

This Report will be made public on 6 April 2022



Report Number **P/21/08**

To: Personnel Committee
Date: 14th April 2022
Status: Non-executive Decision
Head of Service: Andrina Smith, Chief HR Officer

SUBJECT: UPDATE ON F&H REWARDS

SUMMARY: This report presents an update on the F&H Rewards platform which is available to all staff and Councillors.

REASONS FOR RECOMMENDATIONS:

The Committee is asked to note the contents of the report set out below.

RECOMMENDATIONS:

1. To receive and note Report P/21/08.

1. INTRODUCTION

- 1.1 Since the HR Service has been back in-house at Folkestone & Hythe one of the key focuses has been on employee engagement which includes the range of benefits associated with working for Folkestone & Hythe District Council.
- 1.2 For a number of years now staff have been able to benefit from some locally sourced discounts with businesses within the district, a privilege discount card with MacArthur Glen Designer Outlet in Ashford and wider discounts via the CSSC scheme (Civil Service Sports Council) where for a small fee each month staff could access English Heritage sites at a reduced rate along with discounts locally and nationally for cinema tickets, theatre trips and sporting activities. Most recently a discount has been agreed for staff with the RAC for breakdown cover.

2. STAFF BENEFITS PLATFORM: F&H REWARDS

- 2.1 In August 2018, after discussions with several providers, we launched a new online benefit scheme called F&H Rewards in conjunction with Reward Gateway enabling staff and councillors to access a wide range of online and high street shopping instant discounts or cash back opportunities including supermarkets, general retailers, holidays, insurances, cinemas and restaurants. This remains an extremely popular reward platform.



- 2.2 Since the launch approximately 88% of staff have been active users of the scheme. This percentage also includes councillors who were added to the scheme during the 2019/2020 financial year.
- 2.3 At the end of each calendar year we receive a report outlining the activity on the platform. The main headlines for 2021 are below:

Key Headlines

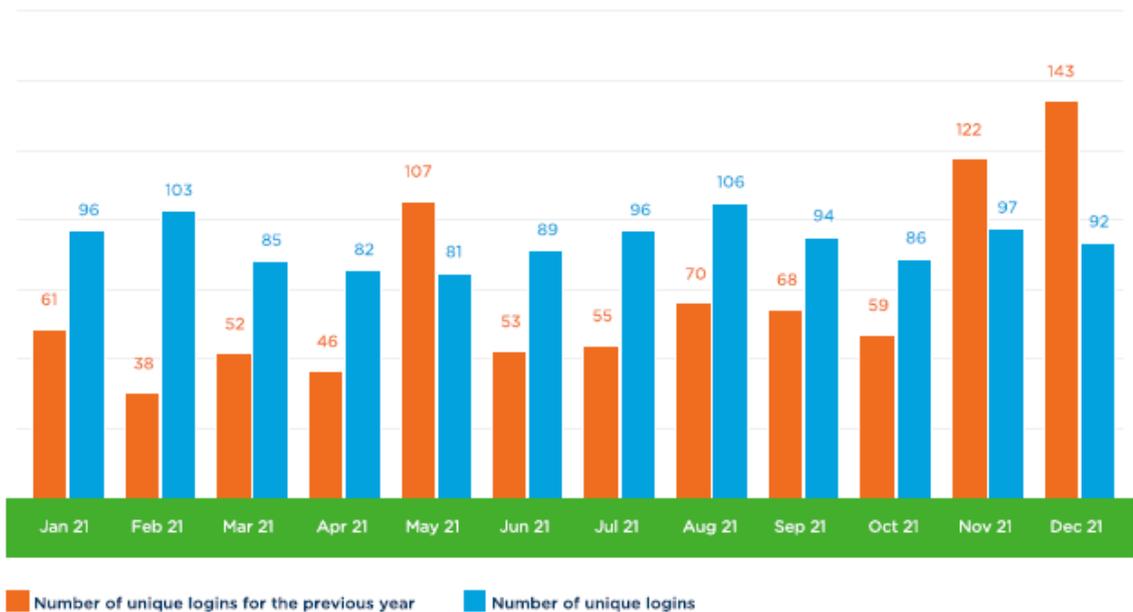
How is F&H Rewards doing?



2.4 Over the last calendar year the number of regular users has been relatively consistent, however a clear peak for November and December 2020 can be seen in the illustration below which reflects the pandemic and lockdown in the approach to Christmas in 2020.

