

Flexible employee benefits report

Purpose of Report

1. This report outlines the outcome of a recent review of the council's current staff benefits offering and the proposal to launch a new staff discount scheme.

Background

2. Employee reward includes all element of pay, pension, salary sacrifice schemes, other discounts and non-tangible benefits. The reward package available to staff can aid recruitment, retention, staff engagement, motivation and morale.
3. The current Wiltshire Council staff benefits website provides employees with access to the salary sacrifice schemes and discount deals available to staff.

Reason for review

4. There has been no cost of living pay award for any staff since April 2009 (since 2008 for Hay graded managers). There is also a two year increment freeze for all Wiltshire Council employees which runs until April 2014.
5. A key priority of the people strategy is to develop a new reward package to improve employee engagement. The 2012 staff survey results showed that, whilst employee engagement had increased since 2011, only 47% of staff were satisfied with the total benefits package they received.
6. As an action from the staff survey we have reviewed our current staff benefits schemes and are proposing changes to ensure the benefits we offer are flexible, fit for purpose and helps us to deliver improved staff engagement, reward and recognition.
7. Whilst the budget for any pay increase is fixed, the provision of a range of discounts for major retailers (including groceries and household items) can make a genuine impact on day to day spending.
8. A number of companies offer tailored employee benefits sites with access to discounts for major brands. Their size and reach enable them to negotiate much better discounts than a single organisation could achieve. They can also provide all of the administration, site maintenance, management information and promotional material.

9. Recently several large authorities, including Birmingham City Council, have launched employee benefits websites and seen a major impact on employee engagement. The Birmingham scheme, which has been in place for 15 months has seen spending through the site in excess of £2m, with a real saving to staff of around £145,000.

Options considered

10. Consideration was given to a re-design and review of the internal website. However we would not be able to access discounts with major retailers and the amount of administration and resource we would require to invest would not add value in terms of the types of savings employees could be expected to make.
11. There are some free benefits schemes but they have relatively small numbers of brands and retailers signed up, and the discounts they offer are similar to those provided on our current site. These sites operate by taking a commission when employees spend with particular brands and they therefore promote brands which provide the best commission and the discounts that are passed on to employees are lower. These schemes are no better than individuals could find and sign up for online themselves. We do not consider this option to be in the interest of employees.
12. Following a review of the schemes available the preferred option is to use a company who provide an externally hosted website with links in to major retailers. There are several local government framework agreements available that provide this service and which we could join.
13. Having reviewed the benefits on offer and the benefits for employees the preferred framework is the North Yorkshire framework agreement with Asperity. Asperity offer the largest discounts and the broadest range of retailers. They also have an excellent reputation in both public and private sector and are the provider used by several large authorities including Kent, North Yorkshire, Derbyshire, Shropshire, Norfolk and Birmingham City Council.
14. We would continue to support local discounts and Asperity would enable us to link through from their website to locally agreed discounts and salary sacrifice schemes.
15. Asperity provide:
 - Support with communication strategy and promotional materials
 - Website customisation (Wiltshire Council branding and colours);
 - Management information system – allowing us to generate reports of take up, spend and savings;
 - A smartphone app allowing access from iphone/ipad, android, windows and blackberry mobile devices;
 - Individual login (with the ability for up to 4 additional logons for family members at no extra cost);
 - Over 200 retailers offering a discount on reloadable gift cards or vouchers (with no postage costs);
 - Over 1000 retailers offering cashback for online spend;

- Discount rates at over 2500 gyms and health clubs;
 - A telephone helpdesk (for those without online access) available 7 days per week.
16. Local retailers would be able to offer staff discounts through the asperity website. All retailers who currently offer discounts through our staff benefits website would be approached to ask if they wish to continue to offer this discount and to explain the changes.
 17. It is proposed that the scheme would be offered to non-schools staff, staff in schools where Wiltshire Council is the employer and elected members.
 18. It is also proposed to offer the scheme to groups such as foster carers, to recognise the contribution they make. The scheme does not require these groups to have Wiltshire council IT accounts or to be on the council payroll.

Financial Implications

19. The Asperity reward gateway scheme provides a range of employee benefits and costs £1.208 per employee per annum, based on a maximum of 17,000 accounts, plus an additional one off cost of £3,000 to customise and set up the website. This means that the cost over a three year contract would be £64,623.
20. To put this in context - to apply this as a salary increase to all staff would mean a pay increase of £1.56 per annum per employee (approximately 3p per week).
21. An example of potential benefits to an individual employee who uses the available discounts could be:

Retailer	Discount	Spend	Saving
Asda or Sainsburys	5%	£50 per week £2600 per annum	£2.50 per week £130 per annum
Tesco direct	4.5% (cash back)	£100 on Home/Garden items	£4.50
Marks & Spencer	7%	£500 per annum	£35
Boots	10%	£500 per annum	£50
Argos	8%	£400	£32
Wickes/B&Q	10%	£500	£50
i-tunes vouchers	7%	£100	£7
Thomas Cook	Cashback	Any package holiday	£60
Orange	Cashback	Phone contract	£80

		(over £20 per month)	
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22. This review is considered to be a corporate priority under the People Strategy action plan and would be funded by money set aside for implementation of this plan.
23. It is proposed that the scheme is planned for launch in mid September 2013 to non schools staff and elected members, with a roll out planned for later in the year for foster carers and staff in schools where Wiltshire Council is the employer.

Consultation

24. The Corporate Leadership Team have confirmed their support for the new scheme.
25. Cllr Wheeler briefed Cabinet colleagues in early June who confirmed their support.
26. Unions have been briefed and have confirmed their support for this scheme.
27. We are currently consulting with the communications team, HR Manager Stakeholder panel and the Wiltshire Fostering Association about how to launch the scheme most effectively.

Recommendation

28. That Staffing Policy Committee approve this new staff benefits scheme.

Barry Pirie
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The following unpublished documents have been relied on in the preparation of this report: None