
To: Finance, Resources and Customer Services Policy Board

On: 2nd September 2020

Report by: The Chief Executive and The Director of Finance and Resources

Heading: Contract Authorisation Report for Employee Benefits (RC-CPU-18-396)

1. Summary

- 1.1 The purpose of this report is to seek approval of the Finance, Resources and Customer Services Policy Board to award a Contract for Employee Benefits.
 - 1.2 The recommendation to award a Contract follows a procurement exercise which was conducted in accordance with the Crown Commercial Services Employee Benefits Framework Agreement RM6133 and the Renfrewshire Council's Standing Orders Relating to Contracts for an above EU Threshold Services Contract.
 - 1.3 The contract strategy document was approved by the Head of Transformation, HR and OD, the Strategic Procurement Manager and the Procurement Operations Manager on the 12th August 2020.
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2. Recommendations

- 2.1 It is recommended that the Finance, Resources and Customer Services Policy Board authorise:
 - 2.1.1 The Head of Corporate Governance to award the Contract for Employee Benefits which is a direct award Call Off Contract made under the Crown Commercial Services Employee Benefits Framework

Agreement (RM6133) to Edenred (UK Group) Limited, subject to the Framework Order Form procedures;

- 2.1.2 The initial Contract period of two (2) years with the council's option to extend for up to a further twelve (12) months and the anticipated contract commencement date of 21st September 2020; however If there are any changes to these dates prior to award, the actual start date will be confirmed in the council's letter of acceptance and Order Form;
 - 2.1.3 The anticipated initial two-year contract value of £2,345,500 excluding VAT; with a further anticipated value of £1,103,000 excluding VAT where the extension period is utilised. If the extension period is utilised the anticipated value over the 36 month period is £3,448,500 excluding VAT (*See point 2.2. below).
 - 2.2 The Finance, Resources and Customer Services Policy Board are asked to note that the anticipated value in 2.1.3 above is based on the cumulative amount of requests processed through the Contract and includes Edenred (UK Group) Limited's administration fee payable by the Council for managing the online portal. There will be an initial outlay made by the council for relevant employee benefits salary sacrifice schemes. These outlays will be recouped from employees in accordance with the relevant salary sacrifice scheme.
 - 2.3 The Finance, Resources and Customer Services Policy Board are also asked to note that for the salary sacrifice schemes, automated pay deductions will be set up by the Council's payroll department for employees participating in the schemes to make the relevant repayments to the Council. The anticipated value is higher in the initial year as it is envisaged that the % uptake will be higher in the first year.
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3. **Background**

- 3.1 Renfrewshire Council is seeking to appoint a single Service Provider to provide a fully managed Employee Benefits Package platform to the council which will include provision of Salary Sacrifice Schemes (aligned with the HMRC guidance on Salary Sacrifice Schemes) and also Salary Deduction and Voluntary Benefit Schemes.
- 3.2 The proposed employee benefits package will strengthen the council's brand as a destination employer, offering a way to attract and retain employees, and contribute to improving staff wellbeing and engagement.

The initial Employee Benefits Packages available to employees will include those listed below, however the council requires flexibility from the service provider to allow other benefits to be added during the contract term:

- Cycle to Work (Salary Sacrifice)
- Green Car Leasing (Salary Sacrifice)
- ICT Equipment/Phones (Salary Deduction)
- Employee Discounts (Voluntary Benefit)
- Financial Wellbeing (Voluntary Benefit)

3.3 The schemes will be open to all employees of the Council, Renfrewshire Leisure LLP, Scotland Excel and Elected Members, who meet the scheme(s) eligibility criteria and will provide salary sacrifice savings where applicable for both employees (Tax and NI savings) and for the council (NI savings).

Renfrewshire Leisure LLP is a separate body from the Council and can make use of framework agreement by entering into a separate contractual arrangement based on the terms and conditions of the Employee Benefits framework agreement or Renfrewshire Council acts as the contracting and servicing authority for Renfrewshire Leisure LLP and enters contracts on its behalf. Scotland Excel is an associated body, being the joint committee of Scottish local authorities carrying out purchasing and procurement functions for the thirty-two Scottish local authorities. Renfrewshire Council acts as the contracting and servicing authority for Scotland Excel and enters into contracts on its behalf.