Unique Logins

There has been an average of 92 unique logins per Month during this period



2.5 SmartSpending is the area of the platform where staff can access online and high street instant vouchers, reloadable cards or cashback as well as insurance, holidays, hotels, restaurants and other day to day retailers and hospitality providers. This, as well as all

areas of the platform, can be accessed online via the F&H Rewards web page or via an app which is available on for both Android and iOS.

2.6 As an example, Tesco offers a 4% saving on all purchases in-store via a reloadable card. Through the platform the employee would say how much they wanted to top-up their card with and the 4% discount is applied before you pay for the top-up. In the illustration below a payment of £192 is being requested which would enable the card to have a £200 top-up.

[SmartSpending™ >](#)

TESCO

**Tesco Reloadable Card Top-up
(Andrina's card)**

4% Off
Value: £200.00
You save: £8.00
You pay: £192.00

Total Savings £8.00
Total to Pay £192.00

[View basket](#) [Checkout](#)

Alternatively the Co-op offers a percentage cashback on purchases depending on the value of the order:

Earn 10% on purchases worth **£55.01 and more**

Use online
[Click here to earn Cashback](#)
[Terms & Conditions](#)

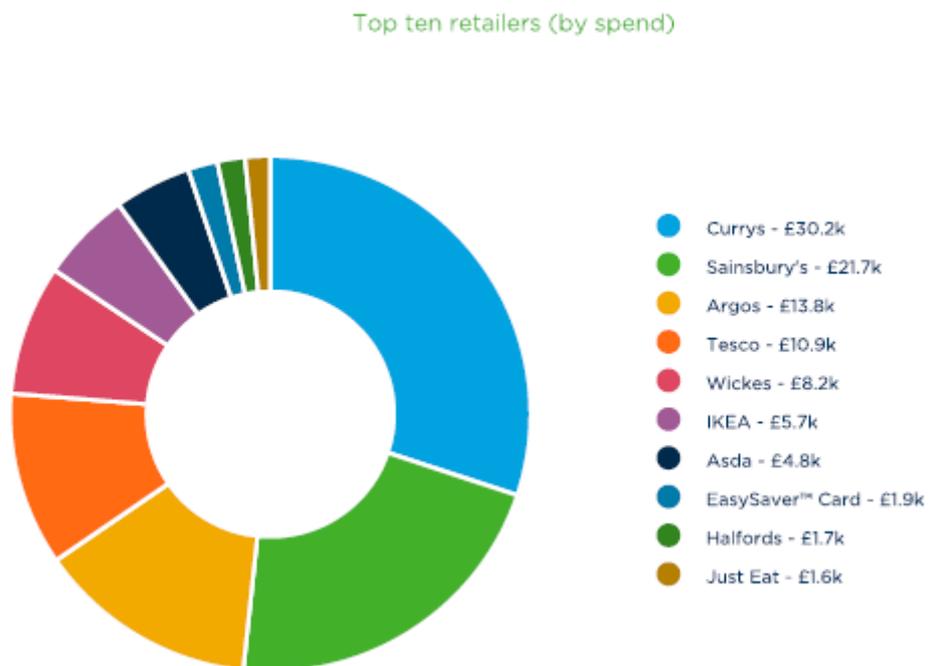
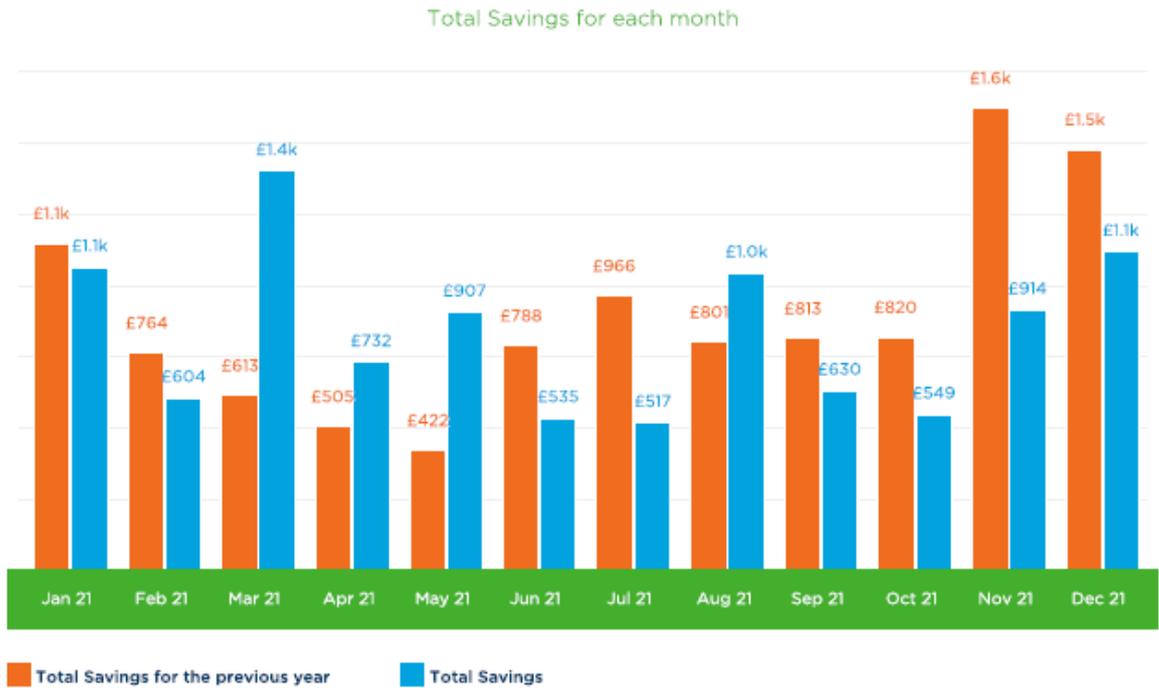
Earn 5% on purchases between **£45.01 - £55.00**

