



Dear Colleague

RECRUITMENT AND RETENTION PREMIA POLICY

Summary

1. This Director's Letter updates NHS Scotland's policy on Recruitment and Retention Premia previously set out in [DL\(2017\)05](#). These revisions have been made following a review of the policy conducted by the Scottish Terms and Conditions Committee (STAC).

Background

2. The changes which STAC have made seek, firstly, to re-emphasise that applying for an RRP should be seen as a last resort and that Boards should engage in proactive workforce and succession planning with any potential workforce pressures identified at the earliest opportunity and highlighted on the risk register, so that strategies to address these can be developed and implemented.

3. The revised guidance also stresses that securing an RRP should not be seen as the end of the process. The default in NHS Scotland remains the employment of all staff on standard terms, conditions and pay and, as part of any application, STAC will now require an Action Plan setting out how the Board intends to mitigate the need for the RRP in the longer term. In addition, Boards will now need to submit a Mid-Term Review during the period of the RRP. This will set out how the RRP is being used, whether it has been effective and the progress the Board has made with their Action Plan.

4. Lastly, the revised policy recognises the need to consider equality issues when applying for an RRP and Boards will need to supply an Equality Impact Assessment (EQIA) on the proposed RRP, along with their application.

5. The narrative of the Policy has been re-worked to reflect these changes and the application form now contains a check sheet on the last page to help ensure that the application is as robust as possible and that all the required information is included.

DL(2021)11

24 March 2021

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

Enquiries to:

Colin Cowie
Scottish Government
Health Directorates
Health Workforce
Ground Floor Rear
St Andrew's House
EDINBURGH EH1 3DG

E-mail:

hwfpaytermsandconditions@gov.scot



6. To assist Boards with making applications, a Word version of the application form is available for download on the [Circulars and Guidance](#) page of the Scottish Terms and Conditions Committee website. It can be found next to the entry for this circular. In addition, an EQIA template has been provided as well as a template which Boards can use to record the attempts which have been made to recruit to the relevant posts. Use of this last template is not mandatory but STAC has found it helpful in the past to have this information summarised in an easily digestible form.

Action

7. 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 applications for Agenda for Change staff.

Yours sincerely



LAURA ZEBALLOS
Deputy Director
Health Workforce Pay,
Practice and Partnership Division

LIST OF ATTACHMENTS

- Annex A – Recruitment and Retention Premia Policy
- Annex B – Form to be used for Applying 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/circulars)
- Annex C – Mid-Term Review
- Annex D – Form to be used for Mid-Term Review Submission
(A “Word” version of the submission form is available in the “Circulars and Guidance” section of the STAC website:
www.stac.scot.nhs.uk/circulars)
- Annex E – Recruitment and Retention Premia – Renewal Process
- Annex F – Form to be used for Applications for a Renewal of an Existing Recruitment and Retention Premium
(A “Word” version of the renewal application form is available in the “Circulars and Guidance” section of the STAC website:
www.stac.scot.nhs.uk/circulars)

NHS SCOTLAND

AGENDA FOR CHANGE

**Recruitment and Retention
Premia Policy**

POLICY FOR THE APPLICATION OF RECRUITMENT AND RETENTION PREMIUMS IN NHS SCOTLAND

1. Introduction

The Scottish Terms and Conditions Committee oversees the application of RRP in Scotland. More information on STAC and how it operates can be found at the Committee's [website](#). STAC have developed this policy to address the particular needs of NHS Scotland, in line with the overarching UK guidance contained in the Agenda for Change Handbook, available [here](#). This policy will be applied across NHS Scotland (NHSS) to ensure that a consistent approach is adopted when considering an application for Recruitment and Retention Premiums.

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

2. Purpose

This policy is intended to ensure that posts within NHS Scotland 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 organisation, and would represent value for money.

Employing organisations have an obligation to ensure a robust workforce and succession planning process is in place to identify potential workforce pressures at the earliest opportunity so that these can be highlighted in the risk register and mitigation strategies can be developed and implemented.

