workplace.

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 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:

- 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
- Tailoring of posts to attract applicants.

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**

The Scottish Terms and Conditions Committee has a responsibility to:

- Determine the recommendation for each application made for RRP, including the decision as to whether to extend an individual Health Board application to other Boards and/or across all Boards in NHSScotland.
- 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.

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 Form.
- 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:

- Short term is normally for no less than one year but 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 for a defined fixed-term. This decision will be made by STAC.
- 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.
- Will be reviewed regularly according to a timetable agreed by STAC as being appropriate to that RRP.
- 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), and this resulted either in no successful recruitment, 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 locums 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 Supporting the Work Life Balance.

- The work cannot be done in a different way (new ways of working, job redesign, 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 Supporting the Work Life Balance.
- 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 locums has been assessed as far as possible.
- The work cannot be done in a different way (new ways of working, job redesign, training and development, amended KSF, etc).

NHS Boards should also investigate whether or not the service experiencing recruitment and retention challenges could be provided in collaboration with another Public Sector Organisation.

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, supported and signed off by the Area Partnership Forum 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

RRP may also be awarded on a national (i.e. UK) basis to particular groups of staff on the recommendation of the NHS Pay Review Body (NHSPRB) where there are national recruitment and retention issues. The Review Body must seek evidence or advice from NHS employers, staff organisations and other stakeholders in considering the case for any such payments. If it is agreed that an RRP is necessary for a particular group, the level of payment will be specified or, where the underlying problem is considered to vary across the country or countries, guidance should be given to employers on the appropriate level of payment.

Should any national RRP be awarded, further guidance will be issued.

6.4 RRP within NHSScotland

The Scottish Terms and Conditions Committee has the opportunity to agree both short-term and long-term premia, subject to the definitions set out in paragraph 6.1.

The Scottish Terms and Conditions Committee would normally only award up to 30% of basic pay for RRP based on the application of the criteria contained in this Policy.

6.5 Pay Implications

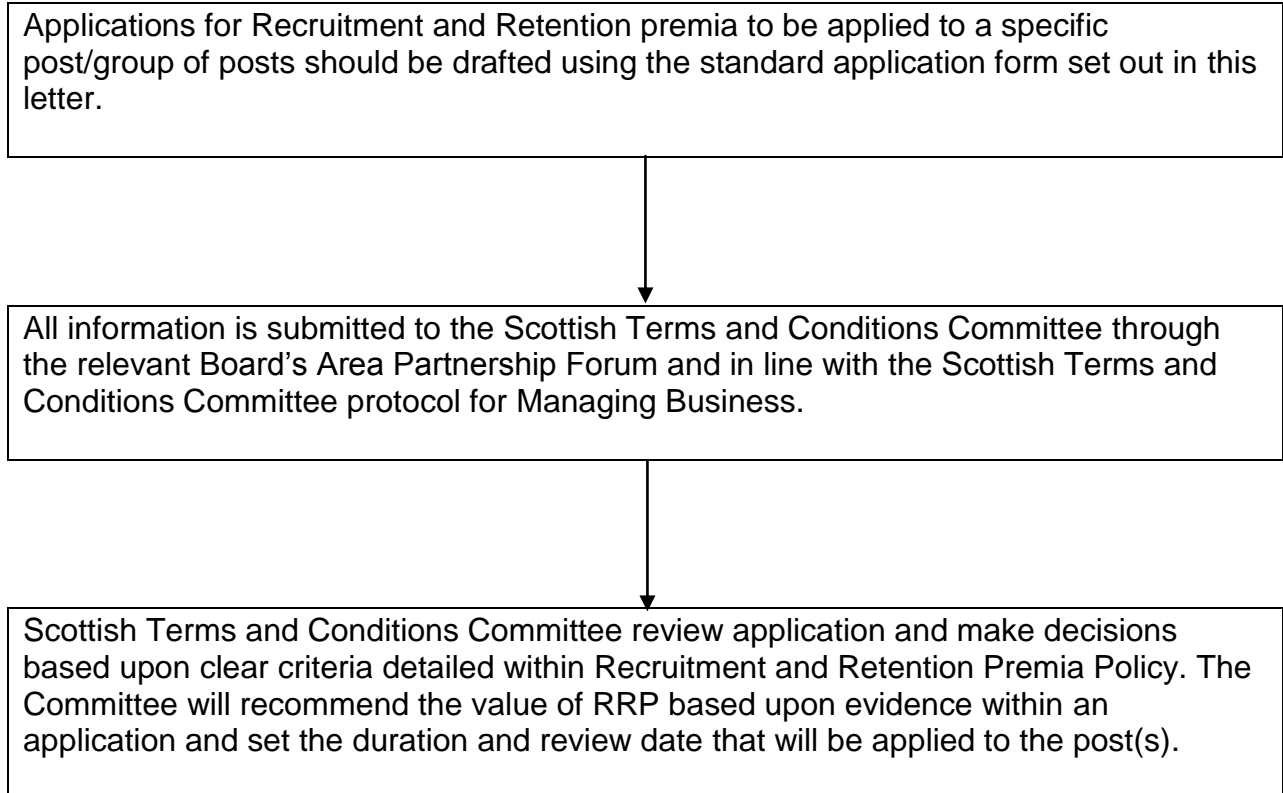
Valuation of premia levels will involve consideration not only of the above, but also factors such as:

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

7. MONITORING

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

Recruitment and Retention Premia ~ Application Process Flow Chart



Note: For further details of the most up to date protocol for submitting business to the Scottish Terms and Conditions Committee please see the "STAC" website at <http://www.stac.scot.nhs.uk>.

