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RICHER VARIETY

Why the selection of provider services is widening

Sweet success
British Sugar makes total reward package tastier

Separate ways
Workforce segmentation helps to target flex

Group risk supplement
Support for staff that should not be ignored

eVouchers now available to order online

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LEADER

Benefits bosses should join pensions debate

Over in the pensions industry, the talk is all about how incoming choices around pension savings at retirement will affect retirees. They are also discussing how the government will deliver the face-to-face guidance needed to support these wider choices.

While I am sure there are a few practitioners in benefits and HR departments who are taking a keen interest, the vast majority are probably simply getting on with their myriad daily tasks and leaving the pensions experts to argue it out.

But there is part of me that wishes benefits and HR managers did have time to give this more consideration and add their voice to this lively debate. After all, these are the people who will talk to employees coming up to retirement, plan flexible retirement policies and face staff who are daunted by the choices they must make.

Pension savings strategies and retirement products will need to adapt to meet next April's new legislation, but, for the most part, these are still only a glint in many a pension provider's eye. Simply letting the financial services industry and politicians have all the say, however well intentioned, makes me cautious about whose best interests will be served first.

Pension savings strategies and retirement products will need to adapt to meet next April's legislation

I am sure no one will set out to do employees down, but the bottom line is that the financial services industry feels the need to make a profit. So any lobbying for a solution will protect that, above all.

I am pleased to see the government will be running a pilot of its proposed free at-retirement guidance with a well-known workplace financial education firm, so I trust the employers involved will bat for all of us to ensure the conclusion works for employers of all sizes and sectors and staff of all grades, working patterns and job types.

Which leads me to mention our cover story this month (*Fresh pickings*, page 18). Here we look at the benefits suppliers that have broadened their offerings to adapt to changes in legislation and business needs.

The Employee Benefits 100 Club members alerted us to the trend of suppliers that previously offered a single product, to widen their offering. Although this has always happened in our industry, it does feel as if it has accelerated in recent years.

To use that old cliché: 'change is the new normal'.

Debi O'Donovan, *Editor*
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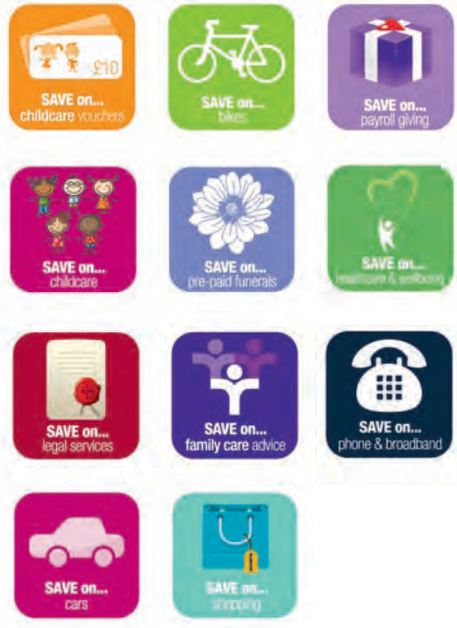

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HEALTH AND WELLBEING

Mental health in the spotlight

Jennifer Paterson

As employee wellbeing rises up UK employers' agenda, there has been a focus on raising awareness about mental health in the workplace.

Emma Mamo, head of workplace wellbeing at charity Mind, said: "Employers have a vital role in raising awareness of mental health among staff. Wellbeing initiatives will benefit all employees."

Employers are highlighting mental health through a range of wellbeing initiatives, staff education and on-site workshops.

Last month, Anglian Water launched a health and wellbeing campaign to educate staff about what to do if they are suffering from mental health problems, if a family member is suffering, or if they see a change in a colleague's behaviour.

Meanwhile, law firm Browne Jacobson is signing its staff up to a emotional resilience workshops as part of its annual benefits fairs.

Marks and Spencer plans to roll out a series of new health and wellbeing initiatives for staff in 2015, including a focus on mental health.

And Microsoft has hosted its annual wellbeing week, Living Well 365, with emotional wellness as one of its four pillars, alongside physical wellness, social wellbeing and financial wellbeing.

Rachel Olatoke, head of UK compensation and benefits at Microsoft, said one of the focuses was to raise awareness in areas that can reduce stress levels. It held workshops on a range of wellbeing topics, a financial wellbeing clinic and mental first aid classes.

Unum has launched mental health first aid courses for employers, which train staff to recognise the signs of mental ill-health, and guide affected staff towards support services.

These services might include counselling through an employee assistance programme (EAP). In June, Capita Health and Wellbeing analysed data on 3,500 employees who used counselling and advice services through an EAP in 2013. Before using the EAP, 51% were having difficulty coping at work, but after using it, only 5% felt the same.

@ Read a longer version of this story at bit.ly/1bcg6bY

LOVEWELL'S LOGIC

Follow Debbie Lovewell-Tuck on Twitter: @DebbieLovewell

Employers' mental health plans deserve praise

Debbie Lovewell-Tuck

It is encouraging to see such high-profile employers as Marks and Spencer, Anglian Water and Microsoft, adopting measures to support employees' mental health and raise awareness of a possibly sensitive subject.

Perhaps most noteworthy is these employers' willingness to publicly share the great efforts they are making in this area.

As all aspects of staff health and wellbeing rise up employers' agendas, more organisations are focusing on mental, as well as physical, health. With one in four people suffering from mental ill-health at some point in their lives and mental health issues costing UK employers £30 billion a year in lost productivity, recruitment and absence, there are sound reasons to act.

Yet, all too often, there remains a stigma attached to mental ill-health. This may explain why some employers are reluctant to share their workplace strategies for mental ill-health because of the possible negative connotations and assumptions in relation to an employee's ability to do their job, or an organisation's culture.

This was highlighted to us earlier this year, when it became necessary to remove the category 'Best stress management' from the Employee Benefits Awards 2014. The reason: no one felt able to showcase their support for employees' mental health.

Hopefully, next year we will be able to celebrate the work of more organisations in this area.

TOP 15 MOST VISITED STORIES ON THE WEB*

1. John Lewis and Harrods top employers for pay and benefits *bit.ly/1lHVYnK*
2. Court rules holiday pay should include commission *bit.ly/RWlvk6*
3. Consumer Rights Bill to impact salary sacrifice benefits *bit.ly/1s5bxOZ*
4. Boots scraps annual staff bonuses for 2014 *bit.ly/1guWAkm*
5. The problems payroll is causing for pensions auto-enrolment *bit.ly/1mjqHcf*
6. Asos and M&S shortlisted for flexible benefits *bit.ly/ROC6aL*
7. Employee engagement and wellbeing go hand in hand *bit.ly/1os4lGU*
8. Live Nation shortlisted for work-life balance *bit.ly/1kx73N5*
9. Employee wellbeing rises up the corporate agenda *bit.ly/T6bDGy*
10. Employee Benefits Professional of the Year shortlist announced *bit.ly/1k7qKKb*
11. Why hard data on employee benefits has become so crucial *bit.ly/1kxogVF*
12. McDonald's motivates staff with World Cup events *bit.ly/1pnjMnz*
13. Sky uses benefits to keep employees connected *bit.ly/1jtJSOz*
14. Allianz wellbeing programme reduces absence levels *bit.ly/1piCpsv*
15. M&S to roll out staff wellbeing initiatives *bit.ly/1hDlFKs*

Ranked by number of page impressions from 16 May to 13 June.

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The latest information on legislation and tax issues affecting employee benefits, including measures announced in the Queen's Speech, a new type of pension scheme and the law on holiday pay

QUEEN'S SPEECH

Legislative changes will affect employee benefits

Robert Crawford

The Queen's Speech on 4 June confirmed legislative changes affecting a number of employee benefits that were originally announced in the 2014 Budget.

- The Pensions Tax Bill will offer greater flexibility to defined contribution (DC) schemes. From April 2015, it will remove restrictions on how staff can access their DC pension savings, allowing them to access savings as a lump sum, through drawdown or by buying an annuity: *bit.ly/1tHxn6P*
- Collective defined contribution (CDC) pension schemes will be included in next year's Private Pensions Bill. The bill will introduce new definitions into the legislative framework, provide wider choice, encourage greater risk-sharing between parties and give savers potentially greater certainty about retirement savings: *bit.ly/1uhAWmj*
- The personal tax allowance will rise from £10,000 to £10,500 from April 2015. The average basic-rate taxpayer will pay £805 less tax a year in cash terms, and about 288,000 workers will no longer pay any income tax: *bit.ly/1tHxHCt*
- As of 1 July 2014, the annual individual savings account (Isa) allowance will rise to £15,000. The two existing types of Isa will be merged in to a new Isa taking both cash and shares: *bit.ly/1miUJAb*
- The government's new tax-free childcare scheme was confirmed to take effect from autumn 2015. The Childcare Payments Bill will introduce a tax-free childcare scheme that will allow the equivalent of basic-rate tax relief on money spent on childcare, up to a maximum of £2,000 a year per child. It will also extend existing government support for childcare costs to self-employed parents and to parents working for the 95% of organisations that do not currently offer employer-supported childcare: *bit.ly/1p6hGG3*
- Higher penalties will be imposed on employers that fail to pay their staff the national minimum wage. The Small Business, Enterprise and Employment Bill will increase the maximum penalty to £20,000 for failing to pay the minimum wage. It will also double the financial penalty from 50% to 100% of the unpaid wages owed to workers found to be underpaid: *bit.ly/1kq6THo*

PENSIONS

What is collective defined contribution?

Collective defined contribution (CDC) pension schemes will be included in next year's Private Pensions Bill, as announced in the Queen's Speech on 4 June.

New definitions will be added to the legislative framework for CDC schemes to provide a wider choice of schemes, encourage greater risk and enable savers to have more certainty about their retirement savings.

CDC schemes were first suggested in the government's consultation paper, *Reshaping workplace pensions for future generations*, published in November 2013.

A CDC scheme would be categorised as defined benefit (DB), defined ambition (a shared-risk scheme) or defined contribution (DC), corresponding to the different types of promise offered by each scheme.

CDC schemes are designed to bring greater clarity to members on their pension outcome at retirement by sharing risks between all members by pooling the investment in one fund.

Schemes also offer fixed contributions and enable staff to share responsibility for retirement saving with their employers.

Risk-sharing could mean lower charges and operating costs and access to different types of assets for staff to invest in.