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 analyse 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 be seen as a last resort. Boards have an obligation to plan for future workforce needs and every effort should be made through workforce planning routes to secure a full supply of staff to meet future service needs.

Where shortages occur, 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. as set out in the relevant PIN/Once for Scotland policy);
- 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 NHS Scotland.
- Assess each application according to the criteria set out within this policy, bearing in mind the wider context affecting the NHS workforce.
- Consider the mid-term reviews submitted by Boards.
- Determine the recommendation for each application for renewal of an existing RRP.
- Work in partnership through the Scottish Terms and Conditions Committee to ensure the smooth running of the process for administering RRP's in NHS Scotland.

At Board level, Staff Side representatives and managers have a responsibility to:

- Ensure that any potential staff shortages are reflecting in the Board's Risk Register, so that mitigating strategies are implemented as early as possible.
- Ensure that a range of non-financial incentives have been implemented and monitored prior to any application for any RRP being made.
- Discuss the case for an RRP application through the Area Partnership Forum and, where it is decided to move ahead with an application, support line managers in completing the application and ensuring that the business case fully addresses the criteria set out in this guidance.
- Continue seeking and progressing ways to eliminate the need for RRP's in the future.

6. Short and Long Term RRPs

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 term.
- Will be regularly reviewed.
- 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.
- Will not be renewed.

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 (i.e. at least a year)
- Will be subject to mid-term review and regular renewal 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.

7. Alternatives to RRP

As outlined in sections 2 and 3 above, Boards need to act proactively in the first instance and use effective workforce and succession planning to identify potential future shortages and develop strategies for mitigating these.

Where shortages do arise, 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. (A record of all such advertising should be kept and will form part of the evidence base for any RRP application)
- 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 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 (e.g. 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 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, approved by the Area Partnership Forum and signed by the Chief Executive and the Employee Director. It can then be sent to the Scottish Terms and Conditions Committee together with any relevant supporting information.

The Scottish Terms and Conditions Committee will decide whether the application of a RRP is appropriate and the length of time the RRP should be applied for.

8. 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.

9. RRP within NHS Scotland

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 section 6.

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.

10. 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

11. Equality Impact Assessment

All applications need to be equality proofed and an EQIA should be included with the application.

12. Exit Strategy Action Plan

It is important that securing an RRP is not seen as the end of the process. The default in NHS Scotland remains the employment of all staff on standard terms, conditions and pay and, as part of the application, Boards must include an Action Plan setting out how they intend to mitigate the need for the RRP in the longer term.

13. Implementation Date

RRPs will usually become effective from the date of the STAC meeting at which they were agreed. However, STAC is free to come to a view on an alternative implementation date, based on the particular circumstances of a given application.

14. Mid-Term Review

All long term RRP's will now be subject to a mid-term review designed to seek evidence around how the RRP is being used, whether it has been effective, and what the Board is doing to take forward its Action Plan to work towards a position where the RRP will no longer be required. A date for submission of the mid-term review will be included as part of the response from STAC awarding the RRP.

15. Monitoring

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

APPLICATION FOR RECRUITMENT AND RETENTION PREMIUM¹

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

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

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

Suggested Value of RRP (per full-time post):	£_____ per annum
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¹ This Application form is available in Word format at www.stac.scot.nhs.uk/circulars

Reason For Application: In this section you should include detailed information on steps that have been taken to address the problem (flexible working, additional training; recruitment initiatives etc. – see section 7 of the guidance) 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 have information about external rates of pay for similar posts, or any other additional evidence, please attach this to the application.

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.).

Action Plan setting out how the Board intend to mitigate the need for the RRP in the longer term.

Before submitting an application, it should be benchmarked against section 1 to 15 of Scotland's Recruitment and Retention policy to ensure that the case is robust when measured against the stated criteria.

