

**Worcestershire Acute Hospitals Trust  
Recruitment and Retention  
Financial Incentives Policy**

<b>Department/Service</b>	<b>Human Resources</b>
<b>Accountable Director</b>	<b>Chief People Officer</b>
<b>Date Approved by JNCC</b>	<b>3<sup>rd</sup> October 2024</b>
<b>Revision Date</b>	<b>3<sup>rd</sup> October 2027</b>
<b>Changes since previous version</b>	
<b>Queries about interpretation and application of policy</b>	<a href="mailto:wah-tr.hrenquiries@nhs.net"><u>wah-tr.hrenquiries@nhs.net</u></a>
<b>Target Organisation</b>	<b>Worcestershire Acute Hospitals Trust</b>

**This is a controlled document. The electronic version on the intranet is the controlled version and any printed copies are not controlled. As a controlled document, this document should not be saved onto local or network drives and should always be accessed from the intranet.**

## Table of Contents

<b>What this Policy Covers</b> .....	4
<b>Definitions</b> .....	4
<b>Responsibilities</b> .....	4
<b>Policy in practice</b> .....	5
<b>Implementation Plan</b> .....	9
<b>Appendix 1 Recruitment &amp; Retention Incentive Application Form</b> .....	10
<b>Appendix 2 Equality Impact Assessment</b> .....	12

## What this Policy Covers

The process for managers who wish to consider different recruitment and retention financial incentives, recruitment incentives including new starter incentives, return to practice incentives, retention incentives and recruitment and retention premia (RRP).

To ensure that there is a fair and consistent approach for the application of recruitment and retention incentives deciding if a recruitment and retention incentive should be applied to roles within the Trust which are hard to recruit to or have high levels of turnover.

This Policy applies to all colleagues including medical and dental colleagues. However, Recruitment and Retention Premiums (RRPs) are only applicable for colleagues employed on Agenda for Change Contracts and will be applied in line with the NHS Terms and Conditions of Service Handbook.

## Definitions

**Recruitment and Retention Premia (RRP):** The 'Agenda for Change Terms & Conditions Handbook outlines a recruitment and retention premium as: 'an 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 colleagues to and retain colleagues in, sufficient numbers for the posts concerned, at the normal salary for a job of that weight.'

**Short Term RRP:** awarded on fixed term basis up to 12 months.

**Long Term RRP:** awarded on a longer term basis of over 12 months.

## Responsibilities

### **Trust Management Board (TMB)**

- Approval of the policy and to ensure that the policy is applied appropriately and give due consideration to applications before approving or rejecting.
- Notify JNCC of all decisions and provide a copy of the application.

### **Divisional Management Teams (DMT)**

- Critically review recruitment and retention data and key performance indicators before considering submitting an application and include the HR Business Partner and Finance Business Advisor in the decision making process.
- Before submission of an Application for a Recruitment and Retention Incentive, consider other non-financial incentives and strategies to improve recruitment and retention.
- Ensure accurate completion of Recruitment and Retention Incentive Applications.
- Working with HR, review the retention incentives / premia annually with a written paper outlined below. The review will be in conjunction with HR, relevant service/department leads and trade union representatives to ensure that the continued payment of incentives is justified. The review paper will be submitted to TMB for approval.

### **Line Managers**

- Consider the impact of a recruitment or retention payment on other roles.
- Ensure colleagues affected will be communicated with and decisions to grant incentives will be recorded in writing and filed on the employee personal file.

### HR Advisory Team

- Provide advice on the implementation of the policy, support decision-making, provide labour market and turnover information and monitor the use of recruitment payments and retention payments across the Trust.
- The HR Business Partners will lead the annual review of Recruitment and Retention Incentives working with Divisional Management Teams.

### Trade Union Representatives

- A source of advice and support to managers and union members in the application of this policy

The application of a recruitment and retention incentive to any post must not be regarded as the only method to resolve recruitment and/or retention problems.

