

Dear Colleague

## RECRUITMENT AND RETENTION PREMIA POLICY

### Summary

1. This letter provides a revised and updated protocol and policy regarding the submitting of 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. This letter replaces previous guidance contained in HDL(2005)47 issued on 25 October 2005 and CEL(2008)37 issued on 9 September 2008.

### Background

2. [HDL\(2005\)47](#) and [CEL\(2008\)37](#) provided details of the recruitment and retention policy, including details of how to apply to STAC for recruitment and retention premia and the STAC protocol for managing business. However, in the light of experience of Boards in using this policy, and following agreement at STAC, the protocol and policy have been revised and updated.

3. A copy of the STAC protocol for managing business is attached as Annex A and a copy of the revised RRP policy is attached as Annex B. All applications for RRP payments must be agreed and signed off by Area Partnership Forums and should be submitted to STAC via the AfC Service Lead for NHS Scotland on the form attached at Annex C. Annex E sets out the procedure agreed in partnership for reviewing RRP's which have been awarded in line with this policy and Annex F is the form which should be used for review applications.

### Action

4. 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.

5. Employers are asked to make their own arrangements for obtaining additional copies of this Chief Executive Letter (CEL) which can be viewed at [www.sehd.scot.nhs.uk](http://www.sehd.scot.nhs.uk).

Yours sincerely

Jacqui Jones  
Deputy Director of Health Workforce

**CEL (2009) 41**

15 October 2009

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### 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

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### Enquires to:

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## List of Attachments

- Annex A – Scottish Terms and Conditions Committee: Protocol for Managing Business
- Annex B – Recruitment and Retention Premia Policy
- Annex C – Form to be used for Applications for a Recruitment and Retention Premium  
(Word version available from STAC Admin Secretariat – see [www.stac.scot.nhs.uk](http://www.stac.scot.nhs.uk) for up to date contact details)
- 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  
(Word version available from STAC Admin Secretariat – see [www.stac.scot.nhs.uk](http://www.stac.scot.nhs.uk) for up to date contact details)
- 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 "administrative secretariat" with the staff and employer side representatives referred to as the "staff secretariat" and "employer secretariat" respectively.

It will be the administrative 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 administrative 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 administrative secretariat of prospective items for the agenda a week before the pre-meeting and the administrative 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 administrative 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.

**GLYN HAWKER**

Staff side Co-chair  
Scottish Terms and Conditions  
Committee

**GEORGE BRECHIN**

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 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 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 TERMS AND CONDITIONS COMMITTEE**

- 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's 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 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:

- 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 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 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 locum has been utilized 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).

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**

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 currently 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 £3,205 for 2009-10 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. 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 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.

**Appendices: 1. Process Flow Chart**

**2. RRP Application Form**

**3. Decision Making Record Form**

## Recruitment and Retention Premia ~ Application Process

Applications for Recruitment and Retention premia to be applied to a specific post/group of posts should be submitted to the Scottish Terms and Conditions Committee using the standard application form set out in this letter.



All information is submitted to the Scottish Terms and Conditions Committee through the relevant Board's Area Partnership Forum and in line with the Scottish Terms and Conditions Committee protocol for Managing Business.



Scottish Terms and Conditions Committee review application and make decisions based upon clear criteria detailed within Recruitment and Retention Premia Policy. The Committee will recommend the value of RRP based upon evidence within application and set the duration and review date that will be applied to the post(s).

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**

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

<b>Are you applying for:</b>	
<b>Short Term RRP*</b> <input type="checkbox"/>	<b>Long Term RRP</b> <input type="checkbox"/>
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>	

**\*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, both financial and numerical, 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, employment benefits, length of vacancy (excluding any vacancy freeze) etc.

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? For example are there any other posts/departments/services that could be affected?**

**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):**

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

<b><u>Scottish Terms and Conditions Committee Only</u></b>	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. Long-term RRPs will be reviewed annually and short-term RRPs will be reviewed no less than six months from the end date agreed at the time of granting the application.

### **2. PRINCIPLES OF THE REVIEW PROCESS**

The review process for RRP will follow the same principles as those contained in the application process and outlined in CEL ? (2009) and 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**

It is unlikely that many long-term RRPs will be agreed for an individual Board but should there be evidence to support such an application, it will be reviewed annually commencing one year from the date that the original RRP is awarded.

#### **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 six months before the end of the 12 month period.

### **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, the Scottish Terms and Conditions Committee (STAC) will identify a review date which will be notified to the Board(s) concerned. This date will be six months before the approved application is due to come to an end.

The AfC Service Lead will contact the Board(s) concerned no less than six weeks before the review date to ascertain whether there is a continued need for the RRP to be in place. This will allow the Board(s) to provide notification of any continued requirement for the RRP together with updated evidence to the AfC Service Lead at least four weeks before the review date. This will allow the STAC secretariat to

review the evidence provided, together with the original application, and agree whether the RRP should continue and, if so, the duration of the extended period. This should be done by completing the attached RRP Review form – Appendix 4.

## **5. NOTIFICATION OF OUTCOME**

The outcome of the RRP review will be notified to the Board(s) concerned no less than six months prior to the end date if 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

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

<b>Signature of Chief Executive</b>	
<b>Date of Signature</b>	
<b>Signature of employee Director</b>	
<b>Date of Signature</b>	

**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	