

Recruitment and Retention Incentives Policy for Hard-to-Fill Posts

Contents

Purpose	1
Scope	1
Examples of Recruitment and Retention Incentives	2
Golden Hello Payments	2
Retention Payments	3
Market Supplement Payments	3
Additional Annual Leave	4
Relocation Expenses	5
Professional Fees	6
Subsidised Private Healthcare	6
Recommend a Friend Scheme	7
Repayment Period	7
Eligibility Criteria	8
Approval Process	9
Confirmation of the Recruitment or Retention Incentive	10
Monitoring and Review	11

Purpose

As it becomes increasingly more challenging for the Council to attract and retain employees, the need to consider the use of recruitment and retention incentives for certain hard-to-fill posts has become a necessity. This policy provides a framework under which managers may request such an incentive so that only those that can be objectively justified will be approved.

Scope

Recruitment and retention incentives may be considered for all hard-to-fill posts within Leicestershire County Council.

Hard-to-fill posts are those where, despite various recruitment activities having been undertaken, it has not been possible to attract or recruit candidates with the necessary competencies. This may be due to a number of reasons including:

- A local and/or national skills shortage;
- Comparator organisations offering a higher salary and/or a more attractive benefits package.

[Back to Contents](#)

Examples of Recruitment and Retention Incentives

The following are the Council's agreed recruitment and retention incentives that managers may wish to consider for hard-to-fill posts:

- [Golden hello payments](#);
- [Retention payments](#);
- [Market supplement payments](#);
- [Additional annual leave](#);
- [Relocation expenses](#);
- [Professional fees](#);
- [Subsidised private healthcare](#);
- [Recommend a Friend Scheme](#).

[Back to Contents](#)

Golden Hello Payments

- A golden hello payment is a one-off lump sum paid to a new starter on their appointment with the Council;
- The maximum amount payable is 10% of the employee's salary;
- Existing employees or those who have returned to the Council within 12 months of their leaving date are not eligible to receive a golden hello payment. Agency workers appointed to permanent or fixed-term posts are eligible for the payment unless an introductory fee is payable to the agency;
- Casual workers are not eligible for golden hello payments;
- Managers are responsible for including details of applicable golden hello payments within job adverts;
- The payment will be made as part of the employee's first salary. The manager is responsible for requesting, as part of the appointment process, that the payment is made;
- The payment will be subject to tax, national insurance and pension deductions;
- The cost of the payment must be met by the employing department unless agreed otherwise with Strategic Finance;

- The employee will be required to remain in the Council's employment for a period of 2 years otherwise they will be required to [repay](#) either all or a proportion of the amount. The manager is responsible for advising the Employee Service Centre, as part of the leaver process, of the amount to be reclaimed.

[Back to Contents](#)

Retention Payments

- A retention payment is a lump sum paid to an employee on completion of a specified period of time in a post.
- The maximum amount payable per year is 10% of the employee's salary;
- Managers may wish to pay a one-off amount after a set period of time (e.g. 10% of salary on completion of 2 years of employment) or a graduated amount over a set period (e.g. 2.5% on completion of 1 year, 5% on completion of 2 years, 7.5% on completion of 3 years and 10% on completion of 4 years);
- Agency and casual workers are not eligible to receive retention payments;
- Retention payments are subject to satisfactory performance in the post. Payments may be withheld should an employee's performance or conduct fall below expected standards and the employee is being managed under a formal process (i.e. disciplinary, capability, managing attendance). Advice must be sought from Strategic HR before a decision is made to withhold a payment. Where a retention payment is to be withheld, the manager is responsible for advising the employee of the reasons for this;
- Managers are responsible for including details of applicable retention payments within job adverts;
- The employee will be eligible for the payment to be made in the first available payroll following completion of the required period of time. The manager is responsible for submitting a request to the Employee Service Centre at the relevant time so that the payment can be made;
- The payment will be subject to tax, national insurance and pension deductions;
- The cost of the payment must be met by the employing department unless agreed otherwise with Strategic Finance;
- The employee will not be required to repay the retention payment if they subsequently leave the Council's employment.

