Heythrop College
Policy and Procedure on the Use of Recruitment and Retention Premia

In accordance with the JNCHES guidance, this policy and procedure document has been designed to ensure that the College:

- awards recruitment and retention premia in a fair, consistent, transparent and robust manner.
- complies with equal pay legislation, i.e. has objective evidence of the need to offer different rates of pay to staff whose work is of equal value, and an appropriate mechanism in place for removing premia when they are no longer warranted by labour market conditions.
- considers and addresses other potential issues and mechanisms to achieve effective recruitment and retention of staff.

Market-Related Payments: Policy

<u>What is a recruitment & retention premium?</u>

A recruitment or retention premium is an addition to the salary for a specific post, or group of posts. They are paid where other employers' higher pay rates (the market rate) prevent the College from being able to recruit or retain staff on the salary indicated for the role by role analysis alone.

The payments are reviewed regularly so ensure they are still relevant to the posts they have been applied to; where an employee moves to a different post that does not warrant a recruitment and retention premium, their entitlement to that payment will cease and the premium will be withdrawn in line with agreed notice and/or protection periods.

Recruitment and retention premia may be applied to permanent and fixed term, ull-time and part-time posts. Part-time staff will receive payments on a *pro rata* basis.

<u>Types of market premia</u>

The College will use two means of increasing pay rates to overcome recruitment or retention problems. These are:

- A lump sum payment which aids in the initial attraction of staff to a particular role (a recruitment supplement). This can be made as either a one-off payment or payments made in several stages to include an element of staff retention.
- An on-going retention premium, paid in addition to an individual's basic salary, in order to bring the total annual salary for the role up to the market rate. This can be paid for a specified fixed term (for posts fixed-term posts), or an indefinite period, and will be subject to regular review.

Conditions relating to recruitment and retention premia

Recruitment and retention premium payments will be reckonable for the purposes of determining occupational sick pay, maternity pay, paternity pay, annual/special leave pay. They will also be pensionable and be reckonable for redundancy payment purposes.

Reviewing the Recruitment or Retention Premia

The premium payments will be reviewed every two years to ensure that the awards are still in line with labour market rates. The review will be carried out by the Staffing Committee, which will consider evidence provided by the HR Manager, on individual cases. The Staffing Committee will also consider the effectiveness of the premium in improving the recruitment or retention issue it was designed to address. Where an on-going recruitment or retention premium has been applied, this review will also take account of any increases in the normal pay rate for the post.

Where, following the review, the available evidence provided by the HR Manager on pay rates elsewhere and labour market conditions shows that an increase in a retention premium is required, that increase will take effect at a date determined by the Staffing Committee and subject to funding being agreed by the Finance and General Purposes.

The Staffing Committee has agreed that Recruitment or Retention Premia cannot be reduced or withdrawn after it has been applied to a role[1]. However, if a role is re-evaluated, resulting in a higher substantive grade, the premium will either be removed or reduced from the date the higher substantive grade salary is payable, allowing for the role-holder to receive the same annual salary.

Where a staff member chooses to leave a role which attracts a market premium and takes up a role in the College which does not, the premium will be removed with no notice or protection.

Where a staff member has received a lump sum recruitment or retention premium and leaves the College within two years of that premium being awarded, they will normally be required to reimburse the full amount already paid to them.

Market-Related Payments: Procedure

Identifying posts which require recruitment or retention premia

Heads of Department may identify posts which they feel would require a recruitment or retention premium, and will inform the Human Resources Manager, who will make an application to the Staffing Committee for a premium. Before recruitment premium application goes to the Staffing Committee, the HR manager will consider the effectiveness of the recruitment process and the appropriateness of the job design to ensure that the recruitment difficulty is not as a result of issues not related to pay. HR Manager will then consider

[1] Staffing Committee Minutes - SC/07/11, # 5.2

existing recruitment data held by the College and external comparative data drawn from the most recent market surveys to determine whether a premium is warranted.

Where high turnover rates or other indicators suggest retention problems are occurring within a section, department or staff group, underlying causes need to be identified. This information may be obtained through exit interviews, staff/management meetings, resignation information or staff opinion surveys. Once it is clear that the main reason for staff leaving is for more pay, the HR Manager will obtain objective evidence of the pay rates being offered by competing employers for similar posts or evidence of pay rates from independence analysts.

Once the evidence to support a market-related premium payment is gathered, the HR Manager will forward an application for the premium to the Staffing Committee for approval.

In cases where a recruitment premium payment is to be made, the advertisement for the vacant post will state details of the recruitment premium payment.

Where a retention premium payment is awarded, the HR Manager will notify the member of staff concerned stating the conditions attached to the payment.