



Report to: Personnel and General Purposes Sub-Committee, 17th July 2019

Report of: Head of People Services

Subject: EMPLOYEE BENEFITS PLATFORM

1. Recommendation

1.1 That the Sub-Committee approves of the purchase of a Web-Based Employee Benefits Platform from SODEXO, including the transfer of certain existing benefits to SODEXO (namely our Employee Assistance Programme, Counselling, Cycle to Work Scheme and Child Care Voucher Scheme).

2. Background

2.1 As part of our People Strategy, the Council is committed to attracting, retaining and rewarding excellent people.

2.2 The Council recognises that we will not have the pay flexibility of other service sectors, even with our recently improved pay structure. One of the ways we can overcome this challenge is to improve the quality, scope and accessibility of our full range of employee benefits. This will enable a transition to a total reward approach in describing our employment offer, with the ultimate aim of becoming an employer of choice in Worcester.

2.3 Our existing Employee benefits are accessed on our intranet site and promoted via posters, ITK, occasional communication emails and at new starter inductions. Up to 103 front line staff in Environmental Operations have no immediate access to the Council Intranet or emails to understand their true benefit offering. However, the entire workforce have access to the internet at home or via personal smart devices to potentially view a web-based Council benefits platform, on a 24/7 basis.

2.4 Sodexo can provide a web-based employee benefits platform for £11.43 per employee per annum. Based on 310 heads this will be £3,543.30 per annum, with a one off set up fee of £450.00.

2.5 The following neighbouring Councils already use Sodexo's web-based employee benefits platform; Birmingham City Council, Bromsgrove and Redditch Borough Councils, Sandwell Metropolitan Borough Council and Warwick District Council.

2.6 Employee Assistance Programme (EAP): Our current telephone based provider is Optum at £4.77 per person per annum. Based on 310 employees this amounts to £1478.70 per annum. Contract ends 30th June 2019.

- 2.7 Face to face Counselling: Our current provider is NOSS (via our OH provider) at £53.00 per session for face-to-face counselling. There were 27 employees referred for counselling in 2018, each able to take an average of 3 sessions. This equates to a cost of £4,293 if there was a 100% uptake of all sessions approved. It should be noted that the previous costs in Civica were by a previous provider which stopped their business and resulted in an increase in costs from £38/session to £53/session and so historical costs can be misleading. This is a Pay As You Go contract.
- 2.8 Sodexo will include a **free of charge and comprehensive Employee Assistance Programme with unlimited manager referrals and up to 6 sessions of Face-to-face Counselling per presenting issue for all employees**. Self referral by employees can also be arranged. As a guide, this would save the Council £5771.00 per annum.
- 2.9 Cycle to work scheme: Our current provider is CycleScheme. We would transfer to Sodexo's in-house scheme at zero cost, for a fully managed scheme with an employer administration portal, keeping Council paperwork and process time to a minimum.
- 2.10 Childcare Voucher Scheme: Our current provider is Computershare Services. This benefit is now only available if an employee joined on or before 4 October 2018 as the government has now launched a direct Tax Free Childcare scheme. Sodexo could transfer our existing membership to their in-house Childcare Vouchers Scheme offering a fully managed and secure online E-Voucher, mobile enabled option. There will be no transfer costs and transferred members will retain their tax/NI savings.
- 2.11 Employee Discount Scheme: Our current provider is CSSC. This is a voluntary membership scheme of £47.40 per annum for employees (zero cost to the Council), to obtain savings across retailers, cinema and free entry to English Heritage sites. We have less than 10% take up by staff. Sodexo will offer an in-house Employee Discounts Scheme free of charge to all staff, including over 6000 high street, cinema, holiday, technology and local offers. Existing CSSC members could approach English Heritage direct to join at £48 per annum if they only want to retain this feature. This therefore provides a discount scheme for all employees at no cost to either the employee or ourselves (integral to the package the costs of which can be covered as part of the EAP/Counselling benefits).
- 2.12 Sodexo will provide an employee helpdesk for all council staff, with specialist support for their in-house discount schemes, travel concierge schemes and salary sacrifice schemes. This will enable direct and immediate response to benefit enquiries, freeing up administration time for People Services.
- 2.13 Our existing benefits such as discounted parking, the Orchard Healthcare plan, the purchase of annual leave, our volunteering policy, flexible working, free flu vaccinations, discounted sport and leisure and our Learning Lounge can also be added on this platform, providing a seamless, integrated package of benefits
- 2.14 There is an option in the future to incorporate a Car Salary Sacrifice Scheme which will have no up front costs or management fees and will offer significant staff retention opportunities, whilst providing substantial savings to the Council in the form of NI and Employer Pension contribution savings. The scheme can also help reduce the Council's carbon footprint and support a green agenda. This is a complex offer which needs further research and consideration and linking to wider work on sustainability and reducing vehicle emissions.

