

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

**Report of the Director –
Human Resources, Performance
and Communications**

Review of Market Supplement, Recruitment and Retention Policy

1. Purpose of Report

The purpose of this report is to seek approval to implement changes to the existing Market Supplement, Recruitment and Retention Policy including:

- Provision of additional options in the policy to give managers more flexibility when experiencing and dealing with recruitment or retention difficulties.
- Clarification around the contractual terms associated with the application of the policy.
- Streamlining the approvals process for managers when applying a payment.
- Renaming the policy to call it Recruitment and Retention Policy.

2. Recommendations

2.1 That approval is given to implement the Recruitment and Retention Policy (Appendix 1) that includes the following options:-

- **Recruitment Payment**
- **Graduate Payment**
- **Retention Payments**
- **Non Pay Retention Benefit**

2.2 That contractual terms for payments and other options should be implemented as outlined within the policy.

2.3 That approval for payments can be sought via a Recommendation for Approval Form (Appendix 2).

3. Introduction

3.1 One of the priorities highlighted in the council's Workforce Development Strategy is to ensure we recruit people with the rights skills and values, who are able to contribute to achieving our priorities. We also need to retain our highly skilled employees so we do not lose their skills and experience.

3.2 The existing Market Supplement, Recruitment & Retention Policy was developed in 2007 as part of the implementation of job evaluation. Since then, there have been significant changes in the Council with more change to come.

- 3.3 The Council has taken great care to ensure that the grading of jobs through the Job Evaluation process is fair, transparent and objective. We also recognise that there may be occasions when the pay of a job determined by this process may not result in a salary range that attracts and retains suitably qualified and experienced staff.
- 3.4 The options currently available for managers who are experiencing recruitment and retention difficulties are a Golden Hello (recruitment payment), Golden Handcuff (retention payment) and Market Supplement payment. No non-monetary options are currently available.
- 3.5 The current policy does not contractually tie employees into a market supplement payment, which means there is a risk of losing key employees in key posts despite making the payments.
- 3.6 A number of market supplement payments have been paid since the current policy was introduced however, only one Golden Hello (recruitment payment) has been made, and no Golden Handcuff (retention payments) have been made.
- 3.7 The current process for managers to gain approval to apply a payment is through the Delegated or Cabinet Report approval process.
- 3.8 On the 27th January 2016 it was agreed by Cabinet Members that the revised Recruitment and Retention Policy should be tested across the organisation before approval was sought to implement.
- 3.9 Since this date two retention payments have been made to retain people with the right skills, experience and values, who are able to contribute to achieving our priorities and approval has been sought to apply a recruitment payment to attract candidates to a multi occupancy role that is critical to the organisation.
- 3.10 As a result of these payments and the issuing of a technical note from the LGA, minor adjustments have been incorporated into the payment application form.

4. Consideration of Alternative Approaches

- 4.1 The council could continue to use the existing policy but this is under utilised as paragraph 3.5 outlines, is out of date in terms of current practice and the application process lacks focus.
- 4.2 The council could review recruitment and retention difficulties on a case by case basis without any formal policy being in place. However, this would cause inconsistency of application and therefore potential litigation issues with regards to Equal Pay legislation.
- 4.3 The council could choose not to have any policy to deal with recruitment and retention issues. If no policy was in place then the Council would risk losing key experienced employees which in turn generates recruitment and training costs and risks potential recruitment difficulties thus leaving business critical posts unfilled.

5. Proposal and Justification

- 5.1 Research has been undertaken across a number of Councils and other similar organisations to explore the various options that are in place.
- 5.2 Consultation has also taken place with Barnsley Leadership Team members, where feedback was sought via meetings to understand the current issues within services and how they could be addressed. Feedback was received from four managers and this has been incorporated into the proposals.
- 5.3 A technical note was issued by the Local Government Association (LGA) in January 2016. The recommendations set out in the technical note have been incorporated into the revised policy.
- 5.4 It is proposed that a number of options be included in the revised policy:

5.5 Recruitment Payment

A recruitment payment is aimed at attracting and recruiting quality key candidates.

