

READING BOROUGH COUNCIL

REPORT BY ASSISTANT DIRECTOR HR & ORGANISATIONAL DEVELOPMENT

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| TO: | PERSONNEL COMMITTEE | | |
| DATE: | 15 MARCH 2023 | AGENDA ITEM: | |
| TITLE: | PROPOSALS TO ENHANCE EMPLOYEE BENEFITS | | |
| LEAD COUNCILLOR: | CLLR LIZ TERRY | PORTFOLIO: | CORPORATE SERVICES AND RESOURCES |
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 This report proposes a range of additional employee benefits that would enhance the comprehensive benefits package that the Council already offers to staff. It also supports the People Strategy aim for the Council to be an employer of choice. The proposals include both employee and employer funded benefits.

1.2 Appendices:

Appendix A: Health Cash Plan summary
Appendix B: Plan4Life Cancer Care Plan summary
Appendix C: Wage Stream App information

2. RECOMMENDED ACTION

2.1 It is recommended that Personnel Committee approves:

2.1.1 Implementation of three new employee-funded benefits that would enhance the comprehensive offering already provided:

- Health Cash Plan
- Plan4Life Cancer Care Plan
- Care4Life Insurance Top Up Plan

2.1.2 Implementation of the Wage Stream App, that gives employees the opportunity to take control of their finances with visibility and flexible pay; and build skills for long-term financial wellbeing.

2.1.3 An increase in the maximum annual leave entitlement for Chief Officers to 33 days each year (pro rata for part-time staff) from 1 April 2023, to ensure continued parity with staff covered by NJC for Local Government Services terms and conditions, following an increase in their leave entitlement resulting from the 2022 national pay agreement.

3. POLICY CONTEXT

3.1 The proposals in this report support the Council's People Strategy which strives to ensure that the Council is an employer of choice for the purpose of creating a highly skilled, motivated and high performing workforce who can deliver our vision and priorities for Reading.

3.2 The Council already offers a wide range of benefits to staff. These include:

- Generous holiday entitlement - from 1 April 2023 this will be 25 days minimum for most staff (30 days for Reading Senior Manager grades) plus bank holidays - rising to 28 days after 5 years local government service and 33 days after 10 years' service, with the option to buy additional leave
- Relocation scheme offering up to £8,000 towards the cost of relocating permanently to Reading for qualifying roles
- Commitment to hybrid working for desk-based roles with a wide range of flexible working opportunities for all
- Local Government Pension Scheme (LGPS)
- Life Assurance - three times annual salary (for members of the LGPS)
- Employee Assistance Programme - round-the-clock access to free, impartial and completely confidential support and advice from trained therapists and legal experts
- Onsite day nursery (Kennet Day nursery) rated outstanding by Ofsted, and a salary sacrifice scheme to help lower the cost of nursery fees
- Season Ticket Loan - a loan to help with the cost of rail or bus journeys, to and from work
- Cycle salary sacrifice scheme
- Lease car salary sacrifice scheme allowing staff to lease a brand new, greener car for three years. The monthly fee includes insurance, servicing and road tax
- Salary sacrifice scheme for Additional Voluntary Contributions (AVCs) to help staff save for their retirement
- Shopping vouchers and money off deals through the benefits portal - www.teamreadingrewards.co.uk
- Staff Club - organises events such as pub quizzes and theatre trips
- Eye care - help towards an eye test and glasses, for staff who use a computer at work
- Discounted season tickets for Reading Buses

3.3 Most of the proposals in this report have been put forward based on discussions with our benefits platform provider, Terry Berry. This means they would be accessible through www.teamreadingrewards.co.uk, on any device with an internet connection, with all benefits available in one place.

- 3.4 A number of the proposed schemes covered by this report are provided by the Birmingham Hospital Saturday Fund (BHSF). BHSF is a charitable and not for profit organisation, established in 1873. On 6 January 1873 Sampson Gamgee, a surgeon at Queen's Hospital in Birmingham, raised the suggestion that "everyone should work overtime for the hospitals on a particular annual Saturday afternoon, to be called 'Hospital Saturday'". This new scheme called the Birmingham Hospital Saturday Fund (BHSF) was inaugurated on 15 March 1873 and was the first British scheme for raising money for all voluntary hospitals in an area.
- 3.5 The period after the 1960s saw a merger of similar funds around the country and in 2001, the merger of Hull-based The Health Scheme (THS) with BHSF. On the first Saturday, 15 March 1873, the amount raised was £4,700 from a population of 355,000, an average of 2 3/4d. per head. This figure had increased to £400,000 by 1938. In addition to donations to the Queen's, General, Children's, Women's, Eye, and Dental hospitals, the fund implemented convalescent homes around Britain and an ambulance service. Today it continues as a national non-profit health insurance service.
- 3.6 There is an additional proposal regarding increasing annual leave for staff on Chief Officer terms and conditions which has arisen as a consequence of the national pay agreement for Local Government Services (Green Book) staff which means that the maximum annual leave entitlement for staff on grades 1-10 will increase to 33 days.