3. Preferred Option

- 3.1 That the committee approves the purchase of a Web-Based Employee Benefits Platform from Sodexo and their Free Employee Assistance Programme, their Free Employee Discounts Scheme, their Childcare Scheme and their Cycle to Work Scheme.

Sodexo (a direct contract): A two year contractual commitment will be £7,086.60, with a one off set up fee of £450.00 with a three year

Alternative Options Considered

3.2 That we stay with our existing provision, continuing via intranet access

The Council has the opportunity to invest in a web-based Employee Benefits platform that can offer direct, immediate access to all staff, with a specialist employee helpdesk. The existing cost of just our wellbeing provision (OPTUM and NOSS) could instead purchase the Sodexo platform, which will incorporate a more comprehensive EAP including unlimited face to face counselling free of charge, saving approximately £4000 per annum.

3.3 That we utilise an ESPO Framework for purchase of the Sodexo Benefits Platform.

- 3.4 Sodexo was recommended by Bromsgrove and Redditch Council, who had undertaken a comprehensive review of this market and opted for Sodexo via the ESPO Framework 319_19 agreement. This could represent a quality review under due diligence.

- 3.5 The framework cost would equate to £10.38 per employee, per annum with a £495 one off set up fee (based on 310 staff and a 2 year agreement). The framework did not include an EAP offering, which would cost an additional £6.95 per employee, per annum. **Total cost £10,744.60 with a one off set up fee of £495.00.** Even though it is still better value than our existing OPTUM/NOSS provision, it is approx.30% more expensive than the preferred option offered by the same supplier.

3.6 That we move to a new proposal from our EAP provider, to include a Free Employee Discounts portal

- 3.7 Our existing EAP provider, Enlighten, could offer a full 6 session face to face Employee Assistance Programme at £6.95 per employee per annum, a total annual cost of £2154.50 to cover all 310 employees.

- 3.8 Perks At Work, their Employee Discounts portal would be accessed either through the EAP or the Perks At Work site. Unfortunately, Perks At Work is unable to integrate salary sacrifice benefits or existing Council benefits onto it's platform, nor offer a benefits helpdesk. This was a key requirement for a "one stop shop" approach to our Employee benefits.

4. Implications

Financial and Budgetary Implications

- 4.1 A two year commitment will be £7,086.60, with a one off set up fee of £450.00. This will be offset by a saving of at least £4000, on transfer of our EAP and Counselling provision to Sodexo.
- 4.2 There is a minimal risk that our Counselling requirements reduce to such a level, therefore not offsetting the Sodexo investment. However, FirstCare statistics have shown that mental health in 2018/19 has increased to become our second largest absence reason behind musculoskeletal. The fact that employees could self refer to face-to-face counselling free of charge through Sodexo, whilst still in work, could also help reduce absenteeism and improve engagement.

Legal and Governance Implications

- 4.3 None.

Risk Implications

- 4.4 None.

Corporate/Policy Implications

- 4.5 Risk of not delivering the People Strategy 2018-21, through commitment to attract, retain and reward an excellent workforce.

Equality Implications

- 4.6 Minimal risk as it is a web-enabled offering to all staff.

Human Resources Implications

- 4.7 Minimal risk of transferring certain benefit administration and employee helpdesk support to Sodexo, rather than it being administered by People services. We will have full account management by Sodexo as part of the contract.
- 4.8 Risk of low utilisation will be minimised, through a comprehensive communications strategy included in the contract, including promotional material, events and roadshows.
- 4.9 Minimising risk of workforce attrition due to offering a comprehensive employee benefits platform, 24/7, to all staff. The employee can then appreciate the value of their employment offer.

Health and Safety Implications

- 4.10 None.

Social, Environmental and Economic Implications

- 4.11 None.

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