

# Recruitment and Retention Premium Payments

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## 1 Introduction

This policy sets out the circumstances and process to be followed where a recruitment and retention premium (RRP) payment is being considered.

## 2 Principles

2.1 This policy is underpinned by the following principles:

### Value for money

2.2 Payments made under this policy should be sufficient to recruit, retain and motivate staff of sufficient calibre without paying more than is necessary in order to ensure value for money in the use of the university's resources.

### Transparency of process

2.3 Payments made under this policy will be based on a clear and consistently applied set of criteria and will be subject to independent decision-making.

### Equal pay

2.4 Payments made under this policy will be regularly monitored and reviewed to ensure equal pay for work of equal value.

## 3 Eligibility

Payments made under this policy will be considered for executive and senior posts, subject to a consistently applied set of criteria.

## 4 Criteria

4.1 The criteria below will be applied as applicable to determine whether a post should be considered for an RRP payment.

4.2 There is a need to recruit to an executive or senior post and there is clear evidence that an RRP payment is necessary in order to attract (or retain) a sufficient calibre candidate. A belief that it will be difficult to recruit to a particular post will be insufficient without further supporting evidence.

4.3 Evidence will include, but is not restricted to, the following:

- a) Previous failed recruitment exercises within the last 12-18 months where despite local and national advertising in mainstream publications the university has been unable to attract the right candidate.

- b) Clear evidence that existing high calibre staff are being 'head hunted' by another organisation and a replacement candidate of similar calibre is unlikely due to a) above. This will normally only apply where the employee has a written offer of employment that they intend to accept ie they have submitted their notice of resignation.
- c) Evidence from exit interviews indicating pay as a significant reason for leaving.
- d) Evidence from current pay surveys that demonstrate that pay for comparable posts in comparable organisations is significantly higher than in the university. A comparable post will be one with similar duties, competence requirements, breadth and complexity of role, location in structure and management or budgetary responsibilities: it is not enough to compare job titles alone. (If data from published or specially commissioned pay surveys is not available, evidence could be obtained from systematic analysis of recently advertised pay rates for comparable positions).
- e) Comparisons must be based on the whole package including other elements of the reward package including leave entitlement, pension benefits, bonus provisions, etc.)
- f) Where exact comparisons are not possible the business case should state that data does not exist and provide the best information possible in support of the case.
- g) Evidence that other measures have been considered to support recruitment and retention. Such measures might include, but are not restricted to:
  - opportunities for career or continuous professional development
  - offering scope, support and facilities to take part in leading edge teaching or research
  - offering scope and support to take part in external income generation activities where appropriate.

## 5 **Types of RRP**

### 5.1 **Short term performance premia**

Short term performance premia will be time restricted within a timeframe of three to six months and paid subject to predetermined deliverables being successfully achieved within the agreed period following appointment to post.

### 5.2 **Longer term RRP**

Longer term RRP payments may include the following:

- Market supplementation

- Retention premium ('golden handcuffs').

## 6 **Making the case**

- 6.1 All RRP payments are subject to the submission of a clear business case for approval.
- 6.2 Heads of faculty or department are responsible for compiling and submitting cases and for resubmitting them for review where applicable, following consultation with and advice from their HR Partner.
- 6.3 New and resubmitted cases will be considered in the first instance by the Director of POD to ensure the business case has been fully completed in accordance with this policy. The business case will then be considered by the Remuneration Committee.
- 6.4 Subject to the necessary approvals being obtained, HR will process the payment with payroll and issue the relevant contractual documentation.

## 7 **Advertising posts**

When advertising a post that is in receipt of an RRP payment the advert must indicate the actual salary range plus the additional RRP element on top of this.

## 8 **Contractual status of payments**

- 8.1 RRP payments are non-contractual discretionary payments and are subject to review. Receipt of an RRP payment in one review period does not entitle the recipient to continue to receive the payment following review.
- 8.2 RRP payments of a recurring nature will usually be subject to tax, NI and pension deductions but advice should be sought from payroll and pensions on a case-by-case basis.

## 9 **Limits of RRP payments**

- 9.1 The salary for the post, together with any RRP payments, must not exceed 15% above the maximum of the salary range when equated to an annual sum in any one year.
- 9.2 RRP payments that amount to a cash value in excess of £5000 are unlikely to be approved unless exceptional circumstances apply.

## 10 **Method of payment**

- 10.1 RRP payments will be paid as a one off lump sum or, for recurring payments, as a percentage amount on top of the appropriate basic salary point.

- 10.2 Under no circumstances should RRP payments be discharged by the application of accelerated increments or contribution points.
- 10.3 RRP payments of a recurring nature will normally be paid in equal instalments in addition to basic salary. Arrangements for discharging other RRP payments will be as approved in the original business case.
- 10.4 Pay awards will not apply to the RRP payment; the value of an RRP payment can only alter following review and approval.
- 10.5 RRP payments will be paid as a separate element and will not be consolidated into basic salary.
- 10.6 Where an RRP payment is made in circumstances where the recipient is also entitled to be considered for an annual performance bonus, any bonus awarded will be calculated by reference to the post holder's basic salary.

## 11 **Review of RRP payments**

- 11.1 RRP payments are subject to review after 18 months to ensure that the original justification for the payment remains valid and any changes in market forces are reflected, particularly in light of any other changes to the recipient's pay eg annual performance bonus or honorarium payments being made in addition to basic salary.
- 11.2 Possible outcomes of the review are as follows:
- The RRP payment continues unaltered
  - The RRP increases or decreases
  - The RRP payment ceases to be paid.
- 11.3 RRP payments of a one off nature may not be appropriate for renewal but will need to be reviewed where their payment is linked to other conditions.
- 11.4 It is the head of faculty/department's responsibility to submit the case for review when the review/end date approaches. Therefore relevant heads must diarise this as reminders will not be sent. If a case is not resubmitted the RRP payment will end automatically on the due expiry date.
- 11.5 When resubmitting cases, the full case, together with up to date salary and any other change data, must be submitted for review.
- 11.6 HR Partners will be able to advise on cases submitted.

## 12 **Ending the payment**

- 12.1 The payment will cease if, following review, the business case justification for the payment is no longer evident.
- 12.2 RRP payments will be withdrawn on an immediate basis on their due end date if the case for review has not been submitted or, following review, it is determined that the payment should cease. There are no transitional phasing out or pay protection provisions for the removal of an RRP payment.
- 12.3 There is no appeal over a decision to remove an RRP payment.
- 12.4 An employee in receipt of an RRP payment will be entitled to three months' notice of the payment coming to an end, therefore faculty/department heads must ensure they submit the case for review of the RRP payment in good time to meet these timescales and at least four months before the payment is due to end.

## 13 **Monitoring**

- 13.1 RRP payments will be subject to monitoring by HR in terms of grade, duration, value of RRP, and equality monitoring of recipients.
- 13.2 These will be reported to the Remuneration Committee on an annual basis.