4. THE PROPOSALS

4.1 Employee Funded Benefits

The following benefits would be funded by employees and will be optional for them to participate in if they wish. Contributions would be deducted from their monthly salary. In most cases there is an option to increase the payment made in return for a higher level of cover and/or to cover family members.

4.1.2 Health Cash Plan

A Health Cash Plan is an excellent way to manage the cost of essential healthcare; employees pay a small monthly premium and can claim cash back on a wide range of healthcare costs including NHS care. The Health Cash Plan available through the Terry Berry platform is offered by BHSF.

If an employee has dental check-ups or wears glasses or contact lenses, they can claim cash back towards their cost, up to set limits, depending on their level of cover. The plan also covers a range of therapy treatments, including osteopathy, physiotherapy and chiropody.

The GP Consultation Service connects employees 24/7 to a fully qualified GP, for advice and diagnosis on health matters. The service also includes access to an on-line webcam consultation with a doctor.

A discounted gym membership gives access to corporate membership rates at over 2,500 participating gyms and fitness clubs.

A 24/7 counselling and information helpline provides a counselling service on stress, family relationships, substance abuse and debt, along with legal and financial information.

Other benefits include private prescriptions and the ability to claim towards the cost of hearing aids, hospital in-patient, hospital day case surgery, recuperation, maternity/paternity, health screening and access to care.

There are different levels of cover available paid for by employees starting from £5.98 per month for single cover. Family cover includes the policy holder, partner and dependent children starting from £11.96 per month. A table summarising the levels of cover available and costs to the employee is included in Appendix A.

4.1.3 CARE4LIFE Insurance Top Up Plan

The Care4 Life Insurance Top Up Plan, also offered by BHSF, is designed to help dependants by paying a lump sum in the event that an insured person dies during the period of cover. An employee could insure themselves under personal cover or cover their spouse/partner as well under couple cover.

For £5,000 of cover, an employee would pay £2.70 per month for single cover and £4.68 for a couple. The money can be spent in any way the policy holders wants, such as for funeral expenses, to set aside as an investment for loved ones, or to put towards something else. The payment is made income tax-free under current legislation but may be subject to inheritance tax or other taxes.

4.1.4 PLAN4LIFE Cancer Care Plan

This is an insurance policy that provides a lump sum for the insured person if they are diagnosed with cancer. It is also provided by BHSF.

There are different levels of cover available starting from £6.93 per month for entry level. A summary of the scheme benefits is provided in Appendix B.

4.2 Employer Funded Benefits

The following benefits would be funded by the Council if approved and so would be available to all employees.

4.2.1 Wage Stream App (see also Appendix C)

The financial aspect of wellbeing is critical to any organisation's wellbeing offering. Currently the financial wellbeing of workers across the country is being seriously impacted by increased taxes, higher energy bills, and a rise in inflation and travel costs, leaving households £1,200 -£2,000 worse off compared to last year. Research has shown that 50% of workers in the UK run out of money before payday due to the monthly pay cycle and 57% of employees worry about money every week or more (up 9% in 1 year). 11.5 million people in the UK have £100 or less in savings making unexpected bills financially crippling.

The Wage Stream App gives employees the opportunity to take control of their finances with visibility and flexible pay; and build skills for long-term financial wellbeing. The App gives access to:

- **Budget Tracking:** provides real-time updates on employees' financial position, making it easier to improve money management
- **Streaming** (early access to earned wage): Provides colleagues access to a small proportion (typically capped at 40%) of accrued wages at any time of the month ensuring they can absorb any financial shocks that may occur during the month
- **Financial Coaching:** employees can access financial health assessment tools, alongside resources and articles and third party financial tools. The Coach financial education hub is aimed at helping employees gain access to fair financial services which can improve their personal finances. A 1-1 financial coaching option is available through the App for an additional charge (if not selected, staff can still access the tools and resources)
- **Savings through salary:** The in-App savings tool encourages all employees to save at every opportunity with savings pots, market beating interest rates and monthly prizes. All savings accounts are FSCS-protected.

