

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

22ND SEPTEMBER 2016

IMPLEMENTATION OF RHONDDA CYNON TAF STAFF BENEFITS REPORT

REPORT OF THE CHIEF EXECUTIVE IN DISCUSSION WITH THE RELEVANT PORTFOLIO HOLDER, COUNCILLOR M. WEBBER

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1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide outline recommendations to implement a range of additional staff benefits.

2. RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Agree to implement the staff benefits detailed below, ensuring that staff are fully aware of any personal tax, National Insurance and pension impact in terms of each scheme

3 REASONS FOR RECOMMENDATIONS

- 3.1 Suggestions put forward to the staff panel coupled with feedback gained through the recent staff consultation exercise indicated that staff would like the Council to introduce a range of additional benefits for staff. The staff consultation exercise highlighted that budget reductions and austerity measures have had an impact on staff morale.
- 3.2 Staff benefit schemes are proven to enhance the reputation of an employer both with its current workforce and as an employer of choice for job applicants. The introduction of additional staff benefits is as an opportunity to increase the overall reward package offered to staff without adversely impacting on budgets.
- 3.3 The experience gained from running the Cycle2Work scheme, where the Council has saved circa £20k in reduced NI and tax liability over the past two years, evidences that offering employee benefits via salary sacrifice provides savings to both the Council and its employees. The introduction of additional salary sacrifice schemes will provide the Council with opportunities to make further savings.

4. **BACKGROUND**

4.1 The Council has a range of benefits currently in place for staff including child care vouchers, the cycle2work scheme and Pension benefits. Through the National Procurement Service (NPS) All Wales Framework Agreement the Council can further enhance its benefits through the introduction of the following schemes:

- 'Green Car' Salary Sacrifice Scheme
- Smart Phone and Technology Salary Sacrifice Scheme
- Purchase of additional Annual Leave via Salary Sacrifice
- Health Screening via Salary Sacrifice Scheme

In addition, a staff discount card (Vectis card), can be deployed to all staff allowing them to access discounts from both local suppliers and major chains. We will work with local businesses to promote its use for local businesses. The Vectis card has the potential to save employees up to £1,500 per annum.

4.2 Staff will be able to access the schemes through a dedicated staff benefits portal. For those staff without internet access roadshows will be held across services to ensure that staff are made aware of the benefits available to them and are supported to apply where necessary.

4.3 The salary sacrifice schemes will be subject to a range of conditions set out by the scheme providers and Her Majesty's Revenue and Customs (HMRC). Whilst each scheme operates under slightly different criteria it is worth noting, that for the green car scheme, teachers are unable to access the scheme due to national terms and conditions and there is also a minimum earnings requirement for acceptance. The impact of this will be mitigated as all staff will be able to access at least two elements of the staff benefits package. It is also worth noting that the HMRC are currently out to consultation regarding salary sacrifice schemes (with the exclusion of cycle2work and health) which may result in a change to the terms of the schemes.

4.4 The set-up costs of the overall staff benefits scheme are as follows:

Development of website (one off charge)	£600
Annual charge for Vectis card (£1 per employee)	£1,100
Distribution of Vectis card and marketing materials to all	£0 this is funded

staff	through each provider
Roadshows and ongoing marketing	£0 this is funded through each provider

4.5 Based on a 2% uptake of the Green Car scheme and the average uptake of the Cycle2Work scheme a conservative estimate would be an annual reduction in staff costs of £63 k per annum.

5 EQUALITY AND DIVERSITY IMPLICATIONS

5.1 The equality impact assessment identifies that the introduction of the green car scheme is likely to have an adverse impact on women and employee's under the age of 25 as large proportion will not meet the minimum earnings threshold. Research would also indicate that this could also impact upon staff with a disability who may typically be in lower paid roles. Take up of this scheme is typically 2% of the workforce in other organisations.

5.2 However, as staff who are ineligible to access the green car scheme will be able to access a minimum of two other schemes from the benefits package, this will mitigate the overall adverse impact.

6 CONSULTATION

6.1 Consultation is not needed because the contents of the report are for information purposes only.

7 FINANCIAL IMPLICATION(S)

7.1 The set up costs of the proposed extended scheme will have a minimal impact upon the Council's budget. However through the schemes, there is the potential to identify further savings for the Council through the reduction of employer costs linked to the scheme.

8 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

8.1 The above employee benefit schemes are managed by iComs Works in association with organisations who specialise in each of the specific Salary Sacrifice schemes. The NPS framework ensures that all schemes are, currently, HMRC compliant.

9 LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES/ SIP

9.1 The recommendations link to the Prosperity and Health priorities in the SIP.

10 CONCLUSION

10.1 The introduction of the above benefits, in conjunction with the existing Cycle2Work Salary Sacrifice and Child Care Voucher Schemes provides the dual benefit of improving the total reward package for staff whilst also providing savings for the Council.

10.2 The risk of not introducing the above schemes is that we may lose key staff to other Local Authorities who do offer more employee benefits and we also miss an opportunity to raise staff morale with little financial impact on the Council