As well as the application form, STAC has provided a template on their website which can be used to document efforts to recruit to the posts for which an RRP is sought.

Boards will wish to use the check list below to ensure that the application is complete.

Has the application been benchmarked against the required criteria?	
Has all supporting material been attached including, where appropriate, a template outlining recruitment efforts for the post/s?	
Does the application contain a robust Action Plan for moving back to standard terms and conditions?	
Has an Equality Impact Assessment of the proposed RRP been included?	

Signature of Chief Executive:

Signature of Employee Director:

Date: ____ / ____ / ____

**RECRUITMENT AND RETENTION PREMIA
MID-TERM REVIEW****16. Introduction of Mid-Term Review Process**

It is important that Boards continue to monitor the need for any RRP, and the application process now includes a requirement for Boards to present an Action Plan setting out how the need for the RRP will be mitigated in the longer term.

In addition, STAC is increasing its oversight of the RRP process by requiring that Boards submit a mid-term review detailing how the RRP which has been awarded is being used, and the steps which the Board is taking to implement its Action Plan to move back to standard pay arrangements.

17. Submission to STAC

Reviews should be submitted using the form at Annex D. The deadline for supplying this information will be stated clearly on the letter from STAC awarding the RRP. It is the Board's responsibility to keep track of any RRP which it holds and to meet all specified deadlines for the submission of information.

**RECRUITMENT AND RETENTION PREMIUM
MID-TERM REVIEW SUBMISSION²**

Board:	
Post Title:	
Number of Staff Receiving RRP:	
Value of RRP:	
Date RRP Awarded:	

Please supply information on how the RRP has been used so far by the Board and what the Board is doing to implement its Action Plan to mitigate the need for the RRP in the longer term.

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² This Mid-Term Review form is available in Word format at www.stac.scot.nhs.uk/circulars

Signature of Chief Executive:

Signature of Employee Director:

Date: _____ / _____ / _____

RECRUITMENT AND RETENTION PREMIA RENEWAL PROCESS

18. Introduction

Any Recruitment and Retention Premia (RRP) awarded under the terms of this policy will have an agreed expiry date. Boards will therefore have to apply to STAC to renew the RRP for a further term if they wish to extend its provisions beyond that date.

19. Principles of the Renewal Process

The renewal process for RRP's will follow the same principles as those contained in the application process. Consideration of renewal applications will be undertaken by STAC and the STAC secretariat, as appropriate. The reviewers will consider the original application (and if appropriate any previous renewal information) with updated evidence presented for the renewal, including any additional documentation included with the application.

Given that all long term RRP applications will now include an Action Plan to mitigate the need for the RRP in the longer term, STAC would expect the renewal application to detail the implementation of the previous Action Plan and why this has not yet allowed the Board to recruit and retain staff on standard terms and conditions. In addition, Boards should use the lessons learned to re-formulate their Action Plan and include this as part of the application. Finally, a refreshed Equality Impact Assessment should be produced and included with the application.

20. Process for Renewal

It is the responsibility of the NHS Board or Boards where an RRP is in operation to keep track of the timetable for renewal 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 consider this and come to a conclusion on the continued need for the RRP. Boards seeking to extend RRP's will need to complete the form attached as Annex F.

21. Notification of Outcome

STAC will aim to notify the Boards concerned of the outcome of the renewal application in good time before the expiry date of the existing RRP.

If approved, a further renewal date will be agreed, as well as a date for submission of a mid-term review, 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.

A revised Action Plan setting out how the Board intend to use the lessons learned from the period of the previous RRP to mitigate the need for the RRP in the longer term.

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Boards will wish to use the check list below to ensure that the application is complete.

Has all the required supporting material been included?	
Does the renewal application contain a robust Action Plan for moving back to standard terms and conditions?	
Has a refreshed Equality Impact Assessment for the RRP which the Board is seeking to renew been included?	

Signature of Chief Executive:

Signature of Employee Director:

Date: ____/____/____