@ Read *Pension lessons from other countries* at bit.ly/1lEFjVR

ADVICE FROM THE EXPERTS

Adam Lambert
is an employment partner at Clyde and Co

Commission confuses holiday pay law

Holiday pay remains the most contentious aspect of the Working Time Directive. The European Court of Justice's (ECJ) ruling in *Lock v British Gas Trading Limited and others* must be taken into account when calculating entitlement to paid holiday.

The case concerned an employee whose commission tended to be paid weeks or months after it was earned. He therefore received commission while on holiday, but because he didn't earn commission during that time, he experienced a drop in commission over subsequent weeks.

The ECJ said this could discourage staff in similar positions from taking holiday. So holiday pay should include commission that would have been earned if at work.

But the ECJ left it to national law to decide how such commission is handled.

The case has been referred back to the employment tribunal and is likely to hit the appeal courts again, but how do employers comply with the ruling in the meantime?

One option would be to do nothing, hoping the appeal courts will find UK law is incompatible with the ECJ ruling. But if there is a way UK law can be interpreted to follow EU law, then that will happen.

Other options include giving staff a form of commission bonus when they go on holiday, based on commission in previous weeks to compensate for the drop in commission after the holiday, or carry out an end-of-year grossing-up of commission.

Employers that can change commission schemes may make commission harder to earn, counterbalancing a potential double-digit percentage rise in commission.

@ To read more advice from tax and legal experts, go to: bit.ly/RYrvb6

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Awards get summer's events off with a bang

Virtual summer school and Employee Benefits Live to follow Employee Benefits Awards

Sign up for our 2014 virtual summer school

Employee Benefits will launch its first week-long virtual summer school for benefits and HR professionals in the third week of August 2014.

All those involved in managing benefits will be able to brush up their learning on the latest trends and changes in key benefits areas by watching a series of short videos.

Benefits experts from leading suppliers will run the educational, online tutorials.

A selection of short videos will be sent to HR, reward and benefits professionals each day just before lunchtime, so viewers can opt to take a few minutes (perhaps over a lunchtime sandwich) to beef up their knowledge.

The videos will remain on *www.employeebenefits.co.uk* so can be viewed at any time once the Employee Benefits Summer School has been launched.

■ *Registration for the Employee Benefits Summer School is free. Ensure you are signed up to Employee Benefits email alerts so you do not miss out on the summer school.*

Thales and Blackshire carry off headline accolades at 2014 Employee Benefits Awards

Thales won the prestigious Grand Prix award at the Employee Benefits Awards 2014, and took the prizes for 'Best total reward strategy' and 'Best alignment of benefits to business strategy'.

The judges chose the security firm for the top award because of the scale of its achievements.

Most employers would see pensions auto-enrolment compliance for 7,000 staff as enough of a challenge without the extra complexity of standardising all employment contracts across the workforce. But Thales saw the pension reforms as an opportunity to unify its business and implement a new, harmonised reward offering.

The judges were impressed with the results, which saw 100% employee take-up of the new contracts and savings of £5 million a year from new efficiencies.

Neal Blackshire, reward manager at McDonald's Restaurants, was named this year's 'Employee benefits professional of the year'. In a 25-year career, Blackshire has established himself as a recognised leader in employee reward and benefits. He has been instrumental in developing the McDonald's organisational brand and ensuring the restaurant chain is seen as an employer of choice.

The Employee Benefits Awards took place at the Artillery Garden at the HAC, London, on 27 June.

■ *See the full list of winners at: www.employeebenefitsawards.co.uk*

A funfair kept Employee Benefits Awards guests amused at the Artillery Garden

Top employers line up to speak at Employee Benefits Live as suppliers promise plenty of excitement at exhibition

Asda, Diageo, Fujitsu, Tui Travel, Maersk, British Sugar, Samsung Electronics and Mars Chocolate are among the employers that will speak at Employee Benefits Live 2014, which takes place at Olympia, London on 24 and 25 September.

A host of products and services will be on display at the exhibition

How to offer benefits on a budget, financial wellbeing and employee engagement are some of the hot topics to be addressed during the two-day conference.

Alongside the free-to-attend conference, the event will also feature a lively exhibition packed with leading benefits suppliers, consultants and advisers. There, delegates can source solutions for their benefits needs, network and find new products and services.

Exhibition highlights include: Big Blue, brought to you by Aon, which has something special planned for the event; Personal Group, which will celebrate its 30th anniversary at the show; HCR, which will demonstrate its new eldercare service; Storm Retail, an official distributor of Apple products; and Equiniti, which will demonstrate its new flexible benefits platform.

New exhibitors this year include Friendly Pensions and Arthur J Gallagher Employee Benefits.

■ *For more information, visit www.employeebenefitslive.co.uk*

@www.employeebenefits.co.uk/events

Follow us on Twitter: **twitter.com/employeebenefit**

@ email us at **eb.editorial@centaur.co.uk** with your views

PEOPLE MOVES

Arla Foods appoints Daley

Arla Foods has appointed Julian Daley reward manager. His previous role was reward manager at Carlsberg UK, and he has also been financial accounts analyst, HR specialist, and compensation and benefits specialist with the brewery.

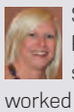
Leahy moves to Shire

Shire Pharmaceuticals has appointed Gerard Leahy international benefits lead. He moves from 3M, where he was compensation and benefits analyst. Leahy's other previous roles include senior software engineer at SDL.

Hiles moves up at BNP Paribas

BNP Paribas has promoted Thomas Hiles to group benefits manager, UK. He has been with the French bank since 2009 in roles including reward consultant and benefits manager. His previous roles include project manager, employee benefits at CMS Cameron McKenna.

Serco promotes Penn



Serco has promoted Emma Penn to head of reward and share schemes. She has worked at Serco since December 2007, as group share schemes manager and group reward and share schemes manager.

Head role for Roberts at Lafarge

Lafarge Tarmac has promoted James Roberts to head of employee benefits. He was previously senior manager, pensions and benefits at the construction firm and was previously a principal administration manager at KPMG.

Chilman chairs pension trustees

The Railways Pension Trustee Company has appointed John Chilman chairman. He succeeds Derek Scott, who will remain an employer director of the Railways Pension Scheme (RPS). Chilman, group reward and pensions director at FirstGroup, has been a trustee director of RPS since 2007.

MOST TALKED-ABOUT NEWS

Reward may never be the same again, said Sarah Purnell (pictured), head of UK reward and benefits at Tesco, during a session at the Employee Benefits Summit in Alicante, Spain in May. She said the recession, consumer trends and workforce demographics are the three key factors that will affect reward and benefits in coming years. *bit.ly/1xNm1TG*

■ I fully support [Purnell's] analysis of the key factors that are changing reward. However, I think reward professionals have been aware of these factors for some time, even though many employers have yet to fully grasp them. Differentiated reward within an employment value proposition has always been the holy grail and there has been mixed success. It becomes even more problematic when you superimpose multi-generational and consumer-led influences. It is important, therefore, to allow maximum flexibility and choice so employees can tailor the package to meet their own individual requirements.
Evan Davidge, associate head of reward, programmes and data management, Ove Arup and Partners International

■ I couldn't agree more. We are moving into a situation where we need to think about staff from a generational, financial and behavioural perspective. Financial planning for most people now starts in the workplace, and the employer's role in this has changed fundamentally. Delivery is all about making it simple: giving staff an experience that communicates, educates, is multi-device-responsive, silent running and just does it all for them (and the employer).
Duncan Singer, head of sales, employee benefits and reward, Capita Employee Benefits

100 Club column

Ricky D'Ash looks at DB pension wind-ups

employee benefits 100 Club

In association with LORICA Employee Benefits

Long road to pensions wind-up

It is no surprise to employers with defined benefit (DB) pension schemes just how expensive they are to run and administer.

Often there are deficits to make good, and fees to maintain the scheme from actuaries, consultants, trustees and pension lawyers. It is no wonder employers want to lose these liabilities as quickly as possible.

I am involved in the wind-up of three DB pension schemes. Two are very small, and one is medium-size with two sections: final salary and money purchase.

Each scheme has experienced problems and all three are yet to be fully wound up, despite the fact that we have been working to a two-year timeline.

One scheme was never contracted out and so does not have the complexity to deal with guaranteed minimum pension (GMP). The other two were contracted out and GMP is very much a reality.

With GMP, both the pensions administrator and HM Revenue and Customs need to agree the provisions for pension members, as they would have contracted out of the state earnings-related scheme, or later the state second pension, and GMP must at least provide an equal value if the member was contracted in.

This has delayed the project by several months.

Data has proved to be a key issue, with missing data causing delays and being expensive to fix. Another problem is poor past administration and, of course, changes in key internal and external personnel, who have moved on and taken knowledge of the scheme with them.

Pension lawyers will need to work with employers to piece together the 'storyline' of the trust. A full benefits specification, to be presented to the buy-in insurer, must also be created.

Statutory notices need publishing in the *London Gazette* and employers need to allow at least two months for potential missing beneficiaries to come forward. Once schemes officially enter wind-up, The Pensions Regulator will be looking for completion within two years.

Trustee liability insurance must be considered for missing beneficiaries, bank accounts closed, and a final set of reports and accounts produced.

There is so much to plan for and many potential delays to factor into the project plan.

Ricky D'Ash is group reward manager at City and Guilds

The 100 Club comprises industry leading lights who have contributed to Employee Benefits

some decisions you can afford to get wrong.

but when it comes to retirement income, you have to get it right!

It is increasingly acknowledged that the biggest financial decision most people will make in their lives is how they will maximise income at retirement. This is so important, as making a poor decision can result in lower income throughout retirement, often costing the individual thousands of pounds.

This is a big decision as more employees not only have a number of pension pots but often have other investments which may need to go towards funding an income in retirement. When you add to this the various options available for taking retirement income such as annuities, drawdown and phased retirement, it is no wonder employers and employees need support. After a life-time of saving, employers can now ensure their employees receive the right guidance at retirement by utilising the WEALTH at work Retirement Incomes Options Service.

This service provides:

- **Financial education** – ensures employees understand the options available
- **Internet support tools** – helps to support employees on all aspects of retirement with easy access at work, home or on the go
- **Helpdesk support** – UK based helpdesk to answer basic questions on Retirement Income Options
- **Annuity broking service** – advice available either face to face or over the phone, this service ensures your employees receive the best annuity rates available
- **Regulated advice** – provides full review of Retirement Income Options in a written report

From a retirement survey conducted*, it was revealed that employers believe only 18% of employees are aware of the various retirement income options available and as few as 13% are aware that they no longer have to purchase an annuity.

The research also revealed that 71% of employers believe there will be an increased requirement for specialist advice at retirement.

Ensure you give your employees the best chance of maximising their retirement income. To find out more, please contact us now on: **0800 234 6880**, email us at **info@wealthatwork.co.uk** or visit **www.wealthatwork.co.uk**

*WEALTH at work Rethink Retirement Survey – December 2012

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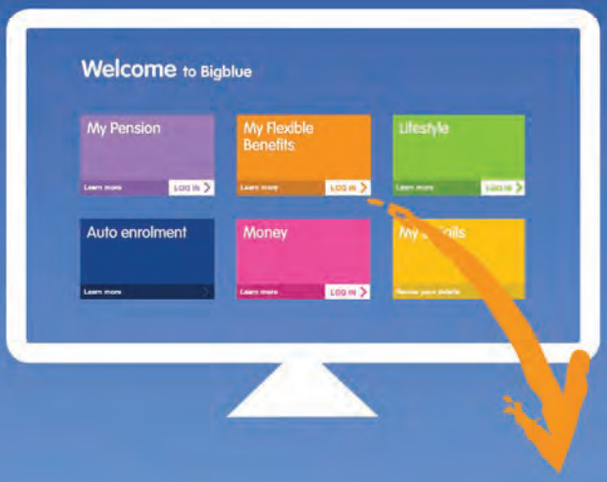

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Out-of-the-blue post brings new rewards

Robert Drewell, head of reward and benefits at Hermes Europe, says the skills and knowledge he has acquired in a varied career, including 16 years at Royal Mail, have helped him formulate a total reward strategy for his new employer

Robert Drewell, head of reward and benefits at Hermes Europe, joined the parcel delivery firm in March after an out-of-the-blue approach from a friend. With long experience in the reward and benefits industry, Drewell quickly set about shaping a new total reward strategy for Hermes.

The move came as Drewell was nearing the end of an interim role as senior reward consultant at Brakes Group. He was approached by a friend of his, Hermes HR director Caroline Foster, to help her establish a new team.

"I knew of Hermes' business and was aware Caroline had joined as HR director," he says. "She shared her new vision with me and described the 'great place to work' strategy she had developed for the organisation, and told me about the challenge at Hermes.

"She described its long-term strategic vision and the vital role that reward and benefits would need to play within the new 'great place to work' framework, and that is where I came in."

Drewell's reward and benefits journey began at the Royal Mail Group, where he spent 16 years working in areas such as functional management, operational management and project management. The experience he gained there helped to develop his skillset and career, he says.

"The experience [at Royal Mail] gave me rich, invaluable exposure and developed my experience, capability and knowledge of reward," he says. "It was a good grounding, which laid the foundations of my career."

> "I have developed and shared a 'logical argument' total reward strategy"

Since 2003, Drewell has worked for organisations in various industry sectors, including HSBC, Molson Coors Brewing and United Utilities. "The experience at Royal Mail has stayed with me throughout and I have developed my experience in a number of different areas and sectors," he says. "I feel that if you have a good level of experience and have that depth of knowledge to know what is good and what isn't, it stands you in good stead, and that is all thanks to my time at Royal Mail."

That experience means that in his short time at Hermes, Drewell has made an impact by helping to set out plans to reinvigorate its total reward strategy, which had become out of date.

"Our current framework no longer represents Hermes' needs," he says. "I have developed and shared a 'logical argument' total reward strategy. It is a proposal for the board, that will inform debate and generate lively discussion at a future planned roundtable.

"The intent is to use the session with a clear purpose to shape the total reward strategy and framework for the organisation."

The total reward strategy will fit into Hermes' 2016/17 business plans. To implement it, Drewell says he will need all the skills he has learned over the past 26 years.

These include his knowledge of reward and benefits, as well as analytical and organisational skills. "These are the key fundamentals of any reward and benefits job, but this role requires strategic visionary skills," he says. "It is that ability to build something from scratch, which is what I have done with the total reward strategy.

"Now it is about moving it forward rapidly, as it is a sustainable total reward strategy aligned to the 2016/17 longer-term business strategy and the business that Hermes will grow to be in the future. I need to be very adaptable, flexible and resilient to make it successful."

Robert Crawford

CURRICULUM VITAE

March 2014-present head of reward and benefits, Hermes
August 2013-February 2014 senior reward consultant, Brakes Group
April 2011-July 2013 total rewards director, Molson Coors Brewing
July 2010-January 2011 heard of reward, United Utilities
September 2009-March 2010 head of reward, Northern Rock
January 2008-September 2009 senior HR business partner, HSBC
December 2003-December 2007 head of reward, Redcats PPR Group
January 1988-December 2003 senior HR operations manager, Royal Mail

Q&A

What has been the biggest focus in your role?
Creating a new total reward strategy has been my main focus. The strategy was based on my past experiences, and will start to shape the organisation.

What one tip would you give someone looking to get into your current role?
They need to develop the core basics first and develop an understanding of reward and benefits: what it looks like, the responsibilities, the need to build knowledge and experience. But it all comes with time.

What would you like your next career move to be?
I want to focus on the challenge here, but if there was a chance in the future to help raise the profile of the organisation, to share our results in HR and deliver them elsewhere, I would love to get involved.

This month's big question:

Should employers put wellbeing policies in their annual reports?

If we instead ask: should employers include information about their wellbeing programmes in annual reports?, my answer would be a resounding yes.

Publishing details of programmes with associated metrics, such as participation rates, provides tangible evidence of organisational commitment. I also believe that once reporting takes place, it attracts senior-level (and external) attention, with stakeholders wanting affirmation that their investment decisions are appropriate and effective.

'What is measured gets managed' has long been a management mantra. The truth in that cliché is that if an issue is focused on and performance tracked, then this usually leads to improvement. It is the rationale behind most performance management programmes, so why should it not apply to wellbeing?

In my opinion, wellbeing is not yet properly understood. It is seen as worthwhile and something that responsible employers should do, but the business argument is not well understood or widely accepted.

In its *Health, wellbeing and productivity survey 2012-13*, published in March 2013, Towers Watson reported that even though employers planned improvements to health and wellbeing programmes, only a small minority linked this to productivity.

If organisations reported on wellbeing, it is likely to lead to a wellbeing programme that has a clear business focus. This, in turn, will enhance both engagement and productivity, allowing organisations and individuals to derive real benefit from investment in wellbeing.

David Brackwell is head of wellbeing and inclusion, UK and Ireland, at Fujitsu

Anything that forces employers to take staff wellbeing seriously should be welcomed. But the devil is in the detail, and unless there are clear parameters about what this entails, the initiative will be a waste of time.

The phrase 'wellbeing policies' is very woolly and means different things to different people. What do we even mean by employee wellbeing? I would argue that wellbeing is not confined to the medicalised model, but embraces a wide variety of factors that affect people's enjoyment of day-to-day life.

'Policies' should cover programmes that seek to prevent ill-health as well as those concerned with rehabilitation. For example, how is an employer helping staff maintain a good work-life balance in addition to employee assistance programmes, occupational health and private health plans? On top of these are sponsored health promotions, such as lifestyle workshops and healthy canteen options.

But just listing these is meaningless. To form a judgement, the list needs to be costed and basic statistics, such as spend per person, published. I'd also like to see some sort of evaluation detailed. This can be as simple as take-up figures or perhaps there are staff survey questions about wellbeing that might indicate how effective wellbeing policies have been. A senior sponsor should also be named.

And all these details should be audited. Too many employers shamelessly gild the lily about what they are doing and the results they get. Any public reporting on wellbeing needs to be validated so we have a modicum of confidence in the lines we are being fed.

Dr Bridget Juniper is director of Work and Wellbeing

The employers that do this best, in terms of public disclosure of employee engagement and wellbeing, have the information in one place, often in their sustainability or corporate social responsibility (CSR) report.

The point is for it to be positioned in a joined-up, integrated, transparent and strategic way and not spread across several disjointed places and hard to find. That also sends out a positive message about strategic ownership.

Ultimately, the information must be easy to find, positioned as strategic and integrated, and looks at staff in their totality as human beings.

The other vital thing in terms of the quality of public reporting is that narrative reporting is as important as hard metrics, because it is providing a context for analysing the metrics.

In the organisations that do this well, there is a real alignment of the context, the narrative, with the hard numbers they pull out. So it's not the quantity of hard metrics, it's how it has been positioned to complement the narrative.

A big driver for Business in the Community's public reporting initiative was the investment community. We have had ongoing consultation with investors, which were frustrated that many organisations go on about people being their greatest asset, but there is actually very little information in the public domain to help investors make informed decisions.

They are looking for leading, as well as lagging, indicators: targets and a journey of improvement. Ultimately, what gets measured gets managed. Well-managed organisations outperform those that are not well managed. So they are looking for that evidence, too.

Louise Aston is director of Business in the Community's Workwell programme

Do you agree with these views? Join the discussion by searching for the **EmployeeBenefits** group on LinkedIn

Big business benefits for small businesses

Until now only larger businesses have been able to invest in and benefit from health and wellness programmes for their employees. That's why PruProtect have launched its Relevant Life Policy (RLP) with Vitality.

We know that people are the biggest asset for so many businesses – big or small. With the direct costs of employee absence estimated at £14bn per year[1], many businesses might think it's just about protecting against something going wrong. But even the Confederation of British Industry (CBI) recognises that better employee health can lead to better business performance through lower absence, higher productivity and better employee engagement.

What's more, **80%**[2] of employees agree that "the healthier you are, the more productive you are".

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- Life cover for employees that is flexible and tax efficient – save nearly 50% tax
- Access to our healthy living rewards programme, get health partner discounts on things like health screening, stop smoking sessions and money off rewards such as stays at health spas
- Access even more benefits with Vitality Plus and Vitality Optimiser, including great benefits like discounted gym membership, a cinema ticket each week, cashback on cycles and money off holidays
- Premium discount and cashback for the employer when they choose Vitality Optimiser

We don't think it should just be big businesses that have the tools to attract, motivate and protect their employees. RLP with Vitality means small businesses can now enjoy big business benefits.

"Improving employees health and wellness has benefits for businesses. Companies that want more productive and more engaged employees should have it on their agenda and Vitality provides the perfect framework"

Sebastian Coe – Vitality Ambassador

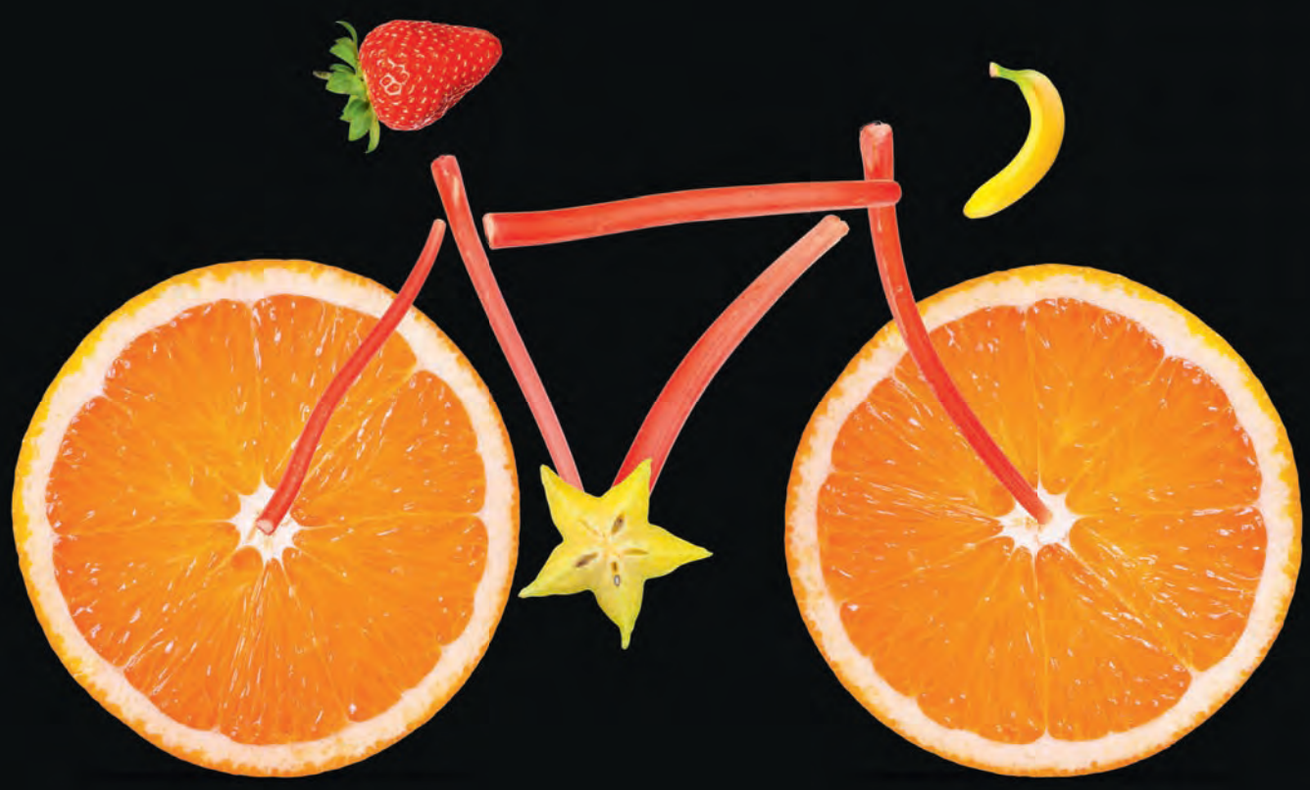
Find out more

Find out more about PruProtect and Vitality, and how you can help your business clients give more. **Visit pruprotect.co.uk/rlp**

PRUPROTECT with Vitality

Sources:

1. CBI, May 2014 | 2. Chartered Institute of Payroll Professionals, April 2014 | 3. Cigna, June 2014.



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halfords cycle2work

BIKES-FOR-WORK DATA

Jennifer Paterson rounds up facts and figures for bikes-for-work schemes

2.25 million
UK employees are regular cyclists but do not cycle to work

54% of bikes-for-work scheme users are new to commuting by bike

Source: UK Bike commuting gap, published by Edenred in April 2014.

More than **164,000** employees joined a bikes-for-work scheme in 2013

This is a **16.4%** increase from 2012 and the biggest rise in UK employees taking up the benefit since 2010

Source: Research published by the Cycle to Work Alliance in January 2014. bit.ly/Rr9VhL

60% of respondents offer a bikes-for-work scheme to employees via a salary sacrifice arrangement on a voluntary basis

Only **11%** of respondents introduced a bikes-for-work scheme in the preceding year, compared to 21% in the 2013 research

Source: The Benefits research 2014, published in May 2014. bit.ly/SzxINI

79% of respondents offer employees a bikes-for-work scheme or a bike loan as part of a flexible benefits package

Source: Employee Benefits/ Towers Watson Flexible benefits research 2014, published in April 2014. bit.ly/OeUozD

85% of bikes-for-work scheme users have noticed an improvement in their health since taking it up

Source: The healthy commute research, published by the Cycle to Work Alliance in February 2014. bit.ly/1kLR5cP

The number of working UK residents who cycle to work increased by **90,000** between 2001 and 2011

Source: Research published by the Office for National Statistics in March 2014. bit.ly/1niSb66

CASE STUDIES

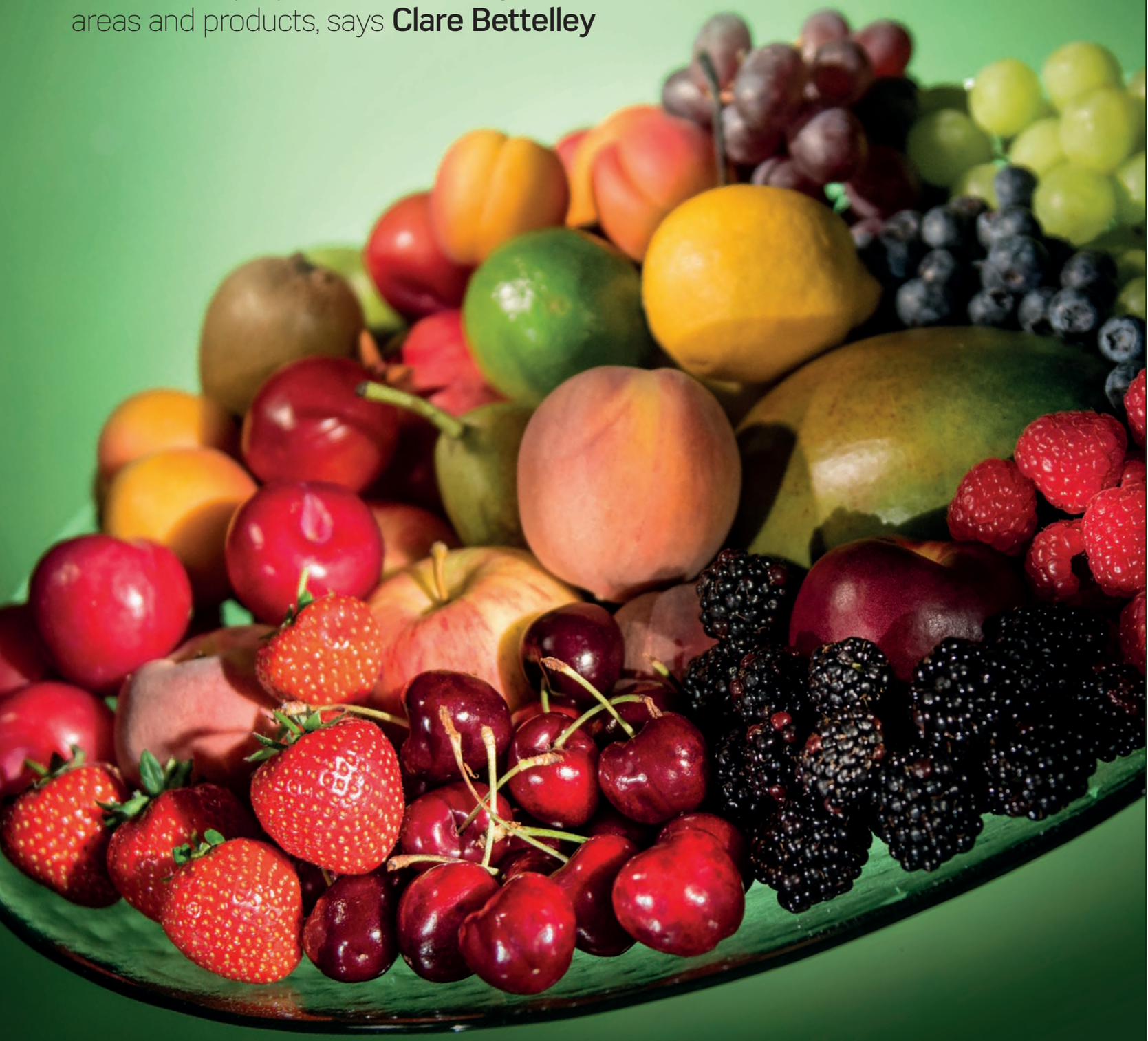
Capital One doubled the take-up of its bikes-for-work scheme by integrating it into its employee value proposition (EVP). *bit.ly/1irrC7O*

Virgin Media partnered Evans Cycles for a charity initiative, which ensures employees' initial bikes-for-work order is donated to purchase a variety of cycle accessories and equipment for disability charity Scope. *bit.ly/1kLRko6*

North Yorkshire County Council launched a voluntary benefits plan, which includes a bikes-for-work scheme provided by Cyclescheme. *bit.ly/1IY92ZK*

FRESH PICKINGS

Many employee benefits providers are rethinking their service proposition, branching out into new areas and products, says **Clare Bettelley**



Changing government legislation around childcare vouchers and pension annuities is forcing some employee benefits providers to rethink their service proposition, making it difficult for employers to identify their area of specialism.

According to attendees at the Employee Benefits/Lorica 100 Club thinktank debate in April, benefits providers repositioning themselves in new market sectors is one of the biggest challenges facing employers.

Ian Hodson, reward and benefits manager at the University of Lincoln and one of five participants in the debate, said he expected to see more benefits providers reposition themselves because of changing legislation. Changes include the introduction of a new tax-free childcare voucher scheme, to be run by a single administrator, NS&I, rather than a range of existing voucher providers, in 2015.

"It's getting more complicated with things like childcare voucher providers," says Hodson. "Providers with a specialist market niche in childcare are suddenly popping up offering cars and bikes. Everybody's in everybody's market."

In his Budget speech in March, Chancellor George Osborne announced his decision to abolish the legal requirement for defined contribution (DC) pension scheme members to convert their retirement pot into an annuity at retirement, prompting much speculation about the future of annuity providers.

Attendees at the roundtable debate said the increasing number of new market entrants, particularly in the health and wellbeing sector, is complicating the task of appointing providers most closely aligned to their organisational and workforce needs.

But Louise Wesley, director of operations at Busy Bees Benefits, says the repositioning trend is an inevitable evolution of the benefits market that is fuelled by employer demand.

Busy Bees repositioned itself as a benefits provider and relaunched as Busy Bees Benefits in 2010 after selling its childcare voucher business, Busy Bees Childcare Vouchers, to Computershare Voucher Services in 2008. It now offers bikes for work, car leasing, will writing, retail vouchers and childcare vouchers.

"When we re-entered the market in 2010, we already knew the market had moved on and we couldn't just be a one-trick pony," says Wesley. "We came back as an employee benefits provider because that seems to be the demand from organisations. They want everything in one place, rather than having to go looking for what they need with different providers, so it was a case of us catching up with employers' changing demands."

> "Providers with a specialist market niche in childcare are suddenly popping up offering cars and bikes"
>
> Ian Hodson, University of Lincoln

IF YOU READ NOTHING ELSE, READ THIS...

- **Some benefits providers are rethinking their service proposition because of changing government legislation.**
- **An increasingly crowded provider market is leaving many employers struggling to identify providers' area of specialism.**
- **Robust policies and procedures should underpin all due-diligence processes.**

Benefits providers that have expanded their product range in recent years

PROVIDER	PREVIOUS FOCUS	CURRENT FOCUS
Busy Bees Benefits	Childcare vouchers	Childcare vouchers, bikes for work, car leasing, retail discounts, will writing, employment law guidance and advice
BHSF	Health cash plans	Employee discounts (vouchers; finance, motoring and insurance; green and ethical, travel); salary sacrifice (childcare vouchers, bikes for work, computers and mobile phones, cars); voluntary benefits (health cash plans, cancer insurance, life insurance, personal accident, travel insurance, pet insurance, employee discounts); group life assurance; employee benefits communication
Bupa	Health insurance	Health insurance, travel insurance, dental insurance, GP services, health cash plans, home healthcare, musculoskeletal services, retirement housing, seasonal flu jabs
Computershare	Share schemes	Share schemes, flexible, voluntary and salary sacrifice benefits (childcare vouchers, bikes for work, mobile phones, legal services, employee engagement, emergency childcare, employee engagement), flexible benefits platforms, communications services
Co-operative Flexible Benefits	Childcare vouchers	Childcare vouchers, childcare, family care advice, bikes for work, green car schemes, financial services, health and wellbeing, funeral care, phone and broadband, legal services
Edenred	Childcare vouchers	Employee benefits (childcare vouchers, pensions auto-enrolment, voluntary benefits, luncheon vouchers, flexible benefits, employee savings, total reward statements, travel clubs, bikes for work), incentives and reward (Compliments vouchers, experiences, cards and passports, retailer cards and vouchers, incentive award cards), expense management (prepaid cards, food expenses, leave and absence and eyecare vouchers)
Exertis Micro P	Computer schemes	Computer schemes, computers, mobile phones, electronics, storage, software, networking
P&MM Employee Benefits	Retail discounts	Voluntary benefits (employee discounts, childcare vouchers, bikes for work, holiday purchase), salary sacrifice (childcare vouchers, bikes for work, holiday purchase, car parking, mobile phones), employee assistance programme

Source: Employee Benefits and Lorica Employee Benefits

JACKO

Wesley says the loss of revenue Busy Bees Benefits expects from next year's legislative changes to childcare vouchers should be offset by its new product range, which recently added a mobile phone salary sacrifice scheme.

Charles Cotton, performance and reward adviser at the Chartered Institute of Personnel and Development (CIPD), says providers' repositioning efforts are key to the evolution of the benefits market and are not as haphazard as some employers fear.

Take a gamble

"Providers will never get anything to work if organisations don't take a gamble, and then there would never be an expanding advisory market," he says. "And whether it's childcare vouchers or bikes, providers' processes and systems are probably going to be similar, no matter what the benefit is."

Cotton doubts that any benefits provider would risk offering a benefit that its technology systems could not cope with.

Roy Edie, senior consultant at Towers Watson, agrees that the benefits market looks set for change. "We suspect the Budget will generate innovation among certain providers, either looking to exploit new markets or find new markets because their existing lines of business have seen a drop-off," he says.

"However, we see this as generally positive and are sure the adviser market will also react, so these new products are assessed and their relative merits for employers are identified."

> "Whether it's childcare vouchers or bikes, providers' processes and systems are probably going to be similar"
> Charles Cotton, CIPD

Cotton says employers should obviously be wary of any unusual market repositioning, such as a childcare voucher provider suddenly switching to offer pensions, but generally organisations should be fine as long as they have a robust compliance framework in place. "Organisations that are prepared to give a provider a punt need to have policies and procedures in place to mitigate the risk of that," he says.

A robust procurement policy will include a due diligence process that helps an employer assess the relative strengths and weaknesses of providers that it invites in to showcase their products.

Matt Duffy, head of online benefits at Lorica Employee Benefits, says employers should consider using their benefits advisers to help them make informed decisions about provider appointments, including whether providers can meet their organisation's objectives.

Plan of action

But employers must be mindful of the fact that some providers will not yet have decided on their future plan of action in response to changing legislation, says Duffy. "One of the biggest challenges for providers is, typically, that decisions are made by government at short notice or really far in advance with very little detail, so it makes them really hard to plan for," he says.

However, Hodson says the opportunity for employers to build sustainable relationships

CASE STUDY **UNIVERSITY OF LINCOLN**

University studies future relationship with childcare voucher provider

The University of Lincoln invests in building sustainable relationships with its benefits providers.

Ian Hodson, reward and benefits manager at the university, has initiated a conversation with the organisation's childcare voucher provider, Computershare, about its future business strategy.

This is part of his efforts to understand the possible impact of any market repositioning by the provider on its relationship with it and how the two organisations might work together in the future.

This follows the government's decision to introduce a new tax-free childcare voucher scheme, which will be run by a single administrator, NS&I, instead of existing providers, in 2015.

Hodson says: "Providers must think about what they will offer existing employer clients in order to retain those relationships."

He is particularly mindful of the loss of national insurance (NI) savings resulting from the introduction of the new scheme. "We have always tried to reinvest the money that we saved in employer's NI in things like our on-site nursery and family-friendly benefits, but those savings are going to be diminishing now," he says.

Providers that expand their service proposition to include an educational element will be

particularly appealing to employers in future, says Hodson.

"They will create a niche market of providers that can turn products into more of an educational tool," he says. "Providers need to consider personal and professional development and bring in the educational side of things."

But employers must consider providers' corporate values as well as their service proposition as part of their due diligence process, says Hodson.

"We ask providers about what they would do to support our student experience and what their values are as a business," he adds. "We try to test them out in terms of issues that are wider than their product and to look at them as a provider that we'd want to be doing work with."

Viewpoint

David Noble is group chief executive officer of the Chartered Institute of Purchasing and Supply

Employers need strong foundations with providers

Once an employer has written its project specifications, tender documents, undertaken some research and considered the providers it already knows about, what should it do next?

Well, now is the time to evaluate its business needs and objectives and define them. Using its stakeholders to map out priorities will help it to build strong foundations with providers.

The next step for the employer is to rate its organisational needs in order of importance. What does it value most: quality and reliability or speed to market and flexibility when change inevitably occurs? Value for money may also be important, while other employers may prioritise a strong service proposition, a good cultural fit or good risk management and fraud controls.

Research can include a wide variety of sources, as well as core stakeholders. Employers may consider referrals from partners or current providers, talking to trade associations, business advisers and business support organisations, or attending sector-specific exhibitions where they can compare the providers available for their key needs.

The research stage can help not only to whittle down the number of providers, but also help employers get under the skin of providers. A concise request for information will give employers a lot more information about their final provider choices. Only after that should they send out a request for quotation with full specifications.

Employers should always meet their chosen providers and audit regularly. Developing good relationships is important throughout the life of a contract; this stage is just the beginning.

with providers is an equally important part of any due-diligence process. "Provider appointments come down to product and relationship: these are the two things that employers are trying to weigh up," he says. "How do they form a relationship that is more than just customer-supplier?"

For example, Hodson says the University of Lincoln has a strong, long-lasting relationship with Northgate Information Solutions, which provides its HR database and is currently installing a new payroll system. "We signed up to a partnership with it where we said that our procurement process is not just about the product; we want a relationship," he says.

That relationship includes Northgate offering the university's graduates the opportunity to take up intern positions with it and, in return, the university helping Northgate to get involved in its student career fairs.

Hodson adds: "There doesn't seem to be a huge differentiation between providers' products themselves, so the relationship is really important."

He says employers must consider whether prospective providers can identify their organisation's needs and what they can offer long-term as part of their relationship.

The CIPD's Cotton says employers should also be aware of their legal requirements, particularly around the forthcoming European data protection reform. "If organisations are giving employees' details to third-party providers, they have to be sure there are policies and processes in place to make sure the data is secure," he says.

> "Provider appointments come down to product and relationship: employers are trying to weigh these up"
>
> Ian Hodson, University of Lincoln

The European Commission proposed a major reform of the EU legal framework on the protection of personal data in 2012.

Providers' ability to help employers fulfil their compliance duties should be at the core of their proposition, regardless of any repositioning activity. Once employers have satisfied themselves about this, they can consider the merits of a provider's service proposition and the potential to create a relationship that will help them become an employer of choice EB

Clare Bettelley is associate editor at *Employee Benefits*

@ **Read also *Jane Richards: Top tips on procuring benefits* at** bit.ly/1i83iOc

DEFAULT FUND DUTIES

Who is responsible for default investment strategy? **Jennifer Paterson** explains

The good news, according to *Employee Benefits/Capita Pensions research 2013*, is that 94% of leading employers understand their pension default investment strategy. The bad news is that not everyone is clear where ultimate responsibility for that strategy lies: with the employer, its adviser, its pension provider or the fund manager?

There is a growing belief that responsibility for a defined contribution (DC) scheme's default fund lies mainly with the employer.

Sarah Smart, chair of The Pensions Trust, says: "The responsibility lies with the employer, in that it should choose a fund that fits its own requirements for its staff and its knowledge of how much effort it can put into overseeing that.

"If an employer knows it does not have the time or capability to oversee [the fund], it should make sure it uses a fund where that oversight will be provided for it."

Lack of clarity around employer responsibility for the default fund is most pronounced in contract-based pension schemes, in which the contract is between the employee and the pension provider.

But Karen Partridge, chief business development officer at Anthony Hodges Consulting, says employers cannot wash their hands of responsibility. "In contract-based pensions, the employer should take responsibility in ensuring that the default will provide employees with a safe investment because that is the assumption that the employee will make," she says.

"I think there is an implied responsibility. With the schemes we deal with, 90% to 95% of employees are in the default fund. There is an assumption that, because it has been chosen as the default fund, it is a safe option."

The problem is exacerbated because the contract is between employee and provider, so there is little the employer can do if an employee is signed up to a particular fund.

Thinkstock

IF YOU READ NOTHING ELSE, READ THIS...

- **The primary responsibility for a defined contribution pension default fund strategy lies with the sponsoring employer.**
- **Employer responsibility is particularly important for contract-based schemes.**
- **A board of trustees has responsibility for default investment in trust-based plans.**
- **Employees should engage with whether they are saving enough in the correct investment choices for them.**

Outdated strategies

Morten Nilsson, chief executive officer of Now: Pensions, says: "Contract-based schemes are subject to a different legal structure, which means that, although the default strategy may be amended, it is generally not possible to switch members into a new strategy without individual written consent. That restriction can result in many members remaining in outdated and possibly expensive investment strategies."

Responsibility falls onto different shoulders in trust-based schemes, where the board of trustees, which may include employer, employee, external and union representatives, is legally responsible for investment decisions.

Even though the trustee board is independent, the employer has responsibility for ensuring the right trustees are in place and that they have proper support. The Pensions Trust's Smart says: "If it's an in-house scheme, the employer should be making sure it puts in place trustees that are capable of making the right selection of the investments available."

In organisations that have switched from a trust-based to a contract-based plan, there is already a culture of the employer being responsible for investments. Anthony Hodges Consulting's Partridge says: "It is almost a more natural transition for them to assume responsibility for the default investment."

In multi-employer trusts, an independent board of trustees is responsible for the default investment strategy. Now: Pensions' Nilsson says: "The trustees may take input from the scheme manager and seek external advice, but they have the power and the duty to review investment strategy regularly to ensure the default approach is the most appropriate."

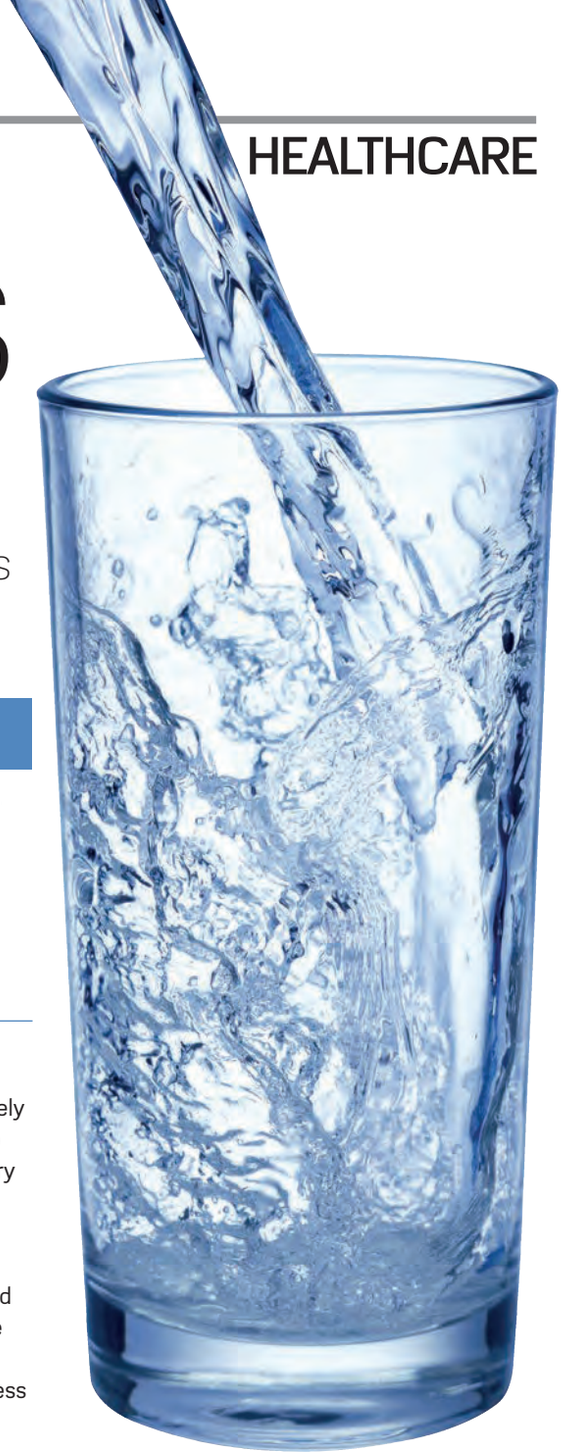
The pension changes announced in the 2014 Budget will give staff more responsibility for their own retirement outcomes. Equally, the changes should ensure staff have some level of awareness of their savings strategy during the time they are building a pension pot.

Smart adds: "I don't think employees have to have a high level of financial education, but they do have to look at how much is going into the scheme, what their situation will be when they get older, and whether those two things match up. A good scheme will provide them with support for thinking about those things." EB

@ Read also *Top tips for managing default fund strategies* at bit.ly/1nAHCsQ

DANGER SIGNS OF DIABETES

Diabetes is growing, and employers and employees need to recognise the risks, says **Clare Bettelley**



With the incidence of diabetes increasing rapidly among the UK population, employers must prepare for the workplace consequences. But identifying affected staff can be a challenge.

Diabetes is the biggest threat to the workforce, according to respondents to the *Employee Benefits/Lorica 100 Club research 2014*, published in June, and it is no surprise why. The number of people diagnosed with diabetes has more than doubled from 1.4 million in 1996 to 2.9 million in 2013, and the figure is expected to rise to five million by 2025, according to the charity Diabetes UK.

This means that an increasing number of employees will suffer with diabetes, or will become carers for sufferers.

Between 85% and 95% of diabetics suffer from type 2 diabetes, which develops when the body does not produce enough insulin, which is needed to combine with glucose to produce energy.

An unquenchable thirst and a need to urinate frequently, resulting from not being able to retain water, are the two most common symptoms of diabetes. Sufferers are also likely to be overweight or even obese, be prone to infections of, for example, the skin and urinary tract, and suffer from excessive tiredness.

IF YOU READ NOTHING ELSE, READ THIS...

- **Diabetes is increasing rapidly in the UK.**
- **Most sufferers have type 2 diabetes, which results from poor diet and a lack of exercise.**
- **The symptoms of diabetes are hard to detect in employees.**

Blood sugar levels

An employee struggling to control their blood sugar levels is also likely to need to eat more often or suffer from dizziness, struggle to concentrate, be prone to sweating, drowsiness and possibly slightly slurred speech and, in a worst-case scenario, they may faint.

But sufferers do not always display symptoms. Dr Marian Carey, national director of the Leicester Diabetes Centre, says: "There are many people who do not have symptoms when they are diagnosed, which is what makes diabetes quite an insidious disease."

And even when symptoms are present, they may not relate specifically to diabetes. Dr Tim Woodman, medical director at Bupa, says: "Type 2 diabetes is very lifestyle-related, so the symptoms, particularly in a busy workplace, would appear to be the same as for someone who has a long commute and who is generally tired and unhappy."

Dr Mark O'Connor, managing director of Work Doctors, adds: "It's a bit like headaches. It's extraordinarily rare for them to be brain tumours, but they are the most common symptom of these."

CASE STUDY **ALLIANZ**

Allianz helps employees measure diabetes risk

Earlier this year, Allianz introduced blood checks to help its staff ascertain their risk of developing diabetes.

The checks are part of the insurer's health and wellbeing strategy, which includes a rolling education programme. Themes this year include: resolutions to keep; improving physical activity; mental wellbeing; and warm and hearty.

Banu Gajendran, occupational health, safety and wellbeing manager at Allianz, says: "We've tried to sync the topics with the government's national targets on obesity, diabetes and cardiovascular."

Allianz invites specialist health and wellbeing providers in to support it, which, for diabetes, has included Diabetes Ireland.

It also has a dedicated wellbeing intranet site, which gives staff access to online tools detect early signs of disorders such as diabetes.

THINKSTOCK

Viewpoint

Jennifer Maxwell
is advocacy manager at Diabetes UK

Employers legally bound to support staff with diabetes

The Equality Act 2010 offers protection to anyone with a disability as defined under the act. People with diabetes can be covered by this definition of disability.

The act places an obligation on employers to make reasonable adjustments to the workplace to enable staff with disabilities to continue in work and to prevent them from being placed at a substantial disadvantage.

When deciding an adjustment, an employer should consider: the effectiveness of the adjustment; the practicality of making the adjustment; the costs involved; the extent of any disruption; and the extent of the employer's financial or other resources.

Reasonable adjustments may include: allowing an affected employee time off to attend diabetes-related medical appointments or diabetes education courses; altering working hours so that, for example, an employee who has difficulty managing their condition in the morning can start later in the day; or modifying sickness absence procedures.

The situation is exacerbated by line managers' general inability to identify abnormal behaviour within their team, such as employees making excessive visits to the toilet, and to then be able to relate it to diabetes. Chris Evans, senior consultant at Buck Consultants, says: "I doubt that many line managers, unless they happen to have an increased awareness for personal reasons, would pick up on those symptoms."

Two of the most powerful remedies to prevent and manage diabetes are exercise and a healthy diet, and there is plenty of low-cost workplace support that employers can consider offering their employees.

A workplace design that facilitates movement is a good start. This may involve employers making it more difficult for staff to access the lifts than the stairs, offering flexible working to enable staff to attend the gym, and providing cycle racks for employees who commute to work by bike.

Sports clubs

Providing workplace sports and social clubs, such as walking and yoga groups, or encouraging staff to set up their own groups, can also encourage employees to take adequate exercise.

Providing healthy snacks around the office, such as in vending machines and staff restaurants, can also encourage healthier lives.

O'Connor recalls helping one employer to improve its approach to workplace nutrition. The organisation's payroll team had historically been allowed to expense a takeaway meal on the day they worked late to process employees' pay each month, but after O'Connor's intervention, the team was given an allowance to buy food with which they could prepare a healthy meal. "It's not rocket science, just a bit of common sense," he says.

> "It's not rocket science, just a bit of common sense"
>
> Dr Mark O'Connor, Work Doctors

Alternatively, employees could be encouraged to substitute biscuits with fruit for workplace snacks. O'Connor adds: "It's about employers helping employees to help themselves avoid putting on weight."

Tools, such as workplace health kiosks that can measure blood pressure and body mass index, can help staff monitor their diabetes risk levels. The Diabetes Risk Score, which is designed to predict an employee's risk of developing type 2 diabetes within the next 10 years, could also help.

But given the possible absence of diabetes symptoms, employees may be unlikely to test their susceptibility to developing the disorder, so communication campaigns to raise workplace awareness may, at least for now, be employers' best course of action. Campaigns must also take into consideration the fact that diabetes can be hereditary EB

Clare Bettelley is associate editor at *Employee Benefits*

@ **Read also *Employers need diabetes strategy* at** *bit.ly/1q4iID7*

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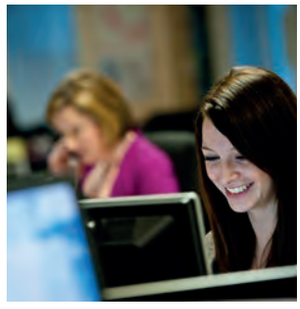








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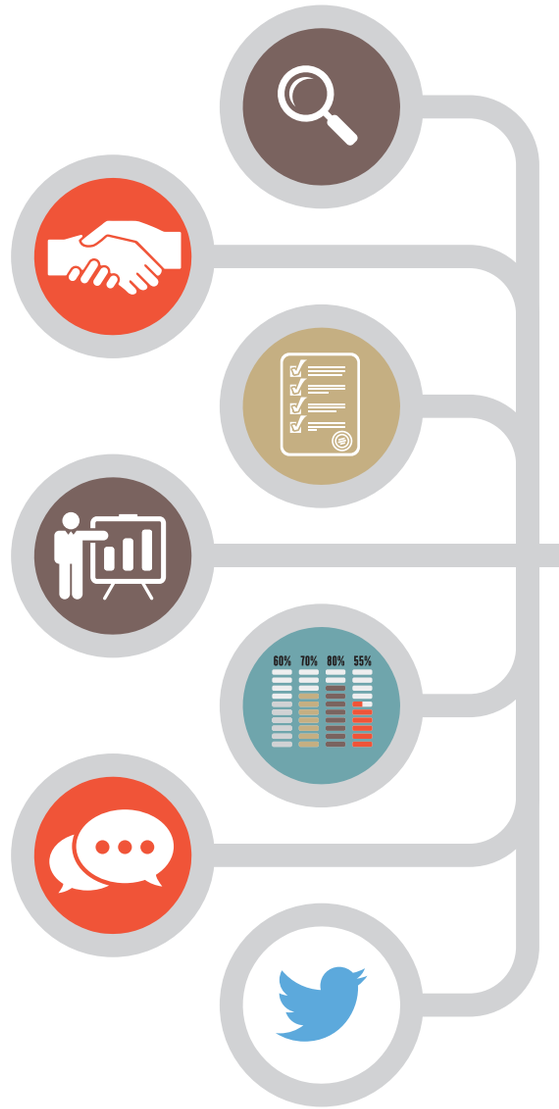
ROUTE MAP TO BOOST FLEX

Segmentation can be an effective way to target flexible benefits communications at particular groups in a workforce, says **Robert Crawford**



Many retailers know every aspect of their customers' shopping behaviour, such as the products they buy and their average spend. They then use this data to motivate customers to spend more.

This is achieved via an approach to customer profiling known as segmentation. Customers are categorised according to certain criteria on which the organisation bases its business strategies, from marketing through to procurement. Amazon is one example of a retailer that uses a customer's purchasing history to make recommendations.

Employers can use similar methods to increase staff engagement with, and take-up of, flexible benefits. According to the *Employee Benefits/Towers Watson Flexible benefits research 2014*, published in April, 41% of respondents send targeted messages to staff about flex. A further 25% have never tried segmentation, but are considering doing so.

> "The main driver behind segmentation for employers is staff retention"
>
> Nick MacDuff, Towers Watson

IF YOU READ NOTHING ELSE, READ THIS...

- **Segmentation of communications is an approach often used by retailers.**
- **41% of respondents to *Employee Benefits/ Towers Watson Flexible benefits research 2014* send targeted messages to staff.**
- **Segmentation can be done by age, job role, salary or demographic.**
- **A main driver of workforce segmentation for benefits purposes is to help staff retention and boost benefits take-up.**

Such targeted communications enable employers to promote the most appropriate benefits for different demographic groups.

Nick MacDuff, senior consultant at Towers Watson, says: "The main driver behind segmentation for employers is staff retention. It is about finding different ways to get messages across to a diverse workforce. But while employers are finding better ways to communicate benefits to enhance their value proposition, they should not put restrictions on those accessing certain benefits."

There are various ways of segmenting flexible benefits communications, for example by gender, age, location, salary, job role and whether an employee has dependants.

Alex Tullett, head of benefits strategy at Capita Employee Benefits, says: "Segmentation could go down to the level of looking at an individual's circumstances, how old they are, what are they working on, where they are [based] regionally, how much they earn and whether they are married and have children.

Blunt approach

"It is not about taking a blunt approach and saying whoever is generation X, Y or Z would be interested in life insurance, it is about going much deeper than that."

Capita's *Employee insights report 2014*, published in May, highlighted the fact that different employees want different things at different stages of their working life.

For example, if most of an organisation's staff are female and aged over 55, it may have little use for childcare vouchers. Similarly, an employer with a younger workforce might find a stronger preference for retail vouchers.

Capita's research, which surveyed 3,000 employees, found that 41% of those aged 16 to 24 preferred retail vouchers, compared with 29% of those aged 55 to 64. And while 46% of those aged 55 to 64 found critical illness appealing, only 29% of those aged 16 to 24 felt the same. Such findings can be used as the basis for targeted communications campaigns.

Once they have decided to segment their workforce to tailor benefits communications, employers must first research their workforce demographics. This involves identifying their employee base, what motivates them, and what they do and do not like.

A crucial step is for employers to ensure the data they hold is correct and up to date. Sadie Edwards, consultant at communications firm Shilling, says: "Data integrity is vital to ensure the right employees receive the right message. By getting to grips with data, employers can understand employees' habits and opinions about benefits, which increases engagement."

But segmentation is just the first step. Once a workforce has been segmented and divided into groups, employers must ensure their message content is relevant and that the

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appropriate communication channels are used.

Edwards adds: "We would recommend a mixed-methods approach to ensure each subgroup is communicated to in several ways."

Some online benefits portals can help employers target certain workforce populations and make communications more personal for each employee. The *Employee Benefits/Towers Watson Flexible benefits research 2014* found that emails are still the most popular communication method. Some 84% of respondents use emails to target communications around flexible benefits, followed by leaflets and brochures (34%) and online benefits portals (22%).

Capita's Tullett says: "What is interesting is that employees would still prefer paper information when they start a job so that it is something to hold on to. Employers then target communications quite quickly by using information from an online benefits portal, and send messages via mobile phones or emails."

When sending targeted communications to different groups of staff, employers should ensure the messages still appear personal to attract and keep employees' attention.

Richard Morgan, director of consultancy services at Vebnet, says: "Systems can get different tailored messages out to employees. These systems hold a lot of data about staff, they know which benefits have been selected, and who has been into the portal. Employers

CASE STUDY **BIBBY FINANCIAL SERVICES**

Staff respond to targeted approach

When Bibby Financial Services introduced flexible benefits in 2012, it struggled to communicate the scheme effectively to its 700 employees.

It over-communicated the launch by sending out messages to staff and repeated emails reminding them that the deadline to sign up to the flex scheme was looming, despite a number having already done so.

Following employee feedback, Bibby sent out targeted communications in 2013 and 2014 using a variety of methods, such as emails and text messages to staff with company mobiles.

Vicky Smith, HR project manager at Bibby, says: "In the first year, feedback showed we had overdone it. We started to send out communications before the enrolment window, but before it closed we sent out a reminder only to those employees that had not logged into the system and made an action. Staff liked that."

This year, Bibby's targeted communications strategy took a step further. It segmented employees according to those that had dependants, using data in the HR system. This enabled it to send targeted communications about childcare vouchers to employees with children.

"We did this because we felt this benefit was just not relevant to those that do not have

children," says Smith. "The targeted approach has really worked and we have been able to increase take-up in a number of areas of our flex scheme, including pensions."

Bibby's targeted approach to communications has also boosted employee participation in flex from 92% of the workforce in 2012 to 97.5% this year.

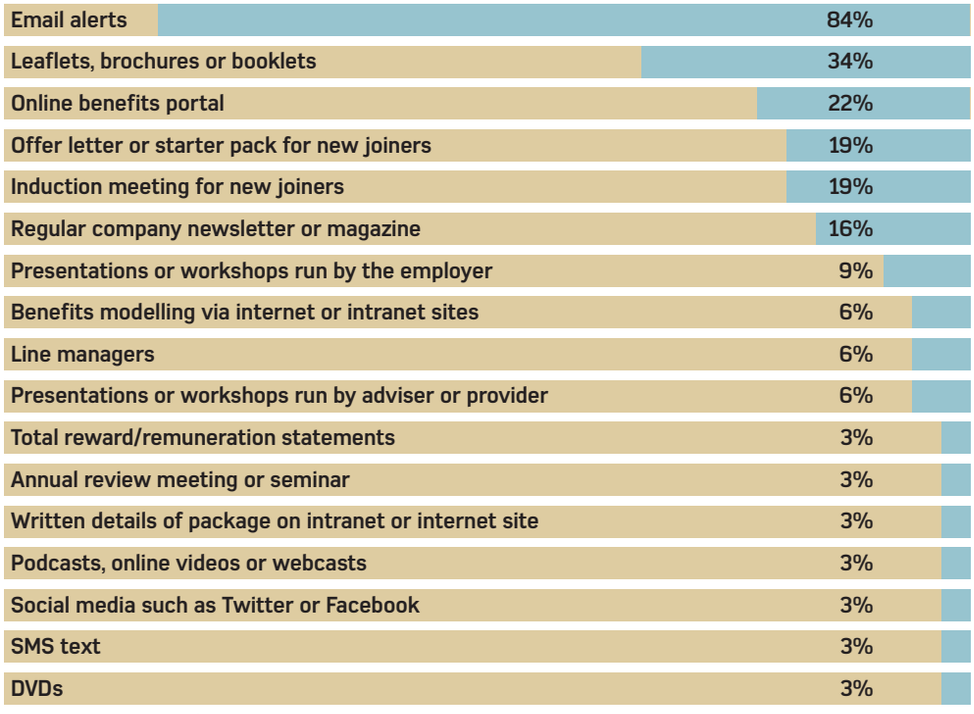
The organisation will continue to use a targeted approach, but will not go as far as to suggest benefits for particular employees.

