

Recruitment and Retention Supplements Policy and Procedure

1 INTRODUCTION

Whilst the University expects its employees and staff to comply with this policy, it does not confer contractual rights or form part of any contract of employment and may be amended by the University or replaced at any time following appropriate consultation and negotiation with recognised trade unions. Breach of this policy may be addressed via the University's Disciplinary Policy and Procedure and Code of Conduct.

This policy will be reviewed by the Human Resources department on a 3-year basis or amended in response to changes in future legislation and/or case law.

2 OWNERSHIP

The Human Resources department owns and manages this policy on behalf of The University of Northampton.

3 ORGANISATIONAL SCOPE

This Recruitment and Retention Supplements policy is a corporate policy and applies to all employees (and workers, as applicable) of The University of Northampton including any wholly owned subsidiaries, unless an alternative policy exists, subject to any qualifying conditions.

4 POLICY STATEMENT

- 4.1 The University of Northampton is committed to the principles of equal pay for work of equal value and has a job evaluation/role analysis scheme (HERA) to measure the value of all jobs below senior management. The grading and salary range of all posts is determined by the outcome of job evaluation.
- 4.2 There are occasions however, when the grading determined for a post results in an inability to recruit or retain staff in particular posts. In such cases it may

be appropriate to pay a market supplement in addition to the basic salary, to ensure the post is filled by an applicant with the required qualifications and experience, or in the case of retention, that the post holder is retained.

- 4.3 Supplements are lawful under the Equality Act (2010) where there is evidence to justify market conditions as the “material factor” for the post attracting a higher rate of pay than other posts graded similarly. There is a requirement to set out how supplements are paid, the process by which these cases are considered and approved and the conditions applied to them.
- 4.4 In line with the Equality and Inclusion Policy, the business case for implementing a recruitment or retention supplement will consider the equality impact. Where potential or actual negative impact is identified for those with a protected characteristic, recruitment adverts will encourage applications from those with the protected characteristic. Where appropriate, further positive action may be taken.
- 4.5 A market supplement is an additional temporary payment to the basic salary of an individual job or group of jobs where market pressures prevent the University from being able to recruit or retain staff with a particular skill or group of skills.
- 4.6 Recruitment and Retention payments should only be considered where difficulties attracting and retaining high quality staff can be demonstrated through a clear business need.
- 4.7 Consideration of the post should also take account of the relevant specialism, not just role title.

5 DEFINITIONS

- 5.1 A **Recruitment** Supplement (1) is a temporary payment given to a role to ensure recruitment by enhancing the salary being offered, bringing their total reward package up to the market rate. These payments will be subject to regular review.

5.2 A **Retention** Supplement (2) is a temporary payment made to an existing employee over and above their basic salary in order to retain their services, bringing their total reward package up to the market rate. These payments will be subject to regular review.

6 KEY PRINCIPLES

6.1 If a recruiting manager wishes to pay a market supplement, this must be discussed with HR in the first instance. The intention to pay a market supplement should not be discussed with recipients until the proper authorisations have been obtained.

6.2 The value of the supplement will be determined by the difference between the top of the grade for the job as determined by job evaluation and the market rate for the job. (The payment will not exceed 20% of the maximum point on the grade)

6.3 Market supplements will only be paid where there is a clear business need and normal methods of recruiting and retaining staff have been exhausted.

6.4 A market supplement is not a substitution for the policy that deals with incremental position on appointment (Starting Salaries Procedure) or normal recruitment and selection processes.

6.5 Market supplements will only be paid in exceptional circumstances once alternative options have been considered and where market forces indicate that pay and benefits significantly exceed that being offered by the University.

6.6 Unauthorised audio recording of conversations is prohibited. Anyone in breach of this may be subject to disciplinary action.

7 PROCEDURE

7.1 This process must be followed for determining the appropriateness of applying recruitment and retention supplements, including sources of qualitative market data to support the business case. The appropriate external market will be determined by the line manager and HR.

