

HR COMMITTEE – 11th AUGUST 2022

EMPLOYEE BENEFITS – CROWN COMMERCIAL SERVICE (CCS) FRAMEWORK

1. RECOMMENDATIONS

- 1.1 That HR Committee note and support the procurement of the CCS Employee Benefits Framework including;
 1. The continuation of childcare vouchers;
 2. The introduction of a cycle to work scheme; and
 3. The introduction of employee discounts.

Further benefits would be subject to review within 12 months of the implementation of the benefits as above.

2. INTRODUCTION

- 2.1 The [Employee Benefits - CCS \(crowncommercial.gov.uk\)](https://crowncommercial.gov.uk) offers a range of employee benefits that are available through a co-branded (to NFDC) online employee benefits platform to access the benefits offered.
- 2.2 It is designed for and available to government departments and all UK public sector bodies.

3. BACKGROUND

- 3.1 Our current employee benefits package (outside of annual leave and hybrid/flexible working) includes an Employee Assistance Programme, KAARP Benefits (offers a range of deals including egift cards and special offers to meals outs and attractions), discounted membership to Freedom Leisure Centres and access to join the Civil Service Sports Council (CSSC): [Staff benefits](#)
- 3.2 AVC Wise have been procured to provide Salary Sacrifice AVC's (Additional Voluntary Contributions to pension) to our employees. This is in the process of being rolled out to employees during summer 2022.
- 3.3 The historic employer supported childcare voucher scheme closed to new entrants in 2018. This continues to be facilitated by Edenred Ltd for NFDC because existing members can continue in this scheme. This was replaced by the Government [Tax-Free Childcare](#) scheme and is available to our employees.
- 3.4 Employees in operational teams (up to band 6) can buy one weeks leave or sell their long service leave (if they have more than 5 years service): [Buy Sell Leave](#)
- 3.5 The CCS Employee Benefits Framework can widen our benefits offering across the breadth of the workforce.

4. FRAMEWORK OVERVIEW

- 4.1 The CCS Employee Benefits Framework has one supplier, Edenred Ltd.

- 4.2 The framework offers 9 core benefits. To access the framework at no cost to NFDC, including the online employee benefits platform, a minimum of 3 benefits must be taken up by the employer.
- 4.3 The 9 core benefits, explained in more detail in sections 5 - 13 of this report, are:
1. Childcare voucher scheme (historic employer scheme that closed to new entrants in 2018)
 2. Cycle to work scheme
 3. Reward and recognition scheme
 4. Payroll giving scheme
 5. Employee discounts scheme
 6. Discounted gym membership scheme
 7. Technology and smartphone discount scheme
 8. Financial wellbeing scheme
 9. Green car scheme
- 4.4 Appendix 1 details the benefits offered in more detail. The Edenred brochure is available here: [Edenred-MyLifestyle-Crown-Commercial-Services-Framework-Brochure.pdf](#)
- 4.5 Childcare voucher, cycle to work, payroll giving, technology and smartphone discount and green car scheme are a salary sacrifice arrangement. If NFDC chose to implement one or more of these benefits, it would result in tax and national insurance contribution savings for the employee, and national insurance savings for the employer (depending on employee take up of the benefit).
- 4.6 The framework supplier has processes and checks to ensure compliance with National Minimum/Living Wage and Lower Earning Levels.
- 4.7 The most popular benefits on the framework are the employee discount, cycle to work, green car and reward and recognition schemes.
- 4.8 The secure online platform can be accessed with a single login by the employee. The platform can be co-branded with our logo as well as Edenreds 'My Lifestyle'. There is the ability for it to be used to promote our other existing benefits, such as our Employee Assistance Programme.
- 4.9 The framework includes a free promotion service as part of implementation and ongoing management of the scheme. This includes promotional material, digital launch communication package, roadshows and promotional events and discount scheme onboarding and ongoing email promotions of discounts available.
- 4.10 The employer can choose to add further benefits to their initial employee offering once the benefits platform is live should they wish.
- 4.11 Edenred Ltd provide a customer service team to support employees, whilst the employer is provided a relationship management and client support team during implementation and life of the contract. This would initially be procured on a 3 year contract, with ability to extend by a further year, as per the CCS Framework.