Use online
[Click here to earn Cashback](#)
[Terms & Conditions](#)

Earn 1% on purchases between **£0.01 - £45.00**

Use online
[Click here to earn Cashback](#)
[Terms & Conditions](#)

2.7 The amount saved by staff over the last year compared with the previous year is outlined in the first image below followed by the top ten retailers by spend:



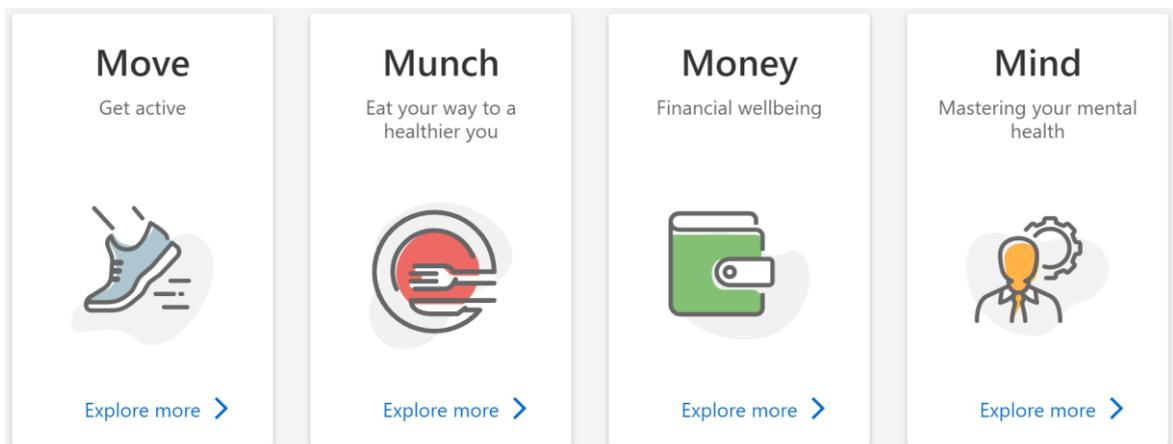
3. Wellbeing

3.1 The F&H Rewards platform also has a 'wellbeing corner' enabling staff and councilors to access our Employee Assistance Programme (provided via Health Assured), healthcare cashplans, discounted gym memberships and a range of wellbeing information contained within the 'wellbeing centre'. These pages of the platform are regularly accessed by a

number of staff and regular health promotions are publicised as part of our internal communications strategy.



3.2 The wellbeing centre focuses on 4 key areas – getting active, eating healthier, financial wellbeing and mastering your mental health.



Within each of the 4 areas there is a wealth of information ranging from health recipes, fitness videos and advice, financial advice including a budget planner, and an area dedicated to improving mental health including videos and advice.