## Policy in practice

### Process for Applying for Recruitment Incentive/RRP

Prior to applying for any incentives, line managers in **must demonstrate that they have considered other options to recruit to the role** including but not limited to making the role more attractive by offering:

- Flexible working
- Enhanced/additional training
- Skill mix within the existing team/cross-professional boundary working
- Working with the ICS, local Trusts or health care providers to create rotational roles that may be more attractive
- Any other non-financial incentives.

It is recommended that managers meet with HR/ trade union representatives before applying for a recruitment incentive.

### Recruitment Incentives

**Recruitment Incentives are applicable to all colleagues including Medical and Dental colleagues.**

**The recruitment incentive applies to the post and not the individual.**

Where national adverts have produced no suitable applicants, HR, Department Managers and staff representatives should consider the reasons for this. Account should be taken of the number of applicants, relevant national vacancy data and local labour market information, advertising and any improvements which could be made to the employment package (e.g. training opportunities, support for professional returning to practice, relocation allowance, rotational posts), or any expected increase in the supply of candidates suitable for the post.

If it could be reasonably assumed that vacancies could be filled through, for example, advertising in different media or by waiting for an expected increase in supply (for example from new trainees) then vacant posts should be re-advertised.

However, if a manager decides that the vacancy problem can be addressed most effectively through payment of a recruitment incentive, managers can apply for a recruitment incentive

using **Appendix 1** if they have the budget to do so. The incentive will vary depending on the job role. It will involve a payment in return for accepting and commencing a position in the Trust, often paid-in instalments over the first twelve months of employment.

### Retention Incentives

**Retention Incentives are applicable to all colleagues including Medical and Dental colleagues.**

**The retention incentive applies to the post and not the individual.**

In some cases it may not be difficult to recruit colleagues but it is difficult to retain them.

Where this is the case, managers should critically review turnover data, s exit questionnaire information, focus group/survey with current colleagues to understand issues within the department to understand issues that may be contributing to retention issues and staff survey results to fully understand the reasons before considering a retention bonus as often the issues can be resolved without the need to consider a retention bonus.

However, if it is decided that a retention problem can be addressed most effectively through payment of a retention incentive then managers can apply for a retention incentive using **Appendix 1** if they have the budget to do so.

Examples of a retention bonus include:

- Annual bonus in return for committing to stay with the trust for the next twelve months
- Supporting / paying for qualifications or Continuous Professional Development.

### Recruitment and Retention Premia (RRP)

**This is applicable to colleagues on NHS Terms and Conditions of Service only** (all colleagues directly employed by NHS organisations, except very senior managers and colleagues within the remit of the Doctors' and Dentists' Review Body).

Another alternative to those outlined above is to apply RRP's:

- Recruitment and retention premia (RRPs) are pay supplements which can be applied to individual jobs, or groups of jobs, where labour market pressures make it difficult for employers to recruit and retain colleagues in sufficient numbers at the normal salary rate.
- RRP's may be either long or short-term. Short-term RRP's apply when the labour market conditions giving rise to recruitment and retention problems are expected to be short-term and where the need for the premium may vary significantly in the foreseeable future.
- Long-term RRP's 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.

**Local RRP's should be reviewed annually in order to ensure that there continued payment remains continues to be justified.**

The RRP applies to the post and not the individual. The value of the RRP payment will be formally communicated to colleagues in a letter. Therefore, it affects the pay of the people who occupy those posts only so long as they are in those posts and the premia are in operation. When somebody moves from a post that attracts RRP, to a post that does not, they will lose their right to that RRP. They will not receive any protection of pay.

**Short-term recruitment and retention premia:**

- May be awarded on a one-off basis or for a fixed-term (e.g. up to 12 months);
- Will be regularly reviewed;
- May be withdrawn or have the value adjusted, subject to a notice period of six months;
- Will not be pensionable or count for purposes of overtime, unsocial hours payments or any other payments linked to basic pay, including sickness payments.