5. EDENRED UK CHILDCARE VOUCHERS

- 5.1 The Council currently uses Edenred Ltd to facilitate the deduction of existing employees who are still using the historic Childcare voucher scheme. NFDC are charged £159.60 per month to facilitate this by Edenred Ltd. This would be continued to be charged until all existing members cease in the scheme.
- 5.2 If the Council chose to procure the CCS Employee Benefits Framework, one of our chosen benefits would be childcare vouchers because it is part of our existing offering. Because this benefit is free under the CCS Employee Benefits Framework and Edenred Ltd are the sole supplier, this would result in an immediate saving of this monthly fee.

6. CYCLE TO WORK SCHEME

- 6.1 The scheme offers a comprehensive, salary sacrifice arrangement to purchase a bike (electric, road, mountain, folding and hybrid) and cycling safety equipment.
- 6.2 The scheme would be provided by one of the following subcontractors: Cycle Solutions Ltd (Cycle to Work), Halfords or Evans cycles. Bikes can be purchased both online and at many cycle outlets nationwide.
- 6.3 The scheme provider will ensure it is fully compliant with legislation, administer it on our behalf, advise the Council on salary sacrifice arrangements and help promote the benefits of the scheme.
- 6.4 The employer agrees a limit for the maximum purchase of a cycle across the workforce. Most employers normally set this within the region of £1500 - £2000.
- 6.5 The employee enters two agreements:
 - i. Hire Agreement: This is managed between the provider and employee. It is a 12 month minimum agreement and is required because this is a tax saving salary sacrifice agreement
 - ii. Salary Sacrifice Agreement: Between employer and employee, sets out the rate of repayment of the bike, normally over 12 months.
- 6.6 At the end of the hire agreement, the supplier will communicate with the employee offering them three options:
 - i. Return the bike
 - ii. Extend the hire agreement at zero cost until the bike can be transferred to their name when it reaches nil cost according to HMRC rules
 - iii. Buy the cycle immediately in their name, paying the percentage of fair market value
- 6.7 This scheme is also available as 'net deduction', so that employees earning below the lower earning limits can enter the scheme
- 6.8 Should an employee leave employment part way through the agreement, it is the employers responsibility to recoup the remaining balance from the employees final net pay. If there is not enough net pay to cover the balance, the employer is potentially liable for this cost.

6.9 Scheme protection can be offered by the supplier. This is a 5% admin charge on the gross cost of the cycle.

7. REWARD AND RECOGNITION SCHEME

7.1 Provides access to a range of multi choice, branded reward and recognition vouchers and gift cards to nominated employees.

7.2 On instruction from management, HR can administer the award of a voucher and personalised email delivered to the employee.

7.3 On receipt the employee can log in to the portal and choose from a wide range of national retail and leisure outlets where they wish to redeem their voucher. This can be from one or multiple retailers and expires within a 12-month period.

7.4 A minimum and maximum cap can be put on the amount that can be awarded to employees.

7.5 The Council will be invoiced monthly, costing no more than the reward itself. For example if the Council issued £100 in rewards, a £100 invoice will be received.

8. PAYROLL GIVING SCHEME

8.1 Under a salary sacrifice arrangement, employees can donate part of their salary either on a one-off basis or regularly to UK registered charities of their choice.

8.2 The employee can choose to hold their payroll deductions on-account until they wish to distribute all or part of their funds to one or more nominated charities. Or the employee may wish to make a regular monthly deduction to a specified charity.

8.3 The deduction is taken from the employees pay after national insurance deductions but before tax. This means that it costs employee less to give more, whilst meaning there is no tax for the charity to claim back because it was never deducted.