- 3.3 During 2021, following some feedback from staff, we worked with Reward Gateway to change our Employee Assistance Programme (EAP) provider to Health Assured to ensure our staff were getting access to the best possible advice in the most timely way when they most needed it.
- 3.4 The EAP service now provides a complete support network that offers expert advice and compassionate guidance on a 24/7 basis covering a wide range of issues with not only a reactive support mechanism but proactive and preventative support to deliver the best outcomes.
- 3.5 The service provides counselling support through 1,500 counsellor across the UK with up to 6 structured telephone sessions per issue per year for the employee, partner or spouse and dependents (between the ages of 16-24 in full time education). Currently these sessions are delivered via phone or video call however there is a plan to return to some face to face options in the future.

In addition there is a 24/7 confidential helpline providing immediate support including, but not limited to:

- Work related issues
- Anxiety, stress, depression
- Anger management
- Family / marital issues
- Substance and alcohol misuse or dependency
- Bereavement
- Retirement
- Domestic abuse
- Personal legal information

3.6 Finally, a new addition with Health Assured as our EAP, employees and councillors have access to a further Wellbeing Portal run by Health Assured which is a virtual library providing support on a range of health and advisory issues as well as instant guidance to aid an employee's physical and mental health.

The portal offers interactive health assessments, fitness and lifestyle advice such as detoxing methods, 4-week self-help programmes, mini health checks and financial wellbeing articles.

4. Salary Sacrifice through F&H Rewards

4.1 Cycle to Work

From the launch of the F&H Rewards platform a salary sacrifice option has been available using the 'Cycle to Work' scheme where they could order a bicycle (and equipment) worth up to £1,000 which is paid by the council upfront to the relevant store with the staff member repaying the amount over 12 months through the payroll system which enables tax savings of between 32-42%.

Despite the pandemic and national lockdowns, this has remained a relatively popular part of the scheme and during the summer of 2021 we increased the amount that can be applied for to £1,500 to enable staff more opportunity to purchase electric bikes.

4.2 Since the launch of F&H Rewards the total value of Cycle to Work orders up to and including December 2021 totals nearly £16,500.

4.3 In the last 12 months there have been:

Total number of Cycle To Work orders



5

Total value of Cycle To Work orders



£5.6k

Employer NI savings through Cycle To Work



£773

Employee savings through Cycle To Work



£1.8k

4.4 SmartTech

A new addition to the platform in July 2021 was SmartTech. This is run by Currys PC World and operates as a way for staff to purchase white goods and electronics up to the value of £1,000 at 0% interest with monthly deductions over a 12 month period through the payroll system.

We have flexibility within this scheme to enable a higher value and/or longer repayment schemes however in the first instance it was felt more appropriate to have a lower value and to mirror the 12 month repayment that exists within the Cycle to Work scheme. However, as this is not a tax efficient salary sacrifice scheme, the member of staff wholly owns the product from the moment of purchase.

This has been a popular addition as can be seen by the figures for the last 6 months of 2021:

Total number of SmartTech™ Orders



18

Total value of SmartTech™ Orders



£8.3k

5. **Salary Sacrifice – Car Lease Scheme**

- 5.1 As part of our regular discussions with Reward Gateway, work started during 2021 to explore the opportunity of a car lease scheme which would link to initiatives around our carbon footprint, greener travel and climate change.
- 5.2 Where employees provide their own vehicles for commuting and/or business use the Council has no control over the amount of emissions, bar restricting and minimising work mileage. The car lease scheme, which offers numerous benefits to employees, will enable the Council to have an impact on our employee's carbon dioxide emissions by restricting the choice of vehicles to either hybrid or fully electric.
- 5.3 Reward Gateway is making this scheme available (via Tusker) to the council at no additional cost to the current benefits package which includes the Employee Benefits platform plus our Employee Assistance Programme via Health Assured.
- 5.4 Pre-2012 the Council did have a car lease scheme for staff at Grade H and above on the salary scale. The way in which car lease schemes are now administered is massively improved. Car orders and financial calculations are all done via an employee portal on the Tusker website (accessible through the F&H Rewards platform) eliminating the need for HR to undertake manual calculations or paperwork. The website also ensures that employees are not able to order vehicles beyond their financial means or reduce their earnings to below the national living wage. Employees are able to see the entire cost of leasing the vehicle as insurance and road tax are included in the package. Once a vehicle is ordered, the financial information will be sent to payroll to input and arrange monthly deductions straight from salary.

- 5.5 The car lease scheme allows the Council to provide employees with a brand new fully maintained and insured car through flexible benefits at a lower cost that they could normally achieve in the retail market.

