

Introduction of additional payments to support recruitment and retention

Date: 5th December 2022

Report of: Head of HR – Employee Relations and Resourcing

Report to: Chief Officer of HR

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Within the current labour market there has been challenges with the recruitment and retention of some occupational staff groups in the organisation. This is impacting delivery of key frontline services and is set against the current cost of living crisis and a competitive labour market.

It is recognised that offering additional staff payments, subject to strict criteria, would alleviate these service delivery challenges. The report therefore sets out the introduction of welcome and retention payments and formalises arrangements in relation to the payment of market supplements.

Recommendations

- a) That the Chief Officer of HR approves the introduction of market supplements, welcome and retention payments to support services to recruit and retain staff.

What is this report about?

- 1 The report sets out proposals to pay additional payments to staff where there are evidence-based issues with recruitment and retention. Within the current labour market there has been challenges with the recruitment and retention of some occupational staff groups in the organisation. This is impacting delivery of key frontline services and is set against the current cost of living crisis and a competitive labour market.
- 2 It is recognised that offering additional payments to staff/candidates, subject to strict criteria and approval process, would alleviate these service delivery challenges. The report therefore sets out the introduction of welcome and retention payment and formalises arrangements in relation to the payment of market supplements.
- 3 A new procedure will be introduced that sets out the key criteria that will need to be met to initiate the development of a robust business case. The business case will need to be evidence based setting out:
 - a) why the additional payment is required,
 - b) evidence to support the proposals to pay and the reasoning behind the amount to be paid,
 - c) evidence that the proposal meets the criteria set out in the procedure.

Each business case will be supported by an Equality Impact Assessment Screening Tool and will then follow the delegated decision process once agreement has been received through a robust approval process.

What impact will this proposal have?

- 4 The proposals will ensure that services are able to maintain the delivery of frontline services by recruiting and retaining staff in critical roles.
- 5 Those services currently experiencing problems in recruiting will have an additional tool to help attract candidates to vacant posts.
- 6 Retention payments will support the reduction in turnover and avoid the need for additional recruitment that comes at a cost to the organisation. If we can retain existing staff this will also ensure we retain experience, skills, and knowledge within the organisation to help provide continuity of service.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 7 The proposals will support the delivery of the People Strategy that will help support the delivery of the Best City Ambition by ensuring we have the best people and can attract and retain staff to ensure efficient and effective service delivery.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 8 There will be no adverse effect on any ward with the introduction of this policy. The purpose is to avoid the impact of failed service delivery if we are unable to retain or recruit to key roles.
- 9 Consultation has taken place across senior managers through the Corporate Leadership Team, Best Council: Financial Challenges and through various directorate leadership team meeting whilst discussing current pressures in relation to recruitment and retention.
- 10 We have consulted with the Executive Member of Resources regarding the proposals and attended Cabinet to update them on the proposals.
- 11 Consultation has also taken place with Trade Union colleagues regarding the introduction of the new procedure to offer additional payments to support recruitment and retention. Trade Unions recognise the need for additional payments to secure staff where we are unable to attract and retain staff due to uncompetitive salaries.

What are the resource implications?

- 12 Service/Directorate budgets will need to be reviewed to ensure there is adequate provision to make the suggested payments from within existing budgets as part of developing any business case.
- 13 Resources within the service will need to develop a robust business case that is evidence based, setting out the reasons for making the additional payment to support recruitment and retention. This will need to be supported by an Equality Impact Assessment that sets out clearly the considerations that have been given to similar roles in the council and the justification for the payment. The service will then need to progress through the approval process to ensure the business case will be endorsed before obtaining final sign off.
- 14 HR and Finance resource will be required to support the development of the business case to ensure that it is robust and takes account all the criteria set out in the policy.
- 15 Portfolio Member Leads will be required to review proposals and endorse/decline proposals, as will the Executive Member of Resources.
- 16 BSC will be required to process additional payment and monitor review dates and leavers where retention payments are made, to ensure any recovery is made if the retention period is not met.
- 17 Trade Unions colleagues will be involved in the consultation process as part of an initial heads up that the business case is being developed and as part of the consultation to implement the proposals.

What are the key risks and how are they being managed?

- 18 We will need to ensure fairness and equality across the organisation. This will be managed by ensuring any business cases are robust and evidence base to show the market factors that are impacting on the ability to recruit and retain staff in the respective role and how this compares to comparative roles.
- 19 We will need to maintain the integrity of the pay structure. If there are any changes to roles, they will still be evaluated using the current job evaluation scheme and aligned within the current pay structure to the appropriate grade. Any deviation from the pay structure through the payment of a market supplement or welcome or retention payment will be a temporary arrangement to overcome market forces that are creating challenges with current recruitment and retention.

What are the legal implications?

- 20 To ensure there is clear evidence base for additional payments to avoid challenge of fairness and equality and that their impact is reviewed appropriately.

21 Ensure appropriate agreements are in place with individual once the terms of a retention payment it agreed.

Options, timescales and measuring success

What other options were considered?

22 Various options have been considered to support the recruitment and retention of roles. However, other than the options included within this report it is thought that they would have limited impact to enable the organisations to attract, recruit and retain candidates and have therefore been discounted.

How will success be measured?

23 We will monitor the success of additional payments through monitoring whether the inclusion of market supplements and welcome payments subsequently leads to the hard to recruit posts being filled.

24 We will monitor turnover rates where retentions payments have been made to ensure we see a reduction in turnover and that staff remain in employment therefore avoiding the need to recoup retention payments for early exit.

What is the timetable and who will be responsible for implementation?

25 Following approval of the proposals contain within this report. Chief Officers will be able to put forward a business case, supported by Human Resources and Finance Teams, proposing the payment of market supplements, welcome or retention payment. This will set out the evidence base to demonstrate the criteria is met.

26 The implementation will then be subject to the approval of a business case which will require endorsement from Directors, Portfolio Executive Members and the Executive Member of Resources, Best Council: Financial Challenge Group and consultation with Trade Union Colleagues. The delegated decision process will then formalise decisions. Following the approval of business cases, BSC will be advised by HR to process the additional payment once final checks have been made.

Appendices

- None

Background papers

- None