8.4 This scheme is administered by the subcontractor Charities Trust.

9. EMPLOYEE DISCOUNTS SCHEME

9.1 A website/app offering meaningful discounts on a range of national and local retailers and service providers. This includes retail and food, entertainment and leisure, health and wellbeing, holiday and travel, retail vouchers, cashback and discount cards.

9.2 Offers include instant access codes, reloadable (e)gift cards and cashback. Any cashback savings can be used against purchases on the discount site or to transfer the funds into their personal bank account.

9.3 New offers are regularly added and promoted to employees.

9.4 Employees can pay for discounts by debit card or credit card. Any charges for using a credit card are clearly displayed to the employee.

9.5 The website is available as an app, this is a link to their promotional video: [Introducing the Edenred Savings App - Edenred UK - YouTube](#)

10. DISCOUNTED GYM MEMBERSHIP SCHEME

10.1 Employees can have access to discounts at over 3700 nationwide gyms/leisure centres.

10.2 Discounted gym membership may be unsuitable for the Council based on existing arrangements through Freedom Leisure.

11. TECHNOLOGY AND SMARTPHONE DISCOUNT SCHEME

11.1 Employees are offered discount on the most up to date consumer technology and smartphones.

11.2 This is available as either salary sacrifice, net pay deduction or as an employee discount.

12. FINANCIAL WELLBEING SCHEME

12.1 The aim is to educate and help employees take control of their finances to assist employee wellbeing.

12.2 The scheme would cover:

- i. Financial education and planning resources
- ii. Debt management products and services
- iii. Affordable, low-cost borrowing
- iv. Savings and investment products and services

12.3 Financial education and sign posting is only provided, financial advice is outside the scope of this agreement.

12.4 Borrowing repayments and savings contributions can be processed by Net Pay deductions through Payroll.

12.5 To be eligible to apply for borrowing products employees must be over 18, have at least 6 months service and earn over £6000 per annum. Other products on this service do not require a minimum income or tenure.

12.6 A debt consolidation service is offered with access to affordable borrowing options.

13. GREEN CAR SCHEME

13.1 The scheme supplier is Tusker and is available to employees through Salary Sacrifice.

13.2 The scheme provides a car benefit scheme that promotes low emission vehicles to employees with rates that are better than the rates that can be achieved by individuals on the retail market.

13.3 Tusker make available access to the car benefit scheme provided through the CCS Vehicle Lease and Fleet Management Framework.

13.4 The scheme includes insurance, service, maintenance and repair and breakdown cover.

13.5 The employee can purchase the vehicle at the end of the lease agreement if they wish. There is provision for early termination or interruption of employment through Tusker, so that there shall be a nil cost to the employer.

14. IMPLEMENTATION, PROMOTION AND EMPLOYEE AND HR SUPPORT

14.1 An implementation manager is provided and plan includes:

- i. Configuration of the Online Employee Benefits Platform (including branding, employee registration and log-on)
- ii. Testing the digital service with employees and repeating the service in line with employee needs
- iii. Data security requirements
- iv. Implementation plans for each benefit
- v. Customer on-boarding and transition (including engagement with payroll, communications and ICT security)
- vi. Launch and promotion of the service

14.2 Edenred will work proactively with NFDC and subcontractors operating third party benefits to promote the services at implementation and throughout the life of the agreement. This includes marketing and promotion at no cost to the council.

14.3 Promotion will be regular and via paper and electronic means to ensure our full workforce are aware of benefits, this includes newsletters, posters, leaflets and emails. Site visits are also available.

14.4 The Benefits platform will provide useful employee information on how to navigate, what is available to employees, eligibility criteria etc. There is also a telephone line available Monday – Friday for employee queries.

15. OTHER AVAILABLE FRAMEWORKS

15.1 ESPO offer a [Staff Benefits \(espo.org\)](https://espo.org) framework. This has 7 available benefits: Managed Service (develop a total benefits package including portal), cycle to work, financial wellbeing, technology products, leisure and retail, car leasing and childcare vouchers.