[Back to Contents](#)

Market Supplement Payments

- A market supplement payment is a monthly payment paid for an agreed period of time (up to 3 years);
- Market supplement payments should be calculated using comparator salary data from other organisations;
- The payment will be subject to tax, national insurance and pension deductions;
- The cost of the payment must be met by the employing department unless agreed otherwise with Strategic Finance;
- The award of a market supplement payment does not change the evaluated grade for the post; it is a fixed amount paid in addition to the employee's basic salary;
- Where an employee is in receipt of pay protection, they will not receive both the pay protection and the market supplement payment. In these circumstances, the employee will receive the greater of the two amounts;
- If a market supplement payment is agreed for a particular post, it will be automatically applied to all identical posts across the Council. The only exception to this is when the post in question requires specific knowledge, skills and/or experience which are unique from other posts due to the service it is required to deliver. Where this applies, the rationale should be included within the [Recruitment and Retention Incentive Request Form](#);
- Where the payment of a market supplement falls within the relevant qualifying pay period, this payment will be taken into account when calculating the amount owed to an employee for absences due to sickness, annual leave, maternity or adoption leave, when working additional hours or when calculating a redundancy payment;
- Where a post in receipt of a market supplement payment is down-graded as part of the job evaluation process, the market supplement payment will remain in place for the agreed period. The pay protection rules outlined above will however apply in these circumstances. If a post is upgraded, the market supplement amount will reduce, in proportion to the increase in salary, but will remain in force for the agreed period;
- For new starters, the manager is responsible for advising the Employee Service Centre, as part of the appointment process, that the market supplement payment should be made;
- The employee will not be required to repay any of the market supplement payments if they subsequently leave the Council's employment.

[Back to Contents](#)

Additional Annual Leave

- Managers may wish to offer a new starter an increased level of annual leave than would normally be available under their contract of employment. This will be for those situations where offering the 'over 5 years' service' rate or by matching the annual leave entitlement provided by their current employer will secure the candidate joining Leicestershire County Council. It is not expected that this will exceed more than 10 days' leave (74 hours) per year (pro rata for part-time employees);
- The additional leave will be granted for an initial period of 2 years. The employee will be required to make a positive adjustment to their annual leave entitlement on Oracle at the start of each leave year;
- Managers may offer the employee, as an alternative, a cash payment equivalent to the additional annual leave. The manager is responsible for submitting a request to the Employee Service Centre at the relevant time so that the payment can be made at the start of each leave year;
- The manager will be required to advise the Employee Service Centre of the additional annual leave entitlement so that the details can be confirmed in writing. This letter will be in addition to the employee's contract of employment as the entitlement stated within the contract will be the standard leave entitlement for the post;
- If the employee moves to another post, their entitlement to the increased annual leave will cease;
- If the employee leaves the Council's employment whilst they are in receipt of the additional annual leave entitlement, they will be required to repay any leave that has been overtaken. This also applies where an equivalent cash sum has been paid.

[Back to Contents](#)

Relocation Expenses

- The maximum amount of assistance that can be claimed is £11,000 including VAT. The relocation expenses that an employee is eligible to claim will depend on their individual circumstances;
- Any payments made in excess of £8,000 are subject to income tax and national insurance contributions. In addition, there are also certain items which can never be exempt from income tax and national insurance;
- To be eligible to receive relocation expenses, the individual must be a newly appointed employee who needs to move to a home that is within a reasonable daily travelling distance of their new workplace;
- Managers are responsible for advising candidates as part of the recruitment process whether relocation is being offered;

- The cost of the relocation expenses must be met by the employing department unless agreed otherwise with Strategic Finance;
- If an employee fails to relocate within 12 months, they may be required to repay all expenses received under the scheme;
- The employee will be required to remain in the Council's employment for a period of 2 years otherwise they will be required to [repay](#) either all or a proportion of the amount. The manager is responsible for advising the Employee Service Centre, as part of the leaver process, of the amount to be reclaimed.

Further information regarding the scheme is available in the [Relocation Expenses Policy](#).

[Back to Contents](#)

Professional Fees

- Managers may wish to pay an employee's annual professional fees. If agreed, all employees occupying the same role will also be eligible for the reimbursement of the same professional fees;
- The cost of the payment must be met by the employing department unless agreed otherwise with Strategic Finance;
- The employee will be required to pay the professional fees and then submit a claim, via iexpenses, for their reimbursement;
- The employee will not be required to repay the professional fees payment if they subsequently leave the Council's employment or move to another role with the Council that does not require the registration.

