



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority  
Human Resources Committee

# **VOLUNTARY EMPLOYEE BENEFITS**

Report of the Chief Fire Officer

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**Agenda Item No:**

**Date:** 09 January 2009

**Purpose of Report:**

To seek approval from Members for the introduction of an on-line Voluntary and Lifestyle Benefits Scheme for all Service employees.

## **CONTACT OFFICER**

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## 1. BACKGROUND

- 1.1 The development of a pay and benefits policy is a key objective of the Nottinghamshire Fire and Rescue Service's Human Resources Strategy.
- 1.2 To become an employer of choice within the local work environment, attract high calibre applicant, particularly for senior or professional appointments, and as a retention factor for existing employees, the Service needs to offer benefits in addition to base salary to enhance its total remuneration strategy.
- 1.3 Many employers, both in the public and private sectors, operate flexible or voluntary employee benefits schemes to enhance their salary package.
- 1.4 In reviewing options for a voluntary employee benefits scheme, the following factors have been taken into account:
  - § The benefits should be widely available and easily accessible;
  - § The benefits package provided must be sensitive to the cost to the Council Tax payer;
  - § Schemes must be acceptable to the Inland Revenue and should not penalise employees through the payment of additional taxation as a "benefit in kind";
  - § Schemes should maximise the use of salary sacrifice schemes where possible.

## 2. REPORT

- 2.1 A review has been undertaken of schemes which offer a voluntary benefits package to employees. There are a number of such schemes on the market, all of which offer similar benefits, but vary according to set up and maintenance costs and ease of administration.
- 2.2 The Service already offer a Childcare Voucher Scheme through Imagine Childcare, Westfield membership (cash benefit scheme), HSA private medical insurance, and will be introducing a Cycle to Work Scheme in the New Year. A key objective of the review has been to maintain existing schemes if possible in order to avoid disruption to current arrangements whilst enhancing the choice available to employees. Most of the providers were able to offer this facility.
- 2.3 A voluntary employee benefits scheme offers employees the option of opting for salary sacrifice (where Inland Revenue rules permit) and a web-based portal for accessing discounts for a number of retail and service sites. The most common schemes offer discounts at most major retailers and reductions for holidays, insurance, gym memberships etc.
- 2.4 These schemes are operated through a provider who will negotiate discounts on behalf of its license holders and will regularly update its provision and

maintain communication with members. Clearly the more well-established and widely used providers will be able to negotiate a wider range and level of discounts for its members.

- 2.5 Voluntary schemes are not considered “benefits in kind” by the Inland Revenue and are therefore not declarable as a P11D benefit.
- 2.6 Meetings have taken place with a number of market providers and an evaluation of their benefits and cost undertaken by the HR Manager (Corporate). This process has identified Motivano as a preferred provider.
- 2.7 Details of the scheme and information about Motivano are attached as Appendix B.

### **3. FINANCIAL IMPLICATIONS**

The cost of introducing a voluntary employee benefit scheme through Motivano is a set-up fee of £2,000 plus a license fee of £3.00 per employee per annum (£3,300). The set-up fee and the ongoing license fee will be an addition to the 2009/10 and future years’ budgets and have been included in a budget submission.

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

- 4.1 The administration of a voluntary employee benefit scheme would result in additional work within the Human Resources and Pay Departments, however it is anticipated that this can be contained within existing resources.
- 4.2 An extension to existing employee benefit provisions would be a key feature of the recruitment and retention strategy, and would allow the Service to present itself as an employer of choice within the Fire Service and the local job market.

### **5. EQUALITY IMPACT ASSESSMENT**

The initial equality impact assessment is attached at Appendix A.

### **6. CRIME AND DISORDER IMPLICATIONS**

There are no crime and disorder implications arising from this report.

### **7. LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

Non-pay benefits are an important feature of the total remuneration package for employees. If the Service does not maintain an attractive and competitive total benefits package it may act as a disincentive to high calibre applicants considering an application to the Service.

## **9. RECOMMENDATIONS**

That Members approve the commissioning of Motivano to establish and maintain a voluntary benefits scheme for all employees of the Service, with an implementation date of 1 April 2009.

## **10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)**

None.