3.4 A key principal of the package will be that they will include local suppliers and retailers where possible, which in turn will help to support the local economy by encouraging employees to spend local.

3.5 The schemes are run on a cost-neutral basis, meaning the council, for relevant schemes, will commit to make an initial outlay for any eligible employee agreeing to the terms of the respective scheme. As part of that agreement the employee will agree to the council's payroll making an automated deduction from salary.

3.6 The council reviewed the procurement options for providing Employee Benefits Packages. In accordance with standing order for contracts 29.5 the Crown Commercial Services Employee Benefits Framework Agreement (RM6133) was identified as meeting the requirements for provision of these services.

3.7 The Framework allows Public Sector Bodies to access a range of employee benefits using an online platform to support their pay and reward policies such as the council's proposed employee benefits packages.

3.8 The Crown Commercial Services Employee Benefits Framework Agreement (RM6133) is a single supplier framework with Edenred (UK Group) Limited. Edenred (UK Group) Limited will build a bespoke cloud based secure branded online platform which will allow the council to gain

access to a variety of employee benefits including those benefits packages listed at 3.2 above. The council reserve the right to promote the employee benefits as and when required within the term of the Contract.

Implications of the Report

1. **Financial** – The financial status of Edenred (UK Group) Limited was assessed by Crown Commercial Service (CCS) at the time of award onto the Framework Agreement and was deemed to meet the requirements in relation to financial stability.
2. **HR & Organisational Development** – The employee benefits package will be launched, implemented and monitored by HR and OD and Payroll. Resources to manage the schemes and administration will be utilised from the existing teams within HR and OD and Payroll.
3. **Community/Council Planning –**

Working together to improve outcomes by offering employees benefits under a salary sacrifice arrangement such as bicycles and electric bicycles, IT equipment and green car leasing that they can pay back in defined manageable amounts dependent on their pay frequency. The Council will also offer voluntary benefits arrangements. This package will help to promote the council as an employer of choice, a modern and flexible workplace and contribute to the council's health and wellbeing strategies.

Creating a sustainable Renfrewshire for all to enjoy by promoting a better lifestyle for employees with schemes such as Cycle to Work and Green car scheme which will reduce carbon footprint.
4. **Legal** – The procurement was carried out in accordance with the RM1633 Framework requirements and Renfrewshire Council Standing Orders Relating to Contracts for an above EU Services Contract using an existing Framework Agreement.
5. **Property/Assets** – No property/assets implications have arisen or are anticipated.
6. **Information Technology** – All the employee benefits schemes will be accessible via a cloud based secure branded online platform which aligns to the council's ICT Strategy.
7. **Equality & Human Rights -**

- (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the council's website.
8. **Health & Safety** – No Health and Safety implications have arisen or are anticipated.
9. **Procurement** – The procurement procedure outlined in this report ensure that the Council meets its statutory requirements in respect of the EU regulatory requirements and the councils Standing Orders Relating to Contracts.
10. **Risk** – Edenred (UK Group) Limited's insurance documentation was evaluated by Crown Commercial Service at the time of award onto the Framework and was deemed to meet the minimum requirements. The council's Risk Manager has also confirmed that the levels of insurance are adequate for the requirements of the Framework Agreement and this Contract.
11. **Privacy Impact** – Edenred (UK Group) Limited will be required to confirm and agree to the Data Protection requirements as noted within the order form.
12. **Cosla Policy Position** – No Cosla policy position implications have arisen or are anticipated.
13. **Climate Risk** - The level of impact associated with provision of this service has been assessed using the Scottish Government Sustainability Test and is considered to be low risk. The considerations for this contract includes, reducing packing, reducing paper waste and allow employees to apply online or phone, reducing carbon emissions by employees using their bikes to cycle to work rather than motorised transport and offer a green sustainable car leasing scheme.

List of Background Papers

None

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