The scheme is essentially business contract hire and as such the Council is responsible for any costs associated with the vehicle under its agreement with Tusker. However, these costs and responsibilities are passed on to the employee through the salary sacrifice agreement and scheme policy between the Council and the employee.

The employee agrees to a reduction in their gross salary in return for a non-cash benefit, which in this case is a fully maintained and insured car. This mechanism in turn results in savings on National Insurance contributions (and also tax if the vehicle chosen is an Ultra Low Emission Vehicle) on the gross salary being sacrificed.

5.6 What is included?

- A car of the employee's choice
- Servicing and maintenance
- MOT
- Replacement tyres
- Fully comprehensive business motor insurance (with the option of adding additional drivers)
- Road Tax
- Accident management
- Total Loss Protection
- Comprehensive breakdown and recovery assistance
- Provision for certain lifestyle events (resignation, redundancy, maternity)
- Annual driving licence check
- Carbon offsetting with tailpipe emissions offset by Tusker at their cost.

5.7 Benefits for the Employee

- Simple, fixed cost motoring with considerable savings over retail deals
- No deposit
- No credit check
- Brand new fully insured and maintained car
- All servicing and MOTs are included
- National insurance savings (with additional savings on ULEVs)
- Easy to use online system for quotes and information
- Car is carbon neutral (tailpipe emission offsetting)

5.8 Benefits for the Council

- Minimal risk – lifestyle protection cover provided by Tusker
- Scheme is carbon neutral
- Environmentally friendly low CO2 vehicles available
- Excellent employee benefit at no additional cost to the council
- Staff retention and motivation tool
- Reduction in carbon footprint
- Potential savings on fuel rates for business miles

- Minimal administration required by officers
- Employers pension savings on the salary being sacrificed
- Potential additional savings to be achieved in employers national insurance contributions for ULEVs which can be passed back to the employee

5.9 Risks

Tusker removes the risks associated with the scheme for both the employee and the Council by implementing 'Lifestyle Protections' which are mandatory for all employees entering into a car lease agreement.

The Lifestyle Protection protects the council and subsequently the employee against certain penalty charges incurred as a result of closing a financial agreement early due to the employee leaving the council's employment and returning a vehicle after an initial 3 month exclusion period.

If the employee voluntarily resigns, is made redundant, is subject to a TUPE transfer or retires after the standard exclusion period of 3 months they can choose to simply hand back the vehicle and the commitment will have finished.

There are additional circumstances where risk protection can be utilised, for example:

- The named employee's driving licence is withdrawn for medical reasons
- Death of the named employee
- The named employee or their spouse suffering terminal illness, disablement or mental illness
- The named employee losing their sight or suffering physical separation of one or more limbs at or above the wrist or ankle

Other protections are also put in place to cover maternity, paternity and adoption leave along with long term sickness.

5.10 Eligibility

In essence, the scheme is available to all employees earning in excess of £20,300 per annum based on a full time salary.

As part of the approval process undertaken within HR the following will also be considered:

- Does the employee have a permanent contract of employment? Where a contract is fixed term, the length of the lease will be for no longer than the duration of the fixed term contract.
- Whether the employee has completed their probationary period
- Whether there is a known future risk of redundancy
- Whether there are any known performance or conduct issues

5.11 The take-up under this scheme is extremely difficult to predict. For many employees living in the district, the potential to own an electric car could be difficult as many areas across the district contain houses with no garage or driveway which would limit the opportunity to have a charging point installed, which is exacerbated by not being able to park outside your own home either. For that reason we have extended the scheme to include hybrid cars as many manufacturers have self-charging models.

Information gathered from other councils, for example Leeds City Council, indicates that they experienced low take up initially, however as the infrastructure improves to provide

greater opportunities for charging vehicles in an area the take-up of the scheme should increase.

As part of the HR Annual Review report presented to Personnel Committee each June, it is proposed to bring further updates on this scheme starting from June 2023.

6. LEGAL / FINANCIAL AND OTHER CONTROLS / POLICY MATTERS

6.1 Legal Officers Comments (NM)

There are no legal implications arising from this report.

6.2 Finance Officers Comments (TM)

There are no financial implications arising directly from this report.

6.3 Diversities and Equalities Implications (ASm)

There are no specific Diversities and Equalities Implications arising from this report.

7. CONTACT OFFICER AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Andrina Smith – Chief HR Officer
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The following background documents have been relied upon in the preparation of this report:

None