**Long-term recruitment and retention premia:**

- Will be awarded on a long-term basis (e.g. over 12 months);
- Will be regularly reviewed;
- May be awarded to new colleagues at a different value to that which applies to existing colleagues;
- Will be pensionable, and will count for the purposes of overtime, unsocial hours payments and any other payments linked to basic pay, including sickness payments.

**Local RRP's**

For Agenda for Change colleagues, Annex 10 of the NHS Terms and Conditions of Service Handbook sets out the protocol that employers should follow for local Recruitment and Retention Premia.

**Process for Applying for an Incentive**

When managers are considering applying for any of the incentives described above they must complete the Application for Recruitment and Retention Incentive **Appendix 1**.

The application will be consideration at Trust Management Board (TMB).

**The application will provide a detailed rationale for the reason for application, including:**

- Evidence of sustained vacancies (*i.e. % available workforce over last 6-12 month period*).
- Limited response to adverts (*e.g. advertised at least twice within 6 months & no appointable candidates*). *The post has been recently advertised.*
- High patterns of turnover rates for post(s).
- Lack of availability of cost-effective temporary staff
- Exit interview results – indicating a direct link to dissatisfaction with pay levels.
- Documented labour market shortages (including presence on any national shortage occupational list as applicable).
- Risks to services and the people we care for i.e. increased complaints.
- Comparable external (non-NHS) rates of pay.
- Details of Recruitment and Retention Incentives offered by other NHS Trusts to show market rate.
- Impact on delivery of workforce plans and business continuity

Expected benefits e.g. improved recruitment, reduced turnover, reduced bank and agency costs.

This isn't an exhaustive list and other factors can also be included.

The application must also outline other action taken/considered, including:

- Increasing opportunities for flexible working.
- Additional training and development that could be offered.
- Recruitment initiatives / campaigns.

- Working with the ICS, other local Trusts or health care providers to create rotational roles that may be more attractive.
- Any other non-financial incentives.
- Support for return to practice

The application must provide evidence of how the incentives will be funded and whether any other posts may be affected. Other posts can include posts within the Trust and in other local NHS employers. Consideration may also be given to posts within the Integrated Care System area and nationally, where appropriate.

### Payment

- The combined value of any nationally awarded and any locally awarded recruitment and retention premium for a given post shall not normally exceed 30% of basic salary.
- Any payments will be supplementary payments, over and above the pay that the post holder receives by virtue of their position on their pay band, any high cost area supplements, or any payments for unsocial hours or on-call cover.
- Incentives will apply to specific posts. Where an employee moves to a different post that does not attract a recruitment and retention premium, either within the Trust or elsewhere in the NHS, their entitlement to any previous recruitment and retention premium will cease.
- If an employee accepts a secondment to another role that does not qualify for a recruitment or retention incentive, then payment will cease for the duration of the secondment.
- If an employee is redeployed to a role that does not qualify for a recruitment and retention incentive, then payment will cease, subject to any pay protection for which the employee is eligible in line with the Trust's Organisational Change Policy.

### Annual Review of Incentives

Any recruitment and retention incentives / recruitment and retention premia will be reviewed annually. HR Business Partners will lead these reviews in collaboration with service/department heads, DMTs, HR and trade union representatives. Preparation for the annual review should commence 3 months before the recruitment and retention incentive was first paid. The review will take place via a written report to TMB outlining:

- The impact the recruitment and retention incentive / premia has had on reducing vacancy and turnover.
- Likely impact on of removing/ reducing the incentive/premia on vacancies.
- Any changes in labour market circumstances locally or nationally.
- Current cost of the recruitment and retention incentive/ premia.
- The service benefits of the recruitment and retention incentive / premia.

The Trust Management Board will decide whether to withdraw or extend the RRP. **Extension will be for a maximum of 12 months.** The principle consistent with equal pay for work of equal value should be that, where the need for a recruitment and retention premium is reduced or has ended, short-term premia should be reduced or withdrawn as soon as possible, subject to a 6 months' notice period.

JNCC will receive a copy of the paper and will be notified of the Trust Management Executive's decision.