The Wagestream App is used by over 500 employers in a wide range of industries, including over 30 NHS trusts. A 2021 impact survey of users found that 88% had reduced their reliance on payday loan usage, 30% had decreased their reliance on credit cards and 72% said they more in control of their finances. Many users found it helped them to cycle down high cost credit; for example 20% of active users used payday loans before using Wagestream. The App is designed to run alongside payroll through a direct link to iTrent.

The cost to the Council for 1700 employees is £1,250 per month (including 1-2-1 personal financial coaching). There is also a one-off set up cost to create the interface with the Council's HR system, iTrent.

4.3 Annual leave for Chief Officers

4.3.1 The national pay agreement for Local Government Services (Green Book) staff was announced on 2 November 2022. In addition to a pay increase on basic salaries of £1,925 with effect from 1 April 2022, the agreement also confirms that from 1 April 2023, all employees covered by the Green Book, regardless of their current leave entitlement or length of service, will receive a permanent increase of one day (pro rata for part-timers) to their annual leave entitlement. At Reading, this covers staff on pay grades 1-10.

4.3.2 The national pay agreement for Chief Officers was also announced on 2 November and includes the same pay increase of £1,925 on base salaries from 1 April 2022 but does not include any changes to annual leave. In order to ensure continued parity between staff on both set of terms and conditions, it is proposed to increase the maximum leave entitlement for Chief Officers with 10 years' service to 33 days, to ensure continued parity with staff on grades 1-10 whose maximum leave entitlement will also increase to 33 days. No changes are proposed for Chief Officers with less service. Chief Officers are not entitled

to time off in lieu or flex-leave in the same way that staff at grades 1-10 are, so this represents the maximum amount of leave they can take.

- 4.3.3 The current annual leave entitlements for staff on grades 1-10 and Chief Officers are shown below. The new leave entitlements from 1 April 2023 are shown in red brackets.

| | 1-5 years' service | After 5 years' LG service | After 10 years' RBC service |
|---------------|--------------------|---------------------------|-----------------------------|
| NJC Grade | 24 (25) | 29 (30) | 32 (33) |
| Chief Officer | 30 | - | 32 (33) |

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The proposals contained in this report support the People's Strategy that has been developed to achieve Team Reading values and form part of the Wellbeing Action Plan for 2022/23 focussing on areas of biggest impact for staff.
- 5.2 The recommendations contribute to the Corporate Plan Theme of Thriving Communities as follows:
- It tackles the effects of the pandemic, such as long-term health problems and mental health issues, long waiting times for access to a GP etc
 - Supports employees through the financial challenges that are currently being experienced by many people as a result of the current cost of living crisis

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 6.1 There are no environmental and climate implications.

7. COMMUNITY ENGAGEMENT AND INFORMATION

- 7.1 Consultation with the Joint Trade Unions on the proposals covered in this report has taken place.
- 7.2 This benefits detailed in 4.1 and 4.2 would not be contractual, so the schemes could be removed in future if they were no longer considered relevant. Trade Unions would be consulted before such a decision was to be taken. The proposed change to Chief Officers' annual leave in 4.3 would be a contractual change.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 An Equality Impact Assessment is not relevant to the decision.

9. LEGAL IMPLICATIONS

- 9.1 None of the benefits covered in this report would be contractual entitlements with the exception of the change to Chief Officers' annual leave in 4.3.

9.2 Under the Council's Constitution (Article 8, paragraph 5.1), Personnel Committee is responsible for determining the terms and conditions on which staff hold office.

10. FINANCIAL IMPLICATIONS

10.1 The proposals in section 4.2 of this report would be funded by the Council. The annual costs are summarised below.

| Benefit | Cost |
|-------------------------------|--|
| Wage Stream App | £15,000 per annum (including 1:2:1 coaching) Plus one-off set up cost to integrate with iTrent - £2,660 |
| Total ongoing cost to Council | £15,000 per annum |

10.2 The Wagestream App will be funded from within existing budgets.

10.3 The proposals in section 4.1 are paid for by employees and there are no financial implications for the Council. There would be minimal administrative support by required by the Payroll team to support them.