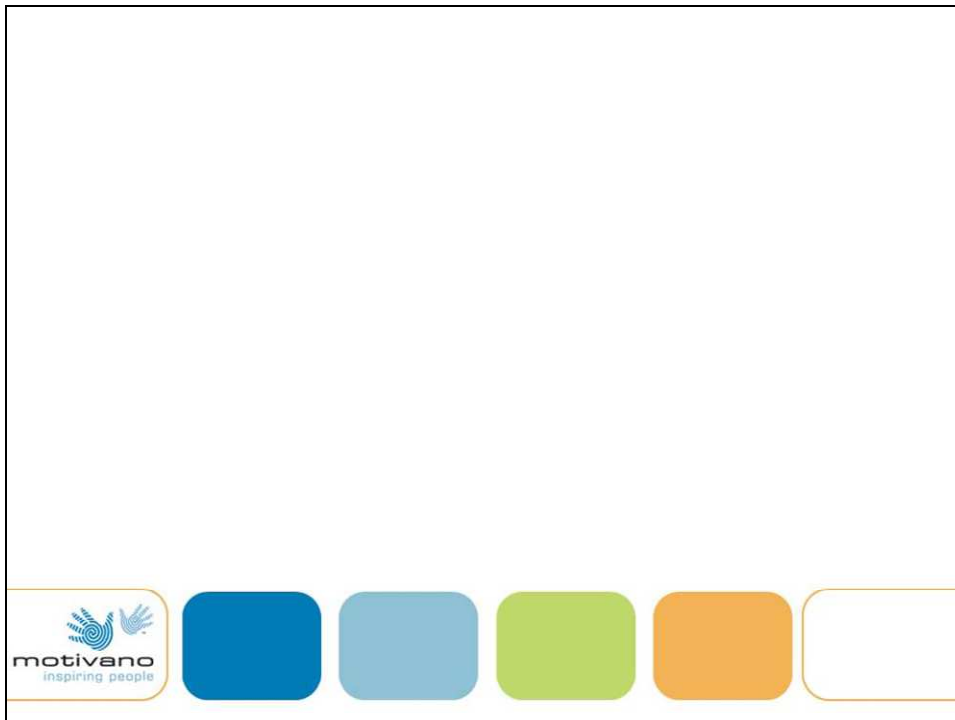
Frank Swann  
**CHIEF FIRE OFFICER**

## Appendix A

### Initial Equality Impact Assessment Questionnaire

This questionnaire will enable you to decide whether or not the new or proposed policy or service needs to go through a full Equality Impact Assessment.

<b>ENHANCEMENT OF EMPLOYEE BENEFITS</b>						
Name of Employee completing assessment: <b>TRACY CRUMP</b>				Department and Section: <b>HUMAN RESOURCES</b>		
1. State the purpose and aims of the policy or service.  <b>The purpose of this report is to consider the introduction of additional employee benefits as part of a total remuneration package.</b>						
2. Who is responsible for implementing it?  <b>The Human Resources Department.</b>						
3. Who is likely to be disproportionately affected by the proposal? People from which of the equality strands? (please tick)						
Age	Disability	Family Status	Gender	Race	Sexual Orientation	Religion or Belief
4. If no boxes are ticked – there is no need to continue the EIA						



### Company Background

- UK company founded 1999
- US company founded in 2000
- 160 corporate clients in UK and 26 countries across 5 Continents
- Experienced team of HR & Benefits, Technology, Communications and Data specialists
- Constantly challenging and leading the delivery, communication and administration of bespoke Employee Rewards and Benefit solutions
- Everything is designed, developed and managed in-house Microsoft.net
- EVERY aspect of our solution are award winning
- January 2008, Accor Services replaced GeoCapital as majority shareholder
- Our core business is bespoke Employee Benefit Solutions to drive employee engagement
- Above all, we listen to our clients needs and deliver bespoke solutions to address them.



## Awards and Accreditations



- ISO 9001:2000 accredited since 2000
- **Winner** Employee Benefit Magazine's Voluntary Benefits provider of the year
- **Winner** Employee Reward & Benefits Flex Technology Provider of the Year
- **Winner** Employee Benefit Magazine's Best Consultant for Corporate Flexible Benefits strategy
- **Winner** with Employee Benefit Magazine's Most Innovative Corporate Benefits Consultant
- **Special Commendation** Employee Reward and Benefits Flex Technology Provider of the Year
- **Finalist** with Employee Benefit Magazine's Most effective Voluntary Benefits launch, Best use of a Voluntary Benefits package and most effective Flexible Benefits launch