## Implementation Plan

This policy will be available on the Trust Intranet.

A policy briefing will be developed for Divisional Management Boards, Directorate Meetings and Worcestershire weekly.

## Appendix 1 Recruitment & Retention Incentive Application Form

<b>Post Title</b>	
<b>Division</b>	
<b>Directorate</b>	
<b>Pay Band of Post</b>	
<b>Number of Staff affected</b>	
<b>Please describe the Recruitment/ Retention Incentive or RRP that you want to apply. If it is an RRP please detail cost. Please note the value should not be above 30% of basic salary.</b>	
<b>Proposed implementation date and duration</b>	
<b>Is there any other RRP in place</b>	
<b>How many vacancies are there currently for this post?</b>	
<p>Please detail the reasons for application. This may include:</p> <ul style="list-style-type: none"> <li>• Evidence of sustained vacancies (i.e. % available workforce over last 6-12 month period).</li> <li>• Limited response to adverts (e.g. advertised at least twice within 6 months &amp; no appointable candidates). The post has been recently advertised. Details of each advert and number applicants and number interviewed is expected. It is also expected that you will be able to demonstrate use of social media/ other forms of advertising and marketing the post, relocations package offered.</li> <li>• You will need to show you have tried other options e.g. offering flexible working, continuous professional development opportunities.</li> <li>• High patterns of turnover rates for post(s).</li> <li>• Lack of availability of cost-effective temporary staffing. Exit interview results – indicating a direct link to dissatisfaction with pay levels.</li> <li>• Documented labour market shortages (including presence on any national shortage occupational list) where applicable.</li> <li>• Risks to services and the people we care for i.e. increased complaints.</li> <li>• Comparable external (non-NHS) rates of pay. Details of Recruitment and Retention Incentives offered by other NHS Trusts to show market rate.</li> <li>• Impact on delivery of workforce plans and business continuity.</li> <li>• Expected benefits e.g. improved recruitment, reduced turnover, reduced bank and agency costs.</li> </ul>	

Who else could be affected by this? For example, are there any other posts/departments/services that could be affected; Implications for joint posts in the organisation (i.e. posts that attract external sources of funding). What will be the impact on current colleagues? This should cover both impact of current vacancy and impact of any incentive
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 RRP Value x Number of Total Employees = Cost of RRP
Expected benefits of applying RRP (i.e. reduced waiting times; Reduced complaints; increased applications; improved absence rates, reduced turnover etc.)
Please provide name of trade union representative that you have engaged with.
Manger Name: Position: Date:
<b>Divisional Director of Operations to Review Application and indicate approval below</b>
<b>Divisional Director of Operations:</b> <b>Date:</b>

## Appendix 2 Equality Impact Assessment



**Herefordshire & Worcestershire STP - Equality Impact Assessment (EIA) Form**  
Please read EIA guidelines when completing this form

### Section 1 - Name of Organisation (please tick)

Herefordshire & Worcestershire STP	<input type="checkbox"/>	Herefordshire Council	<input type="checkbox"/>	Herefordshire CCG	<input type="checkbox"/>
Worcestershire Acute Hospitals NHS Trust	<input checked="" type="checkbox"/>	Worcestershire County Council	<input type="checkbox"/>	Worcestershire CCGs	<input type="checkbox"/>
Worcestershire Health and Care NHS Trust	<input type="checkbox"/>	Wye Valley NHS Trust	<input type="checkbox"/>	Other (please state)	<input type="checkbox"/>

<b>Name of Lead for Activity</b>	<b>Clare Waterman HRBP</b>
----------------------------------	----------------------------

<b>Details of individuals completing this assessment</b>	<b>Name</b>	<b>Job title</b>	<b>e-mail contact</b>
	Clare Waterman	HRBP	c.waterman@nhs.net
<b>Date assessment completed</b>	11/06/2024		

### Section 2

Activity being assessed (e.g. policy/procedure, document, service redesign, policy, strategy etc.)	<b>Title: Policy</b>
What is the aim, purpose and/or intended outcomes of this Activity?	The aim of the policy is to ensure that any Recruitment and Retention Premium Payments are implemented fairly and consistently.