15.2 Most benefits are chargeable to the employer on this framework, based on employee headcount.

15.3 On the basis it is chargeable and offers a reduced benefits package in comparison to the CCS Framework, the ESPO framework is not considered viable.

16. NEIGHBOURING AUTHORITY PACKAGES

16.1 In November 2021 South East Employers conducted a small benefits survey of neighbouring authorities.

16.2 The results showed of 9 responses:

- i. 7 authorities offer bike purchase, 4 authorities offer car leasing, 3 authorities offer IT equipment/phone purchase and 3 authorities offer shopping discounts

16.3 In May 2022 neighbouring authorities were asked about their benefits package. The results are below:

| Framework Benefit | Number of Authorities | Other Benefits Offered (Number of Authorities) |
|---------------------------|-----------------------|--|
| Childcare Vouchers | 8 | Microsoft Home User (1) |
| Cycle to Work | 8 | Annual Leave Purchase (8) |
| Reward and Recognition | 1 | Voluntary Health Cash Plan (2) |
| Payroll Giving | 3 | Shared Cost AVC (4) |
| Employee Discounts | 8 | 2/3 days paid volunteering leave (3) |
| Discounted Gym Membership | | Employer paid health care cash plan (1) |
| Technology and Smartphone | | Interest free public transport loans (1) |
| Financial Wellbeing | 1 | Interest free car loan internally provided (1) |
| Green Car Scheme | 2 | Health and Wellbeing Support (MHFAs eg) (8) |

16.4 Of the 8 respondees, 1 used the ESPO Employee Benefits framework and 1 used the CCS framework. All others had procured their benefits on an individual supplier basis.

16.5 According to Edenred, just under 250 organisations use the CCS Framework. 20 of these are local authorities, including Hampshire County Council and Winchester City Council.

17. RECOMMENDED BENEFITS

17.1 This report has summarised each benefit, more detailed benefit information can be provided on request. All benefits offer different advantages to our workforce.

17.2 The minimum number of benefits required at implementation is three if the CCS Framework is procured. Based on the information collated from other authorities and our current arrangements with Edenred Ltd we recommend these are initially;

1. childcare vouchers;
2. cycle to work; and
3. employee discounts.

17.3 Implementing an initial three will ensure the HR team can successfully implement the portal and offering to employees.

17.4 Once these are successfully implemented and take up can be analysed, we will review the other benefits and consider them for implementation.

17.5 This review will take place within 12 months of the initial implementation.

17.6 Other benefits that will be considered outside the framework include: extending the offering of buying/selling leave, a review of the internal car loan scheme and an extension of flu vaccination vouchers and health checks amongst a wider pool of

employees. These reviews will take place within 6 months of the implementation of the framework benefits.

18. CONCLUSIONS

- 18.1 The CCS framework offers an array of benefits to employees not currently available, using a crown commercial framework which is designed for public sector employers.
- 18.2 This will improve our benefits package and support us in being an employer of choice. An Improved benefits package will help us to remain competitive in attracting new employees whilst supporting us to retain our current workforce. This framework would also potentially provide a cost saving to employees and NFDC, should salary sacrifice benefits be procured and taken up.

19. FINANCIAL IMPLICATIONS

- 19.1 This would result in a cost saving to the Council by removal of the monthly fee to Edenred Ltd for historic childcare voucher scheme administration.
- 19.2 The introduction of further salary sacrifice benefits will result in tax and national insurance contribution savings to the employee and reduce national insurance and apprenticeship levy contributions to NFDC. The amount of this saving will depend on the uptake of salary sacrifice benefits.

20. EQUALITY & DIVERSITY IMPLICATIONS

- 20.1 Each benefit is available to the full workforce and will be promoted in a way to ensure all employees are aware with the support of the supplier.

21. EMT COMMENTS

- 21.1 EMT supported the procurement of the benefits as set out in the recommendations at 1.1.

22. EMPLOYEE SIDE COMMENTS

- 22.1 Employee Side look forward to feeding into the process as it moves forward.

For further information contact:

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