A recruitment payment should be paid as a lump sum split over two years. The payment is calculated at 10% of the evaluated grade for the position. It is proposed that a contract will be issued stating that the employee must remain in post for two years and if they leave before this period ends they will be required to repay all of the payment. Subject to approval of Director – HR, Performance & Communications there will be an option to extend the payment for up to three years.

5.6 Graduate Payment

It is also proposed that a new incentive payment should be introduced aimed at Graduates that live in Barnsley. This is also a lump sum payment, paid over two years. A contract will be issued to stipulate that the employee must remain in post over the two year period otherwise they will be required to repay the amount that has been paid. The aim of this incentive is to address potential recruitment issues that Business Units are facing when recruiting to hard to fill posts. This will also contribute to one of the Council's key priorities - citizens achieving their potential.

5.7 Retention Payment

It is proposed to introduce two retention payments aimed at retaining business critical employees.

The first is a lump sum payment. This payment is calculated at 10% of the evaluated grade for the role and paid in one lump sum. The employee will be issued with a contract that stipulates that the employee remains in post over the two years otherwise they will be required to repay the amount that has been paid.

The second proposal is a Market Rate Payment. This is a supplement that is paid in addition to the evaluated grade which brings the total salary in line with the external market. Payments will be reviewed every twelve months, in line with market rates, to ensure payments remain justified. It is proposed that a contract will be issued stipulating that the employee must remain in post for 1 year; if the employee finds alternative employment before this date then they will have to repay all of the payment.

5.8 **Non Pay Retention Benefit**

It is also proposed to introduce a new non pay retention benefit. Research undertaken has identified that not all employees are motivated by money. To reflect this it is proposed to offer additional annual leave as either a recruitment or retention incentive.

- 5.9 A link to the Removal and Disturbance Allowance Policy has also been included in the revised policy, following feedback from one member of BLT regarding introducing a relocation allowance. This can also be applied as a recruitment tool to recruit key employees.
- 5.10 Currently managers have to gain approval to pay a recruitment or retention payment via the Delegated or Cabinet approvals process. It is proposed that this process is streamlined and the report is replaced with a Recommendation for Approval Form (Appendix 2). The form is much more focused and contains a number of tick box questions on either recruitment or retention issues to justify the need for any proposed payment. A section has also been added to enable the inclusion of the relevant evidence to support a market rate payment.
- 5.11 It is proposed that any recommendation made by a manager in relation to a recruitment or retention incentive will need approval from the Service Director, the Pay and Reward Team and the Director – Human Resources, Performance and Communications.
- 5.12 The proposed changes to the Recruitment and Retention Policy will provide an up to date policy that provides the necessary guidance for managers and supporting evidence to support the payments.

6 **Implications for local people /service users**

The implications for local people will be that they are receiving services from professional key employees.

7 **Financial Implications**

None arising from this report

8 **Employee Implications**

None arising from this report

9 **Communications Implications**

The revised policy will be shared with all managers and employees via Straight Talk and the intranet.

10 **Consultations**

- (a) **Legal Implications** – Consultation has taken place with the Council's Legal Services team who have considered and provided feedback on the contractual aspects of the policy and these have been incorporated.

11 Tackling Health Inequalities

No implications.

12 Climate Change and Sustainable Energy Act 2006

No Implications

13 Risk Management Issues, Including Health and Safety

No Implications

14 Promoting Equality, Diversity and Social Inclusion

There are no direct equality implications, therefore a full equality impact assessment has not been undertaken. Although after consulting with the Equality & Diversity Manager, the gender balances of those receiving payments will continue to be monitored as part of the annual Equal Pay Audit.

15 Glossary

Not required

16 List of Appendices

Appendix 1 – Recruitment & Retention Policy

Appendix 2 – Payment Recommendation Form

17 Background Papers

Contained in working files in Human Resources and are available for inspection.

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Date: