



RHONDDA CYNON TAF

RECORD OF DELEGATED OFFICER DECISION

Key Decision ✓

SUBJECT: THE INTRODUCTION OF A FINANCIAL WELLBEING SOLUTION WITHIN THE STAFF BENEFITS PROGRAMME

PURPOSE OF REPORT:

In accordance with the Council's Scheme of Delegation, this report has been prepared to accompany the intended officer decision of the Director of Human Resources

The purpose of the report is to advise of the decision of the Director of HR following a recommendation received from the Council's Staff Panel following a meeting on the 12th October in respect of 'Financial Wellbeing Solution' for employees.

DELEGATED DECISION:

AGREED: To the recommendation from the Staff Panel that Option 1 as detailed in paragraph 6.1 of the report is taken forward as outlined below:-

Option 1 – to introduce the full financial wellbeing solution offered by Neyber to include financial education, debt management and good savings habits. Introducing the full solution would result in no cost or risk to the Council.

R. J. EVANS
Print Name

18/10/18
Date

The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution

CONSULTATION

M. Webber.

18/10/18

CONSULTEE CABINET MEMBER SIGNATURE

DATE

C. Lee

18/10/18.

CONSULTEE OFFICER SIGNATURE (if required)

DATE

CALL IN PROCEDURE RULES.

IS THE DECISION DEEMED URGENT AND NOT SUBJECT TO CALL-IN BY THE OVERVIEW AND SCRUTINY COMMITTEE:

NO ✓

Reason for urgency:.....

If deemed urgent - signature of Mayor or Deputy Mayor or Head of Paid Service confirming agreement that the proposed decision is reasonable in all the circumstances for it being treated as a matter of urgency, in accordance with the overview and scrutiny procedure rule 17.2:

.....
(Mayor)

.....
(Dated)

NB - If this is a reconsidered decision then the decision Cannot be Called In and the decision will take effect from the date the decision is signed.

FOR OFFICE USE ONLY

PUBLICATION & IMPLEMENTATION DATES

PUBLICATION

Publication on the Councils Website:- 18th October 2018

DATE

IMPLEMENTATION OF THE DECISION

Note: This decision will not come into force and may not be implemented until the expiry of 3 clear working days after its publication to enable it to be the subject to the Call-In Procedure in Rule 17.1 of the Overview and Scrutiny Procedure Rules.

Subject to Call In the implementation date will be 24th October 2018 .

DATE

APPROVED FOR PUBLICATION :✓

Further Information

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RHONDDA CYNON TAF COUNCIL

KEY DELEGATED DECISION

**REPORT TO ACCOMPANY THE DECISION OF THE DIRECTOR OF HUMAN
RESOURCES**

OCTOBER 2018

**REPORT TO CONSIDER THE INTRODUCTION OF A FINANCIAL WELLBEING
SOLUTION WITHIN THE STAFF BENEFITS PROGRAMME.**

**Author of Report: Julian Warburton, Workforce Development Manager
Telephone: (01443) 570043**

1. PURPOSE OF THE REPORT

This concept of a Financial Wellbeing Solution was taken to the Staff Panel on 12th October 2018 where the Staff Panel determined that option 1 listed within the report be taken forward by the Director for consideration. The report provides information to help inform a decision on introducing a financial wellbeing solution for employees.

2. RECOMMENDATIONS

- 2.1 To agree the recommendation from the Staff Panel that the introduction of Option 1 as detailed in paragraph 6.1 below is taken forward.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To advise on a Financial Wellbeing Solution as recommended by the Council's Staff Panel.

4. BACKGROUND

- 4.1 In April 2018 the Chief Executive forwarded an article to HR regarding a scheme that the London Borough of Hackney had introduced to help the financial wellbeing of their employees by offering salary-linked employee loans. We were asked to consider a similar scheme for RCT employees.
- 4.2 Our staff benefits salary sacrifice schemes are hosted and administered by I-Com Works and included in their benefits hub is a financial wellbeing solution offered by Neyber, a National Procurement Service provider of financial wellbeing advice, low interest personal loans and debt consolidation loans.

- 4.3 Neyber was founded in 2014 and is currently working with employers across the UK including Local Councils, NHS Trusts and private industry. In Wales, they are live in Wrexham Council, Denbighshire Council, Careers Wales and Coleg Cambria and are in the final stages of implementation with Powys Council, Mid and West Wales Fire and Rescue Service and Dyfed Police. They are also in initial discussions with 10 other Welsh Councils including Cardiff and Caerphilly.
- 4.4 The financial wellbeing solution offered by Neyber addresses three main challenges, financial education, debt management and good savings habits. Employees will have access to Neyber's financial wellbeing hub, an online portal with tools, calculators, articles and webinars to assist with their finances. There are also a range of chargeable services such as workshops, wellbeing roadshows, and 1-1 clinics.
- 4.5 The debt management solution consists of both affordable borrowing via employee personal loans and also debt consolidation loans.
- 4.6 Employee personal loans and debt consolidation loans are between £500 and £25,000 for up to 5 years with no risk or cost to the Council. Loans will be issued within 48 hours from the application with repayments being made directly from an employee's salary.
- 4.7 Interest rates for all types of loan are set at 4 levels depending upon the employee's credit history. Those with an 'excellent' credit rating will pay a rate of 3.9%, those with a 'great' credit rating will pay a rate of 7.9%, those with a 'good' credit rating will pay a rate of 12.9% and those with an 'OK' credit rating will pay a rate of 17.9%. Market rates for similar loans can range from 2.9% - 43.8%.
- 4.8 Neyber's debt consolidation solution enables employees to consolidate their debts into one manageable and more affordable monthly repayment.
- 4.9 Neyber have been awarded 'Debt Adjusting' permissions by the Financial Conduct Authority (FCA) which means they are able to pay off an employee's existing debts directly with the lenders rather than providing those in debt with the capital to repay what they owe. This ensures employees are consolidating debt and not just increasing debt.
- 4.10 Before a Debt consolidation loan is approved, the employee is advised to access the Financial Wellbeing Hub to ensure they have a full understanding of their financial position and access to any support they may need.
- 4.11 If an employee's financial position changes during the repayment period of a loan, the loan can be settled early without any penalty or cost.

- 4.12 All loans applications are confidential between the employee and Neyber although there will be employment checks carried out by the Council and payroll deductions set up accordingly.
- 4.13 If an employee leaves the Council the terms and conditions of the loan agreement in place will remain the same.
- 4.14 Neyber have introduced a savings scheme, the Neyber Wallet, that will enable employees to invest, save and better manage their money.
- 4.15 Employees will be able to invest in a range of ready-made ISA's that will be tailored to suit their needs.
- 4.16 Employees will be able to save into an easy access savings scheme that will be rewarded with an additional 1.5% for good savings habits. Employees will be able to access their funds instantly without costs or penalties via a Mastercard debit card.
- 4.17 Employees will be able to manage their finances via a mobile app that will have built in budgeting, insights and personalised recommendations to help save and manage their money more effectively.

5. OTHER CONSIDERATIONS

- 5.1 Members will be aware that the Council currently has an arrangement in place with a local credit union, Dragon Savers, which allows employees to save and borrow via payroll deduction.
- 5.2 Arrangements are currently in place to include Dragon Savers' service on our staff benefits hub. If a decision is made to introduce Neyber's financial wellbeing solution then employees will have the option to choose either service and the Council would still continue to promote the Dragon Savers as an option for staff.
- 5.3 Members be aware that the Trade Unions also have affiliations with other Credit Unions that their members can access.

6. OPTIONS

- 6.1 Option 1 – to introduce the full financial wellbeing solution offered by Neyber to include financial education, debt management and good savings habits. Introducing the full solution would result in no cost or risk to the Council.
- 6.2 Option 2 – to only introduce the financial education element of the solution giving all employees access to Neyber's financial wellbeing hub. As there would be no financial benefit to Neyber with this option, there would be an annual charge to the Council of £3 per employee up to a maximum of £20,000 per annum.

- 6.3 It was the Staff Panel's view that Option 1 was their preferred option if Cabinet were to agree the introduction of a Financial Wellbeing Solution.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 An equality impact assessment highlighted that, due to the restrictions imposed by the HRMC and the scheme administrator, certain groups of staff will be disadvantaged. Specifically, those staff aged under 21 and those earning below £13500, will not be able to access the scheme. There are no mechanisms by which this can be mitigated as the parameters of the scheme are prescribed by the HRMC and scheme provider

8. CONSULTATION

- 8.1 There are no consultation implications emanating from this update.

9. FINANCIAL IMPLICATIONS

- 9.1 If the Council were to introduce option 1, the full financial wellbeing solution offered by Neyber to include financial education, debt management and good savings habits there would be no financial implications to the Council.
- 9.2 If the Council were to introduce option 2, only the financial education element of the solution, giving all employees access to Neyber's financial wellbeing hub, there would be an annual charge to the Council of £3 per employee up to a maximum of £20,000 per annum.

10. LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES AND THE WELL BEING OF FUTURE GENERATIONS ACT

- 10.1 The Corporate Plan, which incorporates the requirements of the Future Generations Act, sets the Council's Vision to have "a County Borough that has high aspirations, is confident and promotes opportunity for all".
- 10.2 The introduction of this staff benefit will support the Corporate Plan principles of providing essential services well and building a sustainable County Borough, now and for the future, through enhancing staff engagement and commitment to the Council as an employer.