Application for Recruitment & Retention Premia

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

| | |
|--|---|
| Are you applying for: | |
| Short Term RRP* <input type="checkbox"/> | Long Term RRP <input type="checkbox"/> |
| Proposed Duration: | |
| Is there any other RRP currently applied? | |
| Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| If Yes, Please give further details: | |
| | |

***Short Term is up to one year, anything more than this will be regarded as Long Term.**

Reason For Application: In this section you should include detailed information on steps that have been taken to address the problem and why an RRP is felt to be the only option. This may include information obtained from exit interviews, response to adverts, turnover rates, any national shortages, availability of locum/agency equivalents; external (non-NHS) rates of pay for equivalent posts, employment benefits, length of vacancy.

If you are providing information about external rates of pay for similar posts, please attach documented evidence.

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 and retention issues. This should include flexible working; additional training; recruitment initiatives.

Who else could be affected by this application? Internally – are there other staff groups or services that could be affected by the application of the requested RRP? Externally – is there potential for the application of the requested RRP to impact on other Board areas?

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 | | Number of | | Total |
| RRP Value | x | Employees | = | Cost of RRP |

Current cost of Locums (per person):

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

Please attach any relevant supporting statements.

Signature of Chief Executive:

Signature of Employee Director:

Date: ____ / ____ / ____

| | |
|--|--|
| <u>Scottish Terms and Conditions Committee Only</u> | Date Received : ____/____/____ |
| RRP Agreed? <input type="checkbox"/> | Effective Date : ____/____/____ |
| Short Term RRP? <input type="checkbox"/> | Long Term RRP? <input type="checkbox"/> |
| RRP Not Agreed? <input type="checkbox"/> | <i>Please state reasons for not awarding RRP in the box below:</i> |
| First Review Date: | Review Intervals: |
| | |

RRP Decision-Making Record Form

| | |
|------------------------|--|
| Post Title: | |
| Pay Band: | |
| Reason for Application | |
| Outcome: | |

Recruitment and Retention Premia – Review Process

1. INTRODUCTION

Any Recruitment and Retention Premia (RRP) awarded under the terms of this circular, whether on a short-term or long-term basis, will have an agreed review date.

2. PRINCIPLES OF THE REVIEW PROCESS

The review process for RRP will follow the same principles as those contained in the application process. Reviews will be undertaken by STAC and the STAC secretariat, as appropriate. The reviewers will consider the original application (and if appropriate any previous review information) with updated evidence presented for the review.

3. REVIEW DATES

3.1 Long Term RRPs

Long terms RRPs will be reviewed regularly according to a timetable agreed by STAC at the time of awarding the RRP. Consideration of an appropriate subsequent review date will form part of any given review.

3.2 Short Term RRPs

Short-term RRPs will normally be awarded for a period which is no less than 12 months. However, there may be instances when a one-off payment or a payment for a fixed-term which is less than 12 months could be identified. In the case of a one-off payment or a fixed-term payment, the end date will be agreed with no requirement for a review, unless the Board concerned confirms the need for any such payment to be extended.

Short-term RRPs which are awarded for 12 months will be reviewed no less than three months before the end of the 12 month period. Short-term RRPs for longer than 12 months will be reviewed no less that six months before the end of the RRP.

4. PROCESS FOR REVIEW

The actual process for reviewing successful RRP applications will be the same regardless of whether the approved RRP is long-term or short-term.

When approving an application, STAC will identify a review date which will be notified to the Board(s) concerned. This date will normally be six months before the approved application is due to come to an end.

It is the responsibility of the NHS Board or Boards where an RRP is in operation to keep track of the timetable for review and, in situations where they would wish the RRP to continue, to ensure that they are in a position to submit evidence to STAC at the appropriate time which will allow STAC to review and come to a conclusion on continued need for the RRP. Boards seeking an extension will need to complete the the form attached as Annex F.

The Scottish Government, on behalf of STAC, will contact the Board(s) concerned at the time the review is due and facilitate the process of putting the review application to STAC.

STAC will consider the information provided in line with Section 2 above.

5. NOTIFICATION OF OUTCOME

STAC will aim to notify the Boards concerned of the outcome of the review in good time before the end date of the existing application.

If approved, a further review date will be agreed and the Board(s) will be advised accordingly.

If rejected, the Board(s) will be advised of the reason for the rejection and it will be the responsibility of the Board(s) to advise the employees covered by the RRP that the payment will be coming to an end on the agreed date. Employees must be given at least six months notice if the payment is to cease.

Application for a Review of an Existing Recruitment and Retention Premia

| | |
|---|--|
| Board: | |
| Post Title and Department | |
| Level of Current RRP | |
| Date Current RRP Approved | |
| Duration of Current RRP | |
| Review Date of current RRP | |
| Pay Band | |
| Number of Posts covered | |
| Requested duration of continued RRP | |
| Reason for continued application including updated evidence (please attach any appropriate documented evidence in support of the review) | |
| Please outline any steps that have been taken to overcome the requirement for a further RRP | |

| | |
|---------------------------------------|--|
| Signature of Chief Executive | |
| Date of Signature | |
| Signature of employee Director | |
| Date of Signature | |

To be completed by the Scottish Terms and Conditions Committee

| | |
|--|--------|
| Date Application for Review Received | |
| RRP agreed | Yes/No |
| If Yes: Level of RRP Awarded | |
| Effective Date | |
| Subsequent Review Date | |
| If Not awarded, reasons for not doing so | |
| Date of Approval by STAC | |