

# Nottingham City Council Delegated Decision



Reference Number:	4919
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Department:	Finance and Resources
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Subject:	Invitation to tender for a new Employee Benefits contract (following expiry of existing contract)
Total Value:	£733K over 4 years (£183K per annum) (Type: Capital and Revenue)
Decision Being Taken:	<ol style="list-style-type: none"><li>1) To give approval for invitation to tender for a new Employee Benefits Contract-for the procurement of a new cost neutral contract to coincide with the expiry of the current contract in October 2023.</li><li>2) To delegate authority to the Director of Human Resources &amp; Equality, Diversity &amp; Inclusion, after consultation with the Portfolio Holder, to award the new contract following an open tender exercise.</li></ol>
Reasons for the Decision(s)	The current contract expires in October 2023 and a replacement provider is needed to ensure that the Council continues to offer a comprehensive Voluntary Employee Benefits package for employees, which includes a number of salary sacrifice schemes, and a range of 'lifestyle' discount offerings which complement the Council's internal offering that includes a holiday purchase scheme and season tickets for home to work travel. The employee benefits scheme is also needed to attract potential candidates to apply for posts with the authority and also acts as a retention tool as part of the 'total reward' package. This helps to offset the limited pay awards and lack of progression that some colleagues experience due to the challenging economic climate within the public sector in addition to the cost of living crisis which is having a detrimental impact on household income of both potential recruits and current employees alike.

**Other Options Considered:**

1) To do nothing. This was rejected as the current contract is due to expire and the Employee Benefit contract makes a positive contribution to the attractiveness of the Council as an Employer of Choice particularly as the organisation is having to compete with the private sector and other neighbouring authorities who pay more. The award-winning Works Perks scheme helps set the Council apart from its competitors and demonstrates what a good place it is to work, especially to young people entering the workforce for the first time.

2) To bring 'in-house'. This option was rejected as there are inadequate resources to provide this service and NCC does not have the expertise nor is it the Council's role, to negotiate discounts with large multi national companies, that would normally be undertaken by external Employee Benefits supplier.

3) To extend the current contract. The contract has already been extended for a further 3 years ( for 1 year then an additional 2 years extension) on top of the original 3-year contract, taking this to a total of 6 years with one external provider. To extend again would contravene corporate Procurement and Financial Regulations, and the provisions contained in the tender specification document and contractual agreement. This option was therefore rejected.

4) To directly award to the current supplier (Sodexo) through the ESPO contract, which although would be a time saving option, would be more costly, as Sodexo currently charge more in terms of the contract price (through the ESPO framework) for the same service that they currently provide to the Council. In addition, the contract duration through ESPO is restricted to 4 years. This option was therefore rejected.

5) Run a mini competition where a number of suitable suppliers who fulfill the requirements could be invited to bid for the contract. This however, is narrow in scope, as it does not allow the Council to cast the net wider, which then has the benefit of accessing the range of suppliers in the market and different pricing options available, as well as allowing for a longer contracting period with the successful provider. For this reason, the mini competition route via the ESPO framework was rejected.

**Background Papers:**

None

**Published Works:**

None

**Affected Wards:**

Citywide

**Colleague / Councillor Interests:**

None

**Any Information Exempt from publication:**

Yes

**Exempt Information:**

**Description of what is exempt:**

**FA-Works Perks V2.docx - document contains financial advice and includes financial information of a commercially sensitive nature, and is therefore exempt under Paragraph 3, Schedule 12A of the Local Government Act 1972.**

**An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972**

**3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

**The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the financial information within the advice is of a commercially sensitive nature.**

**Documents exempt from publication:**

**FA-Works Perks V2.docx**

**Consultations:**

**Date: 28/02/2023**

**Unions: Unison, GMB, Unite**

**Engagement with the Trade Unions took place at an Employee Relations workshop on Tuesday 28th February 2023.**

**Date: 02/03/2023**

**Minority Groups:Disabled Employees network ACE network BAEM network Vegan network**

**The Employee networks had the opportunity to consult through the Employee Works Perks survey which was sent out as part of the Works Perks newsletter on Wednesday 8th February 2023 and they attended an information session on Works Perks on 8th March 2023 to provide any additional feedback.**

**Date: 14/02/2023**

**Other:Alexa MacFayden**

**Through discussions with Senior Solicitor (Employment) and relevant contract lawyer in the legal team**

**Date: 08/02/2023**

**Chief Finance Officer:Tanya Clayton-Perez**

**Through dialogue with the Finance & Resources Senior Finance Business Partner and Gary Robbins, Senior Accountant Tax and Technical Accounting.**

Those not consulted are not directly affected by the decision and this change in policy/strategy does not directly impact on the citizens of Nottingham .

Crime and Disorder Implications:

None

Equality:

Please login to the system to view the EIA document: 20230330 Final EIA v.06.docx

Social Value Considerations:

As part of the Works Perks package, there is the opportunity for colleagues to use a range of discounted offers. Although many of these are with national organisations, there are also a number of local Nottingham companies that offer money off their products. The added benefit is that when colleagues use a local offer, they put some money back into the local Nottingham economy. These local offers are advertised internally and also through the external Works Perks website.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

27/04/2023

Advice Sought:

Legal, Finance, Procurement, Human Resources, Equality and Diversity

Legal Advice:

This ddm raises no significant legal issues. A procurement exercise will be undertaken in compliance with the public contract regulations and the Council's Contract Procedure Rules. Advice provided by Sarah O'Bradaigh (senior solicitor) on 22/02/2023.

Finance Advice:

This advice is exempt from publication and is contained within an exempt appendix  
Advice provided by Tania Clayton Perez (Commercial Business Partner) on 21/03/2023.

HR Advice:

The current contract is due to expire later this year and efforts are already underway to identify what critical elements should form part of a rewards package, should the decision be taken to support the awarding of a new contract. As the paper identifies, an effective reward offer is a critical element of the organisation maintaining its status as an employer of choice, it will assist with recruitment and retention and is a valued part of the overall benefit package of working at Nottingham. Advice provided by Paul Slater (HR Business Lead) on 06/03/2023.

Equality and Diversity Advice:

Comments have been provided on EIA that was submitted. Once comments have been addressed happy to approve. Advice provided by Nasreen Miah (Equality & employability consultant) on 22/02/2023. The EIA attached to this DDM has now been approved. EIA will need to be updated following any further consultation.

**Procurement Advice:**

**Procurement Team will work with Employee Benefits Team to undertake a compliant procurement process. There are no procurement concerns. Advice provided by Louise Dobson (Business Support) on 22/03/2023.**

**Signatures**

<b>David Mellen (Leader/ PH Strategic Regeneration Communications)</b>
<b>SIGNED and Dated: 18/04/2023</b>
<b>Ross Brown (Corporate Director of Finance &amp; Resources)</b>
<b>SIGNED and Dated: 18/04/2023</b>