Who will be affected by the development & implementation of this activity?	<input type="checkbox"/> Service User <input type="checkbox"/> Patient <input type="checkbox"/> Carers <input type="checkbox"/> Visitors	<input checked="" type="checkbox"/> Staff <input type="checkbox"/> Communities <input type="checkbox"/> Other _____
Is this:	<input type="checkbox"/> Review of an existing activity <input checked="" type="checkbox"/> New activity <input type="checkbox"/> Planning to withdraw or reduce a service, activity or presence?	
What information and evidence have you reviewed to help inform this assessment? (Please name sources, eg demographic information for patients / services / staff groups affected, complaints etc.)	Policies and practice in other Trusts have been reviewed to understand how Recruitment and Retention Payments are paid. A paper has been taken to Trust Management Board.	
Summary of engagement or consultation undertaken (e.g. who and how have you engaged with, or why do you believe this is not required)		
Summary of relevant findings	It has been found that most Trusts have a Recruitment and Retention Payment Policy. It was decided the Trust needed a policy to ensure consistency.	

### Section 3

Please consider the potential impact of this activity (during development & implementation) on each of the equality groups outlined below. **Please tick one or more impact box below for each Equality Group and explain your rationale.** Please note it is possible for the potential impact to be both positive and negative within the same equality group and this should be recorded. Remember to consider the impact on e.g. staff, public, patients, carers etc. in these equality groups.

Equality Group	Potential positive impact	Potential neutral impact	Potential negative impact	Please explain your reasons for any potential positive, neutral or negative impact identified
Age		X		
Disability		X		
Gender Reassignment		X		
Marriage & Civil Partnerships		X		
Pregnancy & Maternity		X		
Race including Traveling Communities		X		

<b>Religion &amp; Belief</b>		XX		
<b>Sex</b>				
<b>Sexual Orientation</b>		X		
<b>Other Vulnerable and Disadvantaged Groups</b> (e.g. carers; care leavers; homeless; Social/Economic deprivation, travelling communities etc.)		X		
<b>Health Inequalities</b> (any preventable, unfair & unjust differences in health status between groups, populations or individuals that arise from the unequal distribution of social, environmental & economic conditions within societies)		X		

**Section 4**

<b>What actions will you take to mitigate any potential negative impacts?</b>	<b>Risk identified</b>	<b>Actions required to reduce or eliminate negative impact</b>	<b>Who will lead on the /action?</b>	<b>Timeframe</b>
<b>How will you monitor these actions?</b>				
<b>When will you review this EIA?</b> (e.g in a service redesign, this EIA should be revisited regularly throughout the design & implementation)	<b>Policy Review</b>			

**Section 5 - Please read and agree to the following Equality Statement**

**1. Equality Statement**

1.1. All public bodies have a statutory duty under the Equality Act 2010 to set out arrangements to assess and consult on how their policies and functions impact on the 9 protected characteristics: Age; Disability; Gender Reassignment; Marriage & Civil Partnership; Pregnancy & Maternity; Race; Religion & Belief; Sex; Sexual Orientation

1.2. Our Organisations will challenge discrimination, promote equality, respect human rights, and aims to design and implement services, policies and measures that meet the diverse needs of our service, and population, ensuring that none are placed at a disadvantage over others.

1.3. All staff are expected to deliver services and provide services and care in a manner which respects the individuality of service users, patients, carer's etc, and as such treat them and members of the workforce respectfully, paying due regard to the 9 protected characteristics.

<b>Signature of person completing EIA</b>	Clare Waterman
<b>Date signed</b>	11/06/2024
<b>Comments:</b>	
<b>Signature of person the Leader Person for this activity</b>	Clare Waterman
<b>Date signed</b>	11/06/2024
<b>Comments:</b>	

