

Report to Employment Panel

Agenda
Item:

A.3

Meeting Date: 28 January 2015
 Portfolio: Finance, Governance and Resources
 Key Decision: No
 Within Policy and Budget Framework: No
 Public / Private: Public

Title: REVIEW OF EMPLOYEE BENEFITS
 Report of: Organisational Development Manager
 Report Number: CE 1/15

Purpose / Summary:

At Employment Panel in November 2013, Members asked for a report reviewing the employee benefits offered to Carlisle City Council staff to come to them at the end of 2014.

This report gives information on the wide range of benefits available including how they are promoted to staff. It also considers ideas for new employee benefits which could be introduced in 2015.

Recommendations:

1. Members are asked to consider the report.
2. Members are asked to approve work to develop a Train Season Ticket Scheme and a Learning Loans Scheme.

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

1. Introduction

1.1 The City Council has offered a wide range of benefits to staff for many years. The benefits can be divided into those that all staff are entitled to receive e.g. membership of the pension scheme and an annual leave entitlement, and those that staff can choose to pay for e.g. childcare vouchers and the holiday purchase scheme.

1.2 In 2011 it was decided to expand the range of benefits on offer as effective pay and reward strategies, which benefits contribute to, aid successful recruitment and retention of staff and can lead to increased morale and staff wellbeing.

1.3 Since 2011 the City Council has introduced the following employee benefits:

- Holiday Purchase Scheme
- Cycle to Work Scheme
- Computers for Staff Scheme
- Car Scheme

1.4 This report focuses mainly on the employee benefits which have been introduced since 2011 but will also include some information about the other ones.

2. Holiday Purchase Scheme

2.1 The Holiday Purchase Scheme was the first of the new employee benefits and was introduced in September 2011. Staff have two opportunities a year to buy up to ten days of additional annual leave. The first is in February for the leave year from April to March, and the second is in July for the remainder of the leave year from October to March. Since the scheme was introduced 189 staff have bought additional annual leave. Some of the staff have bought leave every year so will be counted more than once in that figure.

2.2 When the scheme was introduced it was agreed that initially the income would be used to fund employer pension contributions and any additional administrative support needed, with any extra income under £20,000 being used for other employee health and wellbeing initiatives. Any income over £20,000 would be used as a saving.

2.3 Since the 2012/13 financial year, the income from the scheme has been sufficient to allow up to £20,000 per year to be used for health and wellbeing initiatives and to make savings. In 2014/15, the allocation of the income was changed so that the first £5,000 goes as a corporate saving, the next £20,000 is for health and wellbeing initiatives and any other money goes into general reserves. This year that has been £2,982.34.

3. Cycle to Work Scheme

3.1 The Cycle to Work Scheme was introduced in November 2011. The City Council works with Halfords as the main provider of the scheme. Four Cumbrian companies are also part of the scheme so staff can choose to buy their bike from a local shop or from Halfords. Staff have the opportunity to buy a bike in the spring and autumn.

3.2 Since the scheme was introduced 50 staff have bought a bike and/or bike equipment. Some of the staff have taken part several times so will be counted more than once in that figure.

3.3 As this is a salary sacrifice scheme, staff make tax and National Insurance Contribution (NIC) savings. The City Council makes a saving on Employer's NIC for each sale and we receive 12% cashback on bikes bought through Halfords. This money has been used to upgrade the facilities for staff who cycle to work and to buy pool bikes for staff to use for work and at lunchtimes.

4. Computers for Staff Scheme

4.1 The Computers for Staff Scheme was introduced in April 2014 to give staff the opportunity to buy a PC, laptop or tablet, with a second window in October this year. The City Council has partnered with PC World to provide the scheme. Staff are able to pick up their computer from the Carlisle or Workington stores and have easy access to technical support if they need it.

4.2 40 staff have bought a computer through the scheme and as some of the staff have bought a computer in both windows they will be counted more than once in that figure. This is not a salary sacrifice scheme so staff repay the total cost of the computer through payroll deductions over twelve months.

5. Car Scheme

5.1 The Car Scheme was introduced in May 2014. Unlike the other new employee benefits this scheme is open all year round and not restricted to two windows per year. Through a Framework Agreement and mini competition, the City Council chose Tusker to deliver the Car Scheme.