## The proposed Motivano Solution



### Employee Savings

- Over 160 providers individually sourced which are continually reviewed and developed
- 14 categories of offers to meet wide demographic needs including dedicated 'Green' category
- In-house team sourcing and managing suppliers
- Complete impartiality with all discounts passed on to employees
- Can add or remove categories and suppliers
- Fully supported by Motivano manned call centre
- Full online and offline communications support
- Can fully integrate with reward and incentive plan "Perkspoints"

The screenshot displays the O2 website's 'Perks from O2' section. It features a navigation menu on the left with categories like 'Special Deals', 'Insurance & Finance', 'Books & Magazines', 'Electrical', 'Travel', 'Leisure Time & Days Out', 'Home Entertainment', 'Food & Drink', 'Home & Garden', 'Fashion & Beauty', 'Sport & Fitness', 'Motoring', 'Gifts & Flowers', 'Toys & Children', 'Lifestyle Management', and 'High Road Vouchers'. The main content area shows several promotional offers, including '15% off all Apple products', '10% off everything', and '15% off Parking at UK Airports'. The footer contains links for 'About Us', 'Privacy Policy', 'Terms & Conditions', 'Contact Us', and 'Help', along with copyright information for Motivano Ltd.

## The proposed Motivano Solution



- Quick and easy to implement
- “Stand alone” impact or as a stepping stone to a wider solution
- Greatly extends employees spending power
- An ‘Every-Day’ benefit with no impact on payroll
- An affordable and tangible benefit with high perceived value
- Helps to raise the profile, enhance and maintain the overall reward brand and strategy
- Management information to help drive future direction and initiative
- We don’t sell products or services “worksites market”
- Purchasing power of 700,000 employees
- Communicate all clients local/in-house deals their own category/sub category.

## The proposed Motivano solution



### Employee Savings

- Mystery Shop all suppliers at least once a year to guarantee their competitiveness.
- “Top suppliers” detailing the most popular sites visited by your employees (not across the whole Motivano “book”) is available & highly effective!
- “New suppliers” functionality & links to relevant page on our website.
- Weekly featured suppliers to keep site “fresh” & completely upto date
- Monthly updates included as standard to keep awareness up (**critically important!**)
- Motivano will contact our client with any new suppliers **BEFORE** they are made live on the site, in case they “conflict”.
- Motivano able to source “Voluntary benefits”, Dental, Dental & Optical, Pet, PMI, Hospital Cash Plans, Health Screening, PHI/CI, Concierge & Travel
- Corporate products, corp. pricing but redemption is voluntary
- Very simple to access the site, single sign-on (**no username/password required** or “mapping” existing usernames and passwords?)
- Award winning “Best Voluntary Benefits provider of the year 2007”

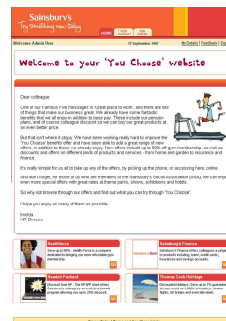


## Employee Savings developments for the future

- “Cash Back” Scheme (in-house or through partnership)
- Smart Card (obtain discounts “in store point of sale” )
- Extending & expanding the “Green” & “Ethical” category
- Requesting Local Deals (or national) functionality (in US already)
- Build “high street” brand coverage and increase/improve discounts
- New user interface to enhance navigation throughout the site
- Member/User “preference functionality”
- Tracking URLs to give more robust MI (redemptions with suppliers)

## Promotion & Communication

- Establish comms start point
- Why communicate
- What to consider
- When to communicate
- How to communicate
- To whom, the target audience
- Develop key messages and stick to them
- Keep it simple and straightforward
- Test messages and obtain feedback and input to improve in Year 2 & onwards
- Communicate early & often & on an ongoing basis, & set expectations for the future
- Make Flex, TRS & Voluntary part of the overall Reward Brand



## Communication and Branding



Motivano resource to assist or fully Manage;

- Flexible configuration tailored to both employer and employee needs.
- Bespoke branding creation of “benefit brand”
- Promotes company culture and employee engagement
- Bespoke communication plan
- Reward brand creation
- Online branded website
- Offline branded publications
- Online Monthly updates
- Seasonal Offers
- Intranet Pages
- In-house magazine articles
- Posters
- Employee Awareness Sessions
- Employee Feedback initiatives
- Competitions
- Zcards, iKyps, podcasts, live streaming, webcasts, vodcasts, e-marketing