11. BACKGROUND PAPERS

11.1 None

APPENDIX A - HEALTH CASH PLAN: MONTHLY PREMIUMS AND BENEFITS

| Monthly Premium (including Insurance Premium Tax) | Bronze | Silver | Gold | Platinum | Diamond | |
|---|---|--------|--------|----------|---------|--------|
| Personal (policyholder only) | £5.98 | £13.78 | £23.80 | £32.50 | £39.95 | |
| Family (policyholder, partner and dependent children) | £11.96 | £27.56 | £47.60 | £65.00 | £79.90 | |
| Maximum per Insured Person per Policy Year. | | | | | | |
| Benefits | Bronze | Silver | Gold | Platinum | Diamond | |
| Dental | 100 | £50 | £100 | £150 | £200 | £250 |
| Dental trauma | 100 | £200 | £400 | £600 | £800 | £1,000 |
| Optical | 100 | £50 | £100 | £150 | £175 | £225 |
| Diagnostic consultation | 75 | £100 | £175 | £250 | £400 | £650 |
| Physiotherapy, osteopathy, chiropractic and acupuncture treatment (Combined maximum benefit) | 75 | £150 | £350 | £450 | £550 | £650 |
| Chiropody, homeopathy and reflexology (Combined maximum benefit) | 75 | £50 | £75 | £125 | £175 | £225 |
| Hospital in-patient <small>Payable per night, up to 30 nights per Policy Year</small> | - | £10 | £20 | £30 | £40 | |
| Hospital day-case surgery <small>Payable per event, up to 10 events per Policy Year</small> | - | £10 | £20 | £30 | £40 | |
| Recuperation <small>Lump sum payable automatically after a valid hospital in-patient claim of at least 10 consecutive nights</small> | - | £75 | £150 | £225 | £300 | |
| Maternity/paternity <small>Per child (Adult benefit only)</small> | - | £75 | £150 | £225 | £300 | |
| Hearing aids | 75 | £100 | £150 | £300 | £500 | £750 |
| Health screening | 75 | £50 | £75 | £125 | £175 | £250 |
| Access to care <small>(Adult benefit only)</small> | - | ✓ | ✓ | ✓ | ✓ | |
| Telephone helpline <small>(Adult benefit only)</small> | 24 hour, 365 days a year telephone helpline offering a counselling service on stress, family relationships, substance abuse and debt, along with legal and financial information. | | | | | |
| GP consultation service | Providing access to a GP helpline 24 hours a day, 7 days a week. Also includes access to an online webcam consultation available Monday - Friday, 8.30am to 6.30pm (excluding bank holidays). | | | | | |
| Private prescription service | The private prescription service enables its doctors to issue private prescriptions and send them directly to a registered pharmacy for despatch to a patient. | | | | | |
| Discounted gym membership <small>(Adult benefit only)</small> | Corporate membership rates at over 2,500 participating UK and Ireland gyms and fitness clubs. | | | | | |

100 = Claim 100% of the cost back up to the stated maximum

75 = Claim 75% of the cost back up to the stated maximum

APPENDIX B - PLAN4LIFE CANCER CARE PLAN

In return for the payment of the correct premiums, Insured Persons are eligible for benefits provided by this policy in accordance with the terms of the policy and the following schedule

Premiums per month including Insurance Premium Tax

| Persons insured | Bronze | Silver | Gold | Platinum |
|---|--------|--------|--------|----------|
| Personal (policyholder only) | £6.93 | £11.96 | £16.12 | £23.92 |
| Couple (policyholder and partner) | £13.86 | £23.92 | £32.24 | £47.84 |

Benefit Schedule

| Category | Benefit | Bronze | Silver | Gold | Platinum |
|----------|--|--|--------|---------|----------|
| A | Malignant cancer (including malignant melanoma) or Benign tumour of the brain, spinal cord or meninges or Ductal carcinoma in situ of the breast | £4,000 | £8,000 | £12,000 | £20,000 |
| B | Carcinoma in situ or Skin cancer (excluding malignant melanoma which is covered under A above) | £250 | £250 | £250 | £250 |
| C | GP helpline and private prescription service | Access to a GP 24/7, 365 days a year Providing access to a qualified GP, 24/7 via a telephone or webcam consultation offering diagnosis, advice and reassurance on a range of medical matters. GP's can also authorise a private electronic prescription | | | |
| D | Red Arc | Personal nurse adviser service Monday – Friday 9.00am to 5.00pm (excluding Bank Holidays) 01244 625 180 | | | |

All cash benefits are payable at half the amount shown if You are a Smoker.

Category A benefit is payable once only during the life of the policy.

Category B benefit is payable four times during the life of the policy.

Benign Tumour

A non-cancerous swelling or lesion caused by an abnormal growth of cells. A tumour is not synonymous with cancer.

Malignant Cancer

A malignant tumour, tissues or cells characterised by the uncontrolled growth and spread of malignant cells and invasion of tissue.