[Back to Contents](#)

Subsidised Private Healthcare

- Where an employee wishes to join a private healthcare scheme offered by the Council, managers will provide the employee with a payment of up to £15 per month towards the cost of their monthly premium. The employee will be entitled to these payments for the duration of their policy therefore managers must ensure that they are aware of the policy duration prior to requesting approval of this incentive;
- The cost of the payment towards the employee's monthly premium must be met by the employing department unless agreed otherwise with Strategic Finance;
- If the employee leaves the Council's employment but wishes to remain as a member of the private healthcare scheme, they will be required to pay the full cost of the monthly premiums with effect from their leaving date;

- If the employee chooses to withdraw from the private healthcare scheme before the expiry date of their policy, they will be responsible for paying any relevant fees as set out under their policy.

[Back to Contents](#)

Recommend a Friend Scheme

- The Council will pay a £100 referral payment to any employee who recommends an external job candidate for a vacancy to which they are subsequently appointed. The referring employee must not be the manager for the post in question or be involved in the recruitment process for the post;
- The payment will be made to the referring employee once the new employee has successfully passed their probation period (12 months ASYE social workers, 6 months for all other employees). The cost of the payment must be met by the recruiting department unless agreed otherwise with Strategic Finance;
- Once the new employee has successfully passed their probation period, the manager will contact the ESC Service Desk to arrange for the payment to be made in the next available payroll. The payment will be subject to tax, national insurance and pension deductions;
- The referring employee and the new employee must be employed on a permanent or fixed-term contract with the Council. Casual workers, agency workers, self-employed workers and individuals who are seconded into the Council are not eligible;
- The new employee must not have previously applied for the same post or been referred by another source (e.g. a recruitment agency). They must also have never previously worked for the Council;
- Both the referring employee and the new employee must be employed by the Council at the time the referral payment is due. Where either party's contract of employment is under notice of termination, whether given by the Council or the employee, the Council reserves the right not to make the payment;
- Only one referral payment will be paid for each new employee. The applicant must therefore ensure that they only include the details of one referring employee on their application form. No referral payment will be made where more than one employee has been named or where an employee's details have not been included;
- There is no limit on the number of referrals that an employee can make and there is no requirement for any referral payments to be repaid if the employee subsequently leaves the Council's employment.

[Back to Contents](#)

Repayment Period

For golden hello payments and relocation expenses it is a condition of the individual's employment that they remain with the Council for a period of two years following their appointment. If an employee voluntarily leaves the Council's employment within the two year period, they will be required to repay all, or a proportion of, the payment as follows:

Period of service with the Council	Amount to be repaid
Up to 12 months	100%
Between 12 months and two years	50%
Two years or more	0%

The above repayment arrangements may also apply if the employee is dismissed from the Council's employment for conduct or performance related matters within the two year period. Employees who are made compulsory redundant will not be subject to the above repayment requirements.

[Back to Contents](#)

Eligibility Criteria

The application of a recruitment or retention incentive will only be considered where there is evidence to demonstrate that there are recruitment and/or retention difficulties relating to the post or where a post is linked to a nationally determined salary scale which is higher than the Council's evaluated rate (e.g. Soulbury employees). Managers will be required as part of the approval process to provide evidence to support their request. This may include, but is not limited to, the following:

- Recruitment statistics which demonstrate poor response rates to adverts despite the post being advertised using relevant channels;
- Shortlisting and interview scores which demonstrate the poor calibre of candidates that the post has attracted;
- Employee turnover figures for the last 12 months along with feedback from one-to-one/supervision meetings and leaver questionnaires regarding the reasons why employees are leaving or seeking alternative employment;
- Pay data from public and private sector comparator organisations which indicate that the post's salary and/or benefits package is considerably lower than the market equivalents. This will usually be limited to organisations within surrounding counties however for some posts it may be relevant to provide an indication of national pay rates. It is recommended that information is obtained from at least 3 comparator organisations;
- Information to evidence the extent of the potential impact upon service delivery if the recruitment or retention issue is not resolved;

- Information showing that there is a national and/or local shortage of skills associated with the post.

Further advice on potential sources of evidence is available from Strategic HR.

Comparator pay rates as a form of evidence may not be used as the sole justification for requesting a market supplement payment. These rates may only be used in conjunction with additional evidence of recruitment and/or retention difficulties.

Pay comparisons should be made on the basis of factors such as the type and size of the organisation, regional pay differences, duties of the post as specified in the job description and the qualifications, experience and skills required as set out in the person specification.