5.2 To date six staff have ordered cars through the scheme. This is a salary sacrifice scheme so staff make tax and National Insurance Contribution (NIC) savings and the City Council makes a saving on Employer's NIC for each sale.

6. Other Employee Benefits

6.1 The other paid for voluntary employee benefits that the City Council offers to staff are childcare vouchers, payroll giving, a Carlisle Leisure discount and a health cash scheme. All staff have access to an employee assistance programme, occupational health service (with referral for physiotherapy if needed) and counselling. Long service awards are offered at 25 and 40 years of service.

6.2 Where appropriate to their role, staff benefit flexible working which includes part-time, term time, flexible start and finish times and flexitime. All staff are automatically enrolled in the Local Government Pension Scheme. Staff receive a standard entitlement of 23 days annual leave which increases dependent on length of service. Maternity, paternity and adoption leave is offered where relevant. An extensive programme of learning and development opportunities including a corporate training programme, professional and technical training and qualifications is also offered to staff.

7. Promoting Employee Benefits

7.1 The new employee benefits which have been introduced since 2011 have been promoted via email (with requests to managers of staff without access to email to pass on the information), posters and where appropriate drop-in sessions e.g. for Cycle to Work and the Car Scheme.

7.2 Earlier this year it was decided to develop an employee benefits intranet site to give staff information about all the benefits available to them. It groups the benefits into four sections:

- Money & Lifestyle
- Health & Wellbeing
- Work Life Balance
- Learning & Development

7.3 A booklet has been developed for the approximately 150 staff who do not have access to the intranet. This has also been used at the corporate induction sessions for new staff to show them what is available.

8. Ideas for New Employee Benefits

8.1 There are two new employee benefits which the City Council could consider introducing in 2015. These are a Train Season Ticket Scheme and a Learning Loans Scheme.

8.2 The Train Season Ticket Scheme is offered by Northern Rail. The scheme would be free to set up and run for the City Council. The benefit for staff is that they can pay for the ticket over twelve months rather than in full. They also get twelve weeks of free travel. This is not a salary sacrifice scheme so staff repay the total cost of the season ticket through payroll deductions over the twelve months.

8.3 A Learning Loans Scheme would enable the City Council to support staff to do work-related learning and development that can't be supported through the Qualification Study Budget or team training budgets. The Qualification Study Budget is reducing from £34,100 in 2014/15 to £23,900 in 2015/16. This combined with the increase in tuition fees for college and university courses in recent years means that the City Council will not be able to fund as many staff to do qualifications as it has in the past. The Organisational Development Team is considering how best to minimise the impact of this and solutions include offering more qualifications in-house through our own assessment centre, looking at new providers and alternative delivery models.

8.4 The Learning Loans Scheme would enable staff to apply to do a work-related qualification or course and instead of paying for it in one go, or through termly payments which some providers allow, they would repay the total cost through payroll deductions over twelve months. For staff doing a qualification lasting longer than twelve months they could take out further loans to pay for the rest of the fees providing they had repaid the money they had borrowed and had made satisfactory progress on the course.

8.5 The Learning Loans Scheme would be a salary sacrifice scheme so staff would make tax and National Insurance Contribution (NIC) savings and the City Council would make a saving on Employer's NIC for each qualification or course. Unlike most of the other employee benefits this is not a scheme we could buy off the shelf and so would need to develop it ourselves. Surrey County Council offers a similar scheme to their staff which they call the Training and Qualification Loan Scheme.

8.6 If Members approve work to develop the Train Season Ticket Scheme and Learning Loans Scheme, a report with full details of the schemes will be brought to a future meeting of the Employment Panel.

9. Conclusion and Reasons for Recommendations

9.1 This report gives information on the wide range of benefits available including how they are promoted to staff. It also considers ideas for new employee benefits which could be introduced in 2015.

1. Members are asked to consider the report.

made through the other salary sacrifice schemes are used to benefit staff, e.g. through cycle provision.

Resources - HR - All relevant staffing implications will be addressed during development of new schemes if approved. Some additional administrative support may be required to administer the benefits, if so this could be paid for from income raised via the holiday purchase scheme.