7.2 The recruiting manager will need produce a business case with specific information to support consideration of the case.

7.3 Business Case (1) should contain the following:

- Information on any previous unsuccessful recruitment attempts for the role in the previous 6 months (usually 2 attempts within this period, but this will be determined on a case by case basis)
- Other information demonstrating market issues (evidence regarding similar roles elsewhere, reports on market rates, copies of adverts etc)
- The impact of any retention issue in relation to existing staff
- Information on resignations from the role during the previous year
- A copy of the relevant job description
- A copy of the HR Recruitment Approval (HRRRA) form.
- A recommendation as to which current staff would be eligible for the supplement as they are employed in the same role
- The specific amount of supplement requested
- Evidence of budget cover for additional costs

7.4 Business case (2) should contain:

- Details of the particular recruitment/retention situation
- Details of the individuals current salary and, if applicable, offers made by other institutions
- The perceived strategic/significant operational value of the individual to the organisation
- The consequences of not recruiting/retaining the particular individual

- The level of supplement being requested
- Any conditions attached to the supplement

7.5 All evidence will be submitted to a panel consisting of a member of HR, a senior Finance manager and the recruiting/line manager who will make the final decision.

7.6 Once a market supplement has been authorised the amount should be included in the advert for the position.

7.7 The successful candidate will need to meet all the essential criteria for the position in order to be offered the market supplement.

Review

7.8 All market supplements will be subject to a review every 24 months. It is the line managers responsibility to be aware of the review date, prepare and provide the relevant information needed and where it is determined that the market supplement should be maintained or increased, produce the business case in time for panel consideration.

7.9 Where the review indicates that the market supplement should be reduced or withdrawn, the line manager is not required to produce a business case but they should collate the evidence (e.g. copies of job adverts or salary benchmarking information) and submit it to be reviewed by HR.

7.10 Where the review indicates a change in market conditions the individuals will be notified in writing. If the market based evidence suggests that the supplement should be reduced or withdrawn, the employee should be consulted with before the supplement is removed or changed.

7.11 Any new employees starting a job that receives a market supplement, will receive a pro-rata amount up to the next review.

Conditions

- 7.12 If the job is re-graded through the HERA process, or the employee moves to another job that does not attract a market supplement, payments will cease.
- 7.13 The market supplement will:
- Be subject to the normal statutory deductions
 - Be pensionable
 - Be paid pro-rata to part time staff
 - Be included in calculations for the purposes of other payments such as maternity/paternity/adoption and sickness
 - Not be subject to any annual increases other than the review
- 7.14 A market supplement will not be incorporated into basic salary at any time.
- 7.15 There is no right of appeal by an individual against a decision to reduce or remove a market supplement. The evidence can be shared to show what information was used and how the decision was made.
- 7.16 Market supplements are paid in relation to specific posts/specialisms. Therefore, where it is agreed that the payment of a market supplement is appropriate, all staff carrying out the duties of the post in the particular, identified specialism (if appropriate) must receive the same supplement on the same conditions.

8 ASSOCIATED DOCUMENTS

- 8.1 Highlight an associated document and legislation within this section.

9 EQUALITY ASSESSMENT

An Equality Assessment must accompany this document.

10 VERSION CONTROL

Version Control		Approval record	
Author:	Clair Culverhouse	Approval:	TU Liaison – 18/12/18 UMT – 18/01/19 JCNC – 24/01/19 Board – NA
Date written:	25/09/2017	Updates:	Re-written
Current status:	Approved	Approval of revision	
Record of Amendments			
Date	Version number	Details of Change	Approval
17.11.2017	2	Rewrite of 2007 policy outlining a clearer procedure, the requirement for a business case and what needs to be included. A robust approval process is now included meaning the request has to be approved by a panel. Requirement to consider inequality of payments approved in line with Equality and Inclusion Policy and to address any issues through positive action. Also includes requirements for review of supplements.	13/02/2018
October 2018	3	Clarified and revised review process to reflect the reality of different scenarios	24/1/19