[Back to Contents](#)

Approval Process

Where a manager has identified the need for a recruitment or retention incentive, they should complete the [Recruitment and Retention Incentive Request Form](#). The request must include a business case which includes the following:

- Details of the incentive that is being requested and the consequences if the request is not approved;
- Evidence to demonstrate the recruitment and/or retention difficulties relating to the post;
- Details of attempts already made to resolve the issue (e.g. the redesign or re-evaluation of the post, targeted advertising campaigns).

Advice on completing the form may be sought from an HR/OD Business Partner.

Once completed, the relevant approval process must be followed:

Incentive	Approver 1	Approver 2	Approver 3	Approver 4
Golden hello payment	Director	Finance Business Partner	Assistant Director (Corporate Services) / Head of People Services	Chief Executive / Chairman or Vice Chairman of the Employment Committee
Retention payment	Director	Finance Business Partner	Assistant Director (Corporate Services) / Head of People	Chief Executive / Chairman or Vice Chairman of the Employment Committee

			Services	
Market supplement payment	Director	Finance Business Partner	Assistant Director (Corporate Services) / Head of People Services	Chief Executive / Chairman or Vice Chairman of the Employment Committee
Additional annual leave	Director	Finance Business Partner	Head of People Services	N/A
Relocation expenses	Director / Assistant Director	N/A	N/A	N/A
Professional fees	Director	Finance Business Partner	Head of People Services	N/A
Subsidised private healthcare	Director	Finance Business Partner	Head of People Services	N/A
Recommend a Friend Scheme	Director	Finance Business Partner	Head of People Services	N/A

Approvers must be satisfied that there is a genuine business case for awarding the incentive and that the request is supported by tangible evidence. They should also ensure that all relevant factors have been considered including whether alternative actions would be more appropriate. Where necessary, a meeting will be arranged to discuss the request further.

If the request is approved by the relevant Director/Assistant Director and Finance Business Partner, the form must be emailed to Strategic HR (HRPolicy@leics.gov.uk) who will then arrange for any additional approvals to be completed.

There is no appeal against the decision not to support the award of an incentive.

Strategic HR will retain a record of the outcome of all requests.

[Back to Contents](#)

Confirmation of the Recruitment or Retention Incentive

Where a recruitment or retention incentive is awarded to an employee, the Employee Service Centre will provide written confirmation where required and make any necessary changes to Oracle.

[Back to Contents](#)

Monitoring and Review

The use of recruitment and retention incentives will be reviewed on a regular basis by Strategic HR to determine whether the recruitment and/or retention difficulties still exist. The following are the review periods for the incentives identified in this policy however if a manager wishes to request an alternative timescale, the rationale for this must be included within the business case:

Recruitment and Retention Incentive	Review Period
Golden hello payment	2 years
Retention payment	2 years
Market supplement payment	Up to 3 years
Additional annual leave	2 years
Relocation expenses	Each time the post is advertised
Professional fees	2 years
Subsidised private healthcare	2 years
Recommend a friend referral payment	2 years

Managers should ensure that they keep track of comparative market data so that this information can be used as part of the review. If following the review, the need for the recruitment or retention incentive for the post no longer exists, the manager will be advised accordingly. The employee will be issued with the appropriate notice to terminate the arrangement.

[Back to Contents](#)

Document Control:

Version Number	Agreed At	Date Agreed	Review Date
2019-3R			13/08/2020

Recruitment and Retention Incentive Request Form

Please refer to the [Recruitment and Retention Incentives Policy for Hard-to-Fill Posts](#) before completing and submitting this form.

Post Details

Post Title:	Grade:
Department:	Team:

Details of the Recruitment/Retention Incentive Being Requested

Number of employees which the incentive will apply to:

Rationale for the Request (Please attach supporting evidence)

Impact if the Request is Not Approved

--

If Applicable, Proposed Payment Amount and Duration

--

I support the above request based on the information provided.

Assistant Director/Director's Signature:	Date:
Finance Business Partner's Signature:	Date:

Once approved by the Assistant Director/Director, this form should be emailed to HRPolicy@leics.gov.uk.

The above request is approved / not approved* based on the information provided (*please delete as appropriate). If the request is not approved, please provide the reason below:

Head of People Services Signature:	Date:
Assistant Director (Corporate Services) Signature:	Date:
Chief Executive's Signature:	Date: