

Recruitment and Retentions Payments, Additional Duties and Accelerated Pay Progression Policy



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Related Documents

Additional Duties Application Form

Accelerated Pay Progression Application Form

Market Supplement, Welcome and Retention Payment Application Form

Equality Impact Assessment Form

Version	Date	Detail	Author
1	October 2024	New Policy incorporating the Previous Interim Recruitment & Retention Payments Policy	Helen Alden

1. Purpose

This policy outlines arrangements for awarding additional remuneration payments within Derbyshire County Council.

It is important that departments adhere to the Council values and ensure that employees have equal opportunity to undertake any additional responsibilities as set out within this policy.

2. Scope

This policy applies to all Council employees including centrally employed school support staff and those on permanent, fixed term or secondment contracts on Derbyshire Pay Scales grades 1/2 to 20 and those on Soulbury Pay Scales with the exception of Accelerated Pay progression for Soulbury employees. A separate process to obtain SPA points is in place for employees on Soulbury pay scales. This Policy does not apply to those on nationally agreed Teacher pay conditions.

3. Introduction

The Council is committed to fairness and transparency of pay in employment. The council has a job evaluation scheme to measure the value of all jobs.

This policy details the different types of additional payments that managers can use to respond to fluctuations in the recruitment market, to encourage employment with the council and to recognise exceptional performance.

Employees are usually appointed to the bottom scale point within the grade and receive increments every 12 months until they reach the top of the pay scale for that grade.

There may be occasions where it is appropriate to appoint an employee to a higher pay scale point. This is on approval from the manager who is required to obtain confirmation that the potential appointee's current salary is higher than the bottom of the scale point.

Where the provision of any payment will take an employee's earnings over £100,000, or where additional elements are being added to a salary over £100,000, approval must be obtained from Council.

4. Additional Duties Payments

Additional duties payments are paid in exceptional circumstance to employees who:

- take on temporary significant additional duties.

If additional duties are permanent the role should be re-evaluated under the council's job evaluation scheme before an additional duties payment is considered.

Where employees are working at the same level but beyond their contracted hours only, the Council's flexitime scheme or paying overtime should be considered in the first instance. Payments will only apply to periods of 1 month or more.

Eligibility

- Temporarily taking on significant additional duties that are in addition to their normal job
- Temporarily sharing significant additional duties at the same level as their substantive grade with another employee(s). Employees should take on separate and distinct duties
- Undertaking a specific temporary project that results only in an increase in volume of work will not usually attract an additional duties payment. Where the change is permanent the role must be re-evaluated under the council's job evaluation arrangements

Senior officers on grades 16 and above are expected to work flexibly, and additional duties payments will not normally apply to employees undertaking roles at grade 16 or above, other than in very exceptional circumstances agreed by the Head of Paid Service. Project work, including cross departmental corporate project work and project work involving external partners is a requirement of all senior officers on grade 16 and above and will not normally, merit an additional duties payment.

Payment

Payments will be made in monthly instalments, in the normal payroll cycle and backdated to the start of the employee taking on the additional duties. Payments are pensionable.

Payments for taking on significant additional duties can be up to 10% of the employee's substantive pay for the duration of the arrangement (pro-rated for part-time employees)

Additional Duties payments will remain at a fixed rate and are not subject to annual pay award.

Application for an Additional Duties payment

An application must be completed for all requests to make an Additional Duties payment. For grades 1-15 this can be approved by the relevant Executive Director. For grades 16-20 this must be approved by the Head of Paid Service, with any resultant total salary packages over £100,000 being agreed by Council. Payments for Grade 21 (The Head of Paid Service) must be agreed by Council.

The application must include:

- The reason for the proposed payment, for example to cover a long-term absence or undertake a specific piece of work
- Posts affected and grades of the substantive and higher level / alternative duties involved
- The extent of different and /or additional duties involved i.e. - full or partial, if partial quote percentage
- The duration, specifying start and end dates
- Alternatives considered, including whether the need for extra work of the same type to be undertaken on a temporary basis can be accommodated without the need for additional payment
- The amount of payment should be set in accordance with the guidance set out in the payment section, ie up to 10% of the employee's substantive pay.
- Additional Duties payments for Grade 16 and above employees are subject to Head of Paid Service approval who will consult with the Section 151 Officer, Monitoring Officer and Director of People and Organisational Change and the relevant Executive Director to inform the decision.
- An Equality Impact Assessment

The service will work in conjunction with the Senior HR Business Partner to identify any department specific requirements and that proposals are most likely to achieve the intended outcomes

5. Accelerated Pay Progression

Eligibility

This is a permanent increase to award one or a number of increments within the employee's existing grade for the role. This could be used, for example:

Accelerated increments are permanent and it is important to first consider whether an acting up or temporary Additional Duties payment is more applicable to the circumstances.

Employees may be awarded the accelerated incremental progression in the pay scale for their job grade provided the maximum of the grade scale points is not exceeded.

Employees who are subject to a career grade may have increments capped at certain points. Please see relevant career grade information attached to the post.

Application

An application must be completed for all requests to award additional increments.

For grades 1-15 this can be approved by the relevant Executive Director.

For grades 16-20 this must be approved by the Head of Paid Service. Payments for Grade 21 (The Head of Paid Service), or any payments where total remuneration is or will be above £100,000pa must be agreed by Council.

Accelerated pay progression payments for Grade 16 and above employees are subject to Head of Paid Service approval who will consult with the Section 151 Officer, Monitoring Officer and Director of People and Organisational Change and the relevant Executive Director to inform the decision.

Employees will still receive the next scale point increment each year until they reach the top of the salary for the grade.

The service will work in conjunction with the Senior HR Business Partner to identify any department specific requirements and that proposals are most likely to achieve the intended outcomes.

The application must include:

- The reason for the employee's additional increment(s) and supporting evidence
- The number of increments to be accelerated
- Confirmation of the date the employee's previous increment was awarded and when the next increment is due
- Confirmation of the employee's grade and pay scale point
- Include an Equality Impact Assessment

Notes

Employees who are seconded or on a Fixed Term contract will be able to retain any additional increments when they return to their substantive post, unless they are already at the top of the pay scale.

Accelerated payments may not be awarded in the following circumstances:

- To recognise an employee's contribution to work which is of a temporary nature and outside of their usual scope of job because this would give a long term reward for a short term contribution
- To enhance the level of pension payable to an employee in their last year of service
- Where the manager has concerns about the employee's conduct, capability or attendance

6. Recommend a Friend Payments

Some permanent or fixed term vacancies that are advertised externally may attract a refer a friend payment to encourage employees to refer external candidates to the council. If a vacancy is eligible for a payment it will be stated in the advert.

Recommend a Friend payments are subject to Head of Service approval in consultation with the Recruitment Manager to ensure consistency in application.

Payments are lump sum payments to any employee on Grade 14 or below on a permanent, fixed term or relief contract who recommends a candidate that is successfully appointed to the specified post.

Eligibility

- The referring employee must not be involved in the recruitment process (Recruitment Manager and Recruitment Campaign Leads). Payments will only be made once the successful candidate has completed 6 months service in the role.
- The referring employee must be employed on a permanent, fixed term or relief basis with the Council
- Self-employed, agency workers and individuals who are seconded into the Council from external agencies are not eligible for the payment
- The new employee must not have previously applied for the same post or been referred by another source (e.g. a recruitment agency)
- 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, where an employee's details have not been included or where the employee has been introduced by another source
- 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
- Employees must not advertise vacancies on behalf of the Council but can share postings on social media
- The scheme is entirely discretionary, non-contractual and does not form part of the terms and conditions of employment
- The Council reserves the right to withdraw, vary or amend the scheme at any time
- The payment will be funded from the recruiting department's service budget
- Recommend a friend payments are pensionable

Payments

- Each referral payment(s) should not exceed £100
- Subject to tax, NI and are pensionable
- Paid as a clearly identifiable and separate payment to basic pay
- 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 withhold the payment

- Recommend a Friend payments, will not be included in Redundancy pay calculations
- Will not be included in occupational calculations for periods of paid sickness, maternity and adoption leave and holiday pay calculations, etc
- Will not attract pay award increases or be affected by incremental progression
- Will not be included in pay protection

7. Market Supplement, Welcome and Retention Payments

In exceptional circumstances, where the Council is able to demonstrate that recruitment and retention issues are impacting on service delivery, providing other non-pay related options have been explored and discounted, the payment of a temporary additional element of pay or pay incentive, paid in addition to basic salary may be justified. This should be supported with clear evidence that the Council's rate of pay for a defined post, or group of posts, falls below the required level in relation to the comparator market or evidence provided that a local or national skills shortage or difficulties with occupational groups is causing a significant risk to service delivery and that without an intervention, the Council cannot attract and retain suitably skilled employees. The type of payment and required level of pay supplement will be determined by the Council at the time, taking into account the relevant criteria for the type of payment requested.

Recruitment and retention payments will be paid to all employees in the relevant post as a separate and clearly identifiable addition to basic pay. It is a post related payment and as such does not relate to the performance, capability, commitment or merit of an individual employee. Welcome Payments and Retention Payments paid up front will be subject to repayment on a pro-rata basis, if an employee in receipt of a payment moves to a role that is not eligible for the payment and /or leaves the council.

Application Process

- All requests for a Market Supplement, Welcome and Retention payments must be submitted using a fully completed Application Form which will demonstrate how the application meets the eligibility criteria below
- The service will work in conjunction with the Senior HR Business Partner to identify any department specific requirements and that proposals are most likely to achieve the intended outcomes
- The Senior HR Business Partner and Resourcing Manager will work with management teams to identify causes of recruitment and retention strategies.
- All applications must be supported by the relevant Executive Director and meet the eligibility criteria in this policy to be approved for payment

- Market Supplement, Recruitment and Retention payments are subject to Head of Paid Service approval who will consult with the Section 151 Officer, Monitoring Officer and Director of People and Organisational Change and the relevant Executive Director to inform the decision
- Approvals to award Market Supplement, Recruitment and Retention payments under the terms of the policy for posts with a total remuneration of less than £100,000 are approved by the Head of Paid Service
- Where the decision takes the total remuneration for a post in excess of £100,000 per annum or where the application relates to the Head of Paid Service the decision to apply a welcome payment, retention payment or a market supplement must be determined by Council

Threshold for considering market supplement, welcome and retention payment applications

- When considering making an application under this policy a number of these trigger points should be satisfied:
 - The recruitment and retention issue directly contributes to an identified major corporate risk (i.e. currently scoring Red or Amber) on the corporate performance system
 - High level of continued agency usage
 - Evidence of sustained unsuccessful recruitment campaigns, including numbers/types of campaigns/events/social media, with advice and support from Recruitment Campaign Leads, evidencing this has not increased the number of suitable candidates
 - Sustained vacancy issues with:
 - i. Less than an average of 5 applications per advert
 - ii. Less than an average of 4 applications shortlisted per advert
 - Evidence of national/regional/local skills shortages resulting in low levels of suitable skilled applicants
 - Above average levels of continued turnover relative to the size of the work group
 - Flight risk, through workforce analysis and MyPlan/performance development reviews where you can identify a high level of risk within a specific workgroup.
 - Exit questionnaire and exit interview data where employees cite pay as the reason for leaving
 - Competitor market data on like for like roles (where appropriate).
 - Evidence of all reasonable alternative solutions considered but which would not resolve the problem

7.1 Market Supplements

A market supplement is a temporary monthly payment paid for up to two years, calculated using comparative market salary data and paid where there is clear evidence that the Council is paying below the market rate for a specific role or roles and this is impacting the council's ability to recruit and retain employees

Self-employed, agency workers and individuals who are seconded into the Council from external agencies are not eligible for market supplement payments

Payment of a Market Supplement

- The award of a market supplement payment does not change the evaluated grade for the post and is a fixed amount paid in addition to the employee's basic salary
- Market supplement payments are not required to be repaid if an employee leaves the Council's employment
- Where a market supplement payment is due to be withdrawn or changed, all affected employees will receive contractual notice of one month
- Employees on fixed term contracts, secondments and relief contracts are eligible for market supplements.
- Pensionable and subject to tax and NI
- Paid as a clearly identifiable and separate supplement to basic pay (*NB: the market supplement will not be shown as a separate payment for periods of absence that are remunerated through a combination of occupational and statutory pay, e.g., sick or maternity pay*)
- Subject to eligibility, included in occupational and statutory calculations for periods of paid sickness, maternity and adoption leave at the appropriate rate e.g. for maternity leave 6 weeks at 90% pay (including market supplement), 12 weeks at 50% pay (including market supplement) and half rate for periods of half pay sickness, etc. Occupational and statutory rates will be recalculated for employees who are on maternity/adoption leave when a market supplement is introduced. When market supplements are reduced or removed during a period of maternity/adoption leave, only the occupational element is recalculated and reduced from the date of the change
- Paid monthly (pro rata for part-time employees)
- Paid as an additional payment on top of the hourly rate for relief employees
- Paid for authorised paid absences as set out in the Council's Employee Leave Schemes and Flexible Working guidance
- Paid at the appropriate rate for each post where an employee has more than one eligible job
- Paid at the appropriate hourly rate for hours up to 37 per week, including working hours up to 37 for standby, sleep in and recall to work.
- Paid on accrued leave which has been accrued on part time hours up to a maximum of 37 hours per week
- Included in any deductions related to unpaid absences, eg. Unpaid leave
- Paid for all additional hours worked up to 37 per week including the plain time hours worked at times that attract enhancements
- Included in Redundancy pay calculations.
- Adjusted accordingly where contracted hours are increased/decreased (including a buy out of hours decrease in hours: NB: the market supplement will be included in the buy out calculation of actual pay for 26 weeks)
- Where a post in receipt of a market supplement is regraded following evaluation, a full review and reapplication of the market supplement should be carried out to determine if the market supplement payment ceases or continues at a revised rate. The total remuneration package should not exceed the existing level of pay plus market supplement without further agreement from the Head of Paid Service

Market supplements:

- Will not be paid if an employee moves to, or is seconded to, a post without a market supplement unless expressly agreed in the Application Form. Examples of this may be where an employee is seconded into another role within the same service e.g. Social Worker to Senior Practitioner.
- Will not attract pay award increases or be affected by incremental progression.
- Will not be paid for any hours over 37 per week, i.e., overtime. Market supplement payments should not exceed the agreed annual market supplement amount for a full-time employee.
- Will not be paid on enhancements.
- Will not be included in pay protection.

7.2 Welcome Payments

Welcome payments may be an appropriate recruitment incentive where the market data does not support a market supplement payment.

Welcome payments are paid to eligible employees on their appointment with the Council.

Welcome payments may also be considered for fixed term posts dependant on length of fixed term contract, providing the eligibility requirements are met.

Consideration should be given to whether existing employees in the identified employee group should receive an equivalent retention payment at the same time as new employees receive a Welcome payment.

Self-employed, agency workers, relief workers and individuals who are seconded into the Council from external agencies are not eligible for welcome payments.

Payment of Welcome payments

- It is recommended that the maximum amount payable is 10% of the bottom pay point for the identified role/s pay grade.
- The payment will be made based on the contractual hours at the employee's appointment start date.
- Non-pensionable where payments are made prior to completion of a specified period of service.
- Pensionable where payments are made following a completion of a specified period of service.
- Will not be included in occupational calculations for periods of paid sickness, maternity and adoption leave and holiday pay calculations, etc.
- Will not be paid if an employee moves to, or is seconded to, a post without an employee welcome/retention payment.
- Will not attract pay award increases or be affected by incremental progression.
- Will not be included in pay protection.
- Employees who move to a non-eligible post or leave the Council's employment within the specified period of time, will be required to repay all, or a proportion of the amount. Any exceptions will be identified in the Application Form and approved by the Head of Paid Service.

- The percentage of repayment should be proportionate to the initial payment and the eligibility/retention period. A minimum period of completed service of 12 months is recommended to ensure service delivery needs are met. The length of service in the identified post and repayment arrangements should be clearly stated within the terms as outlined in the example below:

- £3,000 2-years' service requirement

Period of service in identified post	Amount to be repaid
Up to 12 months	100%
Between 12 months and 2 years	50%
2 years or more	0%

- £500 12 months' service requirement

Period of service in identified post	Amount to be repaid
Up to 6 months	100%
Between 6 months and 1 years	50%
1 year or more	0%

- Welcome payments are made prior to the completion of a specified period of service and are therefore non-pensionable.
- All welcome payments are subject to Head of Paid Service approval who will consult with the Section 151 Officer, Monitoring Officer and Director of People and Organisational Change and the relevant Executive Director to inform the decision.

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Retention payments may be an appropriate recruitment incentive where the market data does not support a market supplement payment.

Retention payments are paid as a lump sum to eligible new and/or existing employee(s) in relation to a specified retention period(s) of time in a post.

In some cases a retention payment may be split into two payments; paying part at the beginning of a specified period of time and part on completion of a specified period of time in post. In some case retention payments are paid fully at the start of a retention period.

Payments of Retention Payments

- It is recommended that the maximum amount payable per year is 10% of the bottom pay point for the identified role/s pay grade.
- Payments will be made on a pro rata basis reflecting the weekly contractual hours on the date the payment is due as outlined within the application.
- It may be preferable 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 2 year period e.g. 2.5% on completion of 1 year, 5% on completion of 2 years.

- Where a retention payment is paid at the end of a retention period there is no requirement to repay the retention payment on leaving the Council's employment as the employee will have completed the specified period of service.
- Where a part of a retention payment is paid at the beginning of a period of service this will be non pensionable and repayable on leaving the council's employment or transferring to another job that is not eligible for this payment.
- Retention payments made following the completion of a specified period of service are pensionable.
- Payment is based on the grade of the role being undertaken at the time the payment is made. If the role has a career progression framework then all grades are eligible for a retention payment.
- Self-employed, agency workers, relief workers and individuals who are seconded into the Council from external agencies are not eligible for retention payments.
- Retention payments are subject to Head of Paid Service approval who will consult with the Section 151 Officer, Monitoring Officer and Director of People and Organisational Change and the relevant Executive Director to inform the decision.

Retention payments will be:

- Subject to tax and NI.
- Non-pensionable where payments are made prior to completion of a specified period of service.
- Pensionable where payments are made following a completion of a specified period of service.
- Paid as a clearly identifiable and separate payment to basic pay.
- Paid pro rata to contracted hours at the time the payment is due and paid at the agreed rate and timescales as set out in the contract.
- Paid pro rata for each post where an employee has more than one eligible job.
- Included in the statutory calculations for periods of paid sickness, maternity and adoption leave.
- Will not be included in occupational calculations for periods of paid sickness, maternity and adoption leave and holiday pay calculations, etc.
- Will not be paid if an employee moves to, or is seconded to, a post without an employee welcome/retention payment.
- Will not attract pay award increases or be affected by incremental progression.
- Will not be included in pay protection.

8. Roles and Responsibilities

8.1 Head of Paid Service

The Head of Paid Service will:

- Consult with the Section 151 Officer, Monitoring Officer and Director of Organisation Development and Policy and the relevant Executive Director on applications to ensure consistency, taking into account cross council implications.
- Approves the award of Additional duties payments for Grade 16 -20 with a total remuneration of less than £100,000pa

- Approves the award of Accelerated Pay Progression payments for Grades 16-20 with a total remuneration of less than £100,000pa
- Approves the award of Welcome payments, Retention payments and Market Supplement payments under the terms of the policy for posts with a total remuneration of less than £100,000pa
- Where the decision is for a position that has remuneration in excess of £100,000 per annum or where the application relates to the Head of Paid Service the decision to apply a pay discretion payment must be determined by Council

8.2 Executive Directors

Executive Directors will:

- Consult with the Section 151 Officer, Monitoring Officer and Director of Organisation Development and Policy on applications to ensure consistency, taking into account cross council implications.
- Approve applications for Additional duties payments to Grades 1 -15
- Approve applications for accelerated pay progression for Grades 1-15

8.3 Senior Management Teams

Directors/Assistant Directors/Heads of Service will:

- Demonstrate the need for the application of a Market Supplement, Welcome and Recruitment payment including collection of evidence from recent recruitment campaigns and processes, exit interviews, etc, having satisfied all other non-pay avenues
- Identify comparators and contribute to the provision of appropriate market pay data to establish pay differentials between the evaluated rate of pay and that of competitors
- Provide evidence of market issues, including regional/ national skills shortages, difficulties with occupational groups and the impact and risk to service delivery if the Council is not able to attract suitably qualified/skilled employees
- As part of the application, consideration of equal pay risk to the Council must be given and recorded on the Corporate Risk Register, specifically where the market pay rate is not the key driver for the attraction and retention issues
- Identify any wider impact, including any potential employee relations issues, to employee groups across the Council
- Work with HR Resourcing Managers, to carry out an equality impact assessment to establish any inequality in relation to gender or other protected characteristics
- Identify funding for any pay discretions payments
- Carry out reviews of existing recruitment and retention payments and communicate with the relevant employee groups, as appropriate
- Ensure jobs with Welcome and Retention payments are advertised consistently and in the agreed format
- Continually review service requirements and resourcing strategies with the aim of removing the need for Market Supplement, Welcome and Retention Payments
- The relevant Head of Service will make the decision to apply the recommendation for a friend payment to an advertising campaign in consultation with the Recruitment Manager

8.4 Human Resources

Human Resources will:

- Work with senior management teams to identify causes of recruitment and retention difficulties across the workforce and implement resourcing and reward strategies and solutions
- Establish that the evaluated grade of the job is consistent with the current duties of the role
- Support activity to identify comparators and contribute to the provision of appropriate market data to establish pay differentials between the evaluated rate of pay and that of comparators and/or relevant market issues to establish skill shortages/difficulties recruiting to specific occupational groups, etc
- Support activity to identify any wider impact to employee groups across the Council and establish any inequality in relation to gender and/or other protected characteristics
- Review Market Supplement, Welcome and Retention payment applications and any relevant market data provided prior to submission to the Section 151 and monitoring officer, liaising with colleagues to agree the mechanics of a recruitment and retention payment to individuals
- Record the outcome of all pay discretion payment applications, analyse data to assess success, and ensure, where appropriate, the timely review of existing payments

8.5 Legal Services

The Director of Legal Services is responsible for:

- Provision of advice on the legal implications of applying pay discretion payments in relation to equal pay and other equality considerations
- Provision of advice on the relevant departmental risk assessment in relation to pay discretion payments including the proposed rate and repayment schedule

8.6 Finance

The Director of Finance is responsible for:

- Provision of advice on the financial considerations and affordability of proposed pay discretion payments to the Council

8.7 Trade Unions

- Recognised Trade Unions will be engaged on recruitment and retention payment applications and reviews, including market data.