Smith adds: "I do not believe it is HR's role to assume employees will like a benefit because they are in a certain job role, are a certain age, or are male or female. Being that judgemental could be discriminatory.

"But with the feedback we get, we are able to know what works for them and use targeted messages to those working in different fields. It is great when employees personally thank me, because I know that segmentation and targeted messages have worked."

BIBBY CREDIT TO COME

METHODS EMPLOYERS USE FOR TARGETED COMMUNICATIONS



Source: Employee Benefits/Towers Watson Flexible benefits research 2014

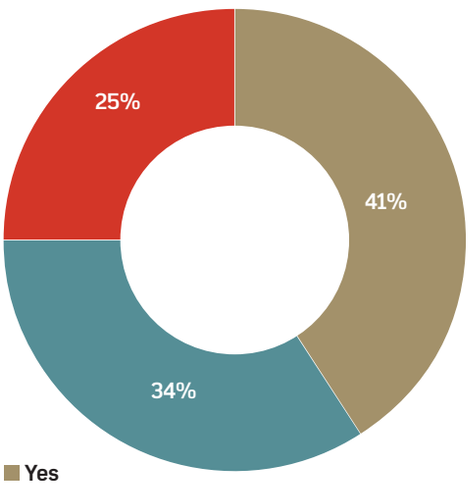
can then set up emails to target specific staff who have not been in the system, not selected their benefits, and so on.

"It is now about making it more personal. Segmenting and targeting communications can drive take-up rates for benefits that are relevant to certain employees."

This approach has been followed by a number of organisations. For example, when Bibby Financial Services (see box page 31) introduced targeted messages for flexible benefits in 2013, it saw take-up rise by 5%.

And when car manufacturer PSA Peugeot Citroen used segmented communications to encourage its staff to register for its online benefits portal, 72% did so within six months.

DO EMPLOYERS SEND TARGETED MESSAGES TO STAFF?



- Yes
- No, they have never tried this and never plan to
- No, they have never tried this but are considering it

Source: Employee Benefits/Towers Watson Flexible benefits research 2014

Key dialogue

But segmenting a workforce to provide tailored flexible benefits communication is not just about marketing the benefits available; it is also a key dialogue between an organisation and its employees. But employers should remember there is a fine line between being seen to be helpful and being invasive, says Shilling's Edwards.

"The real measure of success is not benefit take-up, it is greater employee understanding," she says. "Retailers have long used consumer marketing techniques to delve into our spending habits. But employers have to remember that employees are not their customers and they are not selling benefits to them. It is a conversation." EB

Robert Crawford is a reporter at *Employee Benefits*

@ Read also *Flexible benefits communications have improved at* bit.ly/1r5VFYs

Viewpoint

Ben Davis is content and community producer at Econsultancy (also part of Centaur Media, owner of *Employee Benefits*)

Why use segmentation?

It is fairly obvious why the segmentation of a database of contacts can be a smart idea. We are all different, and what motivates me might not motivate you.

Most pertinently, we differ in our behaviour. Communicating the same messages to lapsed customers, prospects, active buyers and your big spenders would be madness.

This thinking is not new, of course. Way before email, mail-order firms used the measures of recency, frequency and monetary value to determine who would be sent which letter or catalogue.

In the last 10 years, technology has enabled fairly sophisticated marketing automation. Segmented communication to customers is rules-based and can therefore be automated. If I leave an online checkout without buying, it can be followed up with a related email. If I am a new registrant, I could be sent a series of welcome emails depending on the information I have disclosed.

Even with anonymous users, tracking technology can personalise advertising across the web.

So, how to segment in workplace communications? Well, the general principles hold. What are your goals? What data do you have and what data do you need in order to target effectively? Is the data stored efficiently in one place and easy to use and update?

Remember, the more you segment, the more time you will spend setting up messages. But, over time, these templates can be accrued and used again, perhaps automated. In the end, there is no limit to how advanced you can be with segmentation. Start slowly with attributes you think will remain fairly stable over time. Then you can move on to the clever stuff.

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WINNING VOUCHERS

Motivational vouchers should be chosen carefully to suit each workforce, says **Robert Crawford**

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IF YOU READ NOTHING ELSE, READ THIS...

- **Employers should examine the demographics of their workforce to help decide on the right motivational vouchers.**
- **Employee communication campaigns or surveys can reveal what types of voucher are valued by employees.**
- **Once the vouchers are chosen, employers should aim to keep the campaign fresh.**

A motivational voucher scheme is a means of engaging staff when pay rises are few and far between. Voucher schemes allow employees to redeem rewards on the high street, use them for an experience day or to buy goods online.

With so much variety of vouchers available, employers should consider the demographics of their workforce to ensure they offer the most appropriate vouchers.

Mike Morgan, chief executive officer at PeopleValue, says: "Employers should look at the demographic of the workforce: is it predominantly young, or female; what generation are they? And then decide which vouchers are suitable."

Simplicity of administration and delivery, and the fact that there is no impact on payroll costs, further enhance the appeal of vouchers as a motivational tool.

A key tactic for employers is to offer staff maximum choice of vouchers, because the ability to decide how they spend their reward adds further motivational value.

Maximum choice

Kuljit Kaur, head of business development at the Voucher Shop, says: "Don't include vouchers that could be swept up in everyday life, such as supermarket vouchers to buy groceries. Employers should try to give maximum choice; it is the preferred thing to do.

"This lets staff that have been rewarded through some form of motivation strategy to do what they want with the reward."

Employers can find out what sparks the interest of their workforce by running a benefits communication campaign or an employee opinion survey.

Bill Alexander, chief executive officer at Red Letter Days, says: "I would recommend employers do surveys to get feedback. Picking lifestyle vouchers could be an easy solution that offers a mix to different demographics."

Vicki Twigg, HR business partner for reward at construction firm Speedy Hire, says simplicity is also important when providing motivational vouchers. The organisation hands out more than 800 vouchers to staff each year.

"Employers need to shop around for providers because it can be hard to get vouchers delivered immediately," she says. "Employees don't want to wait for the reward; the impact of motivation would have gone by then.

Value for money

"Simplicity is key, as well as value for money. Employees don't want something they cannot spend, and minimal amounts such as £10 simply will not motivate staff. Employees want something they can use and is of value."

> "Employees want something they can use and is of value"
>
> Vicki Twigg, Speedy Hire

Andrew Sellers, development manager of corporate sales at the John Lewis Partnership, says choosing the right motivation vouchers can improve productivity across a business, with employees becoming motivated when they hear about colleagues' rewards.

"I don't think employees get motivated ahead of a reward," he says. "The impact is back in the workplace after employees have gone away and purchased goods with their motivational vouchers.

"Staff communicate back in the workplace and this spreads the word that the £250 voucher was not spent on bills, but on something else, something for themselves. This is the message most employers are trying to achieve."

Once an employer chooses the right vouchers, it is then about keeping the scheme fresh, adding new ideas each year, says Red Letter Days' Alexander. "Employers could also add in other small benefits, such as a leave-early day, a duvet day or an extra day's holiday, to spice up the motivation."

Selecting the right vouchers builds long-term staff motivation, but the gift element is only the start. PeopleValue's Morgan adds: "It's about creating a motivated, happy workforce, and the reward is only part of this. A happy workforce is a productive workforce." EB

@ Read also *How to motivate lower-paid staff in high-pay cultures* at: bit.ly/NTvjdK

THE ECONOMY DRIVE

Employers are keen to reduce their fleet running costs. **Robert Crawford** offers seven top tips

Organisations running company car schemes are under constant pressure to keep costs down and identify savings. There are some key areas in which savings can be made, and here are seven top tips.

1. Choose cars carefully

Choosing the right cars to offer employees is one factor that can save on running costs. Taking a car's tax status into account before offering it can also help.

HM Revenue and Customs (HMRC) bases the tax paid on a car on three factors: the car's list price plus any accessories, its carbon dioxide (CO_2) emissions, and the fuel type.

The benefit-in-kind (BIK) tax rate is lower for cleaner cars, to encourage take-up of cars that are less damaging to the environment.

Employers should also be aware of the contract details, which could include an early termination fee to be paid by the employee and there is a significant risk for employers too. Depending on the size of the early termination charge, an employer may be left with a shortfall to cover for the termination cost.

Alan Hillier, marketing and data leader at Pendragon Contracts, says: "Choose a car that is suitable for an employee's lifestyle in three years' time but, in the selection process, employers should pay close attention to the contractual details relating to causes for early termination of contracts, or excess mileage."

2. Introduce an emissions cap

Cars with lower CO_2 emissions are more cost-effective, particularly when offered via a salary sacrifice arrangement. This enables employees to save tax and national insurance (NI) on the portion of salary sacrificed.

Although the car is liable for BIK, the tax and NI savings will outweigh the BIK contributions. Employers will also benefit from reduced class 1A NI contributions.

IF YOU READ NOTHING ELSE, READ THIS...

- **Savings can be made by choosing the right cars to offer employees.**
- **Fuel is the biggest area for savings.**
- **Car telematics can monitor how employees drive.**
- **Driver training can teach staff techniques that can save costs such as fuel.**

Keith Allen, managing director at ARI Fleet, says: "The level of CO_2 is a major issue to keep car running costs low. Employers could think about introducing a cap at 130g/km. Staff should always go for low-emitting cars, which now also have improved performance. Low-CO_2 cars are also better for fuel consumption. Electric cars are another option."

Roddy Graham, chairman of the Institute of Car Fleet Management, adds: "Employees can enjoy the use of a more fuel-efficient, low-CO_2, fully serviced and maintained new car for the

POTENTIAL SAVINGS ON A CAR'S FUEL CONSUMPTION

Source: Admiral

THINKSTOCK

CASE STUDY **ASDA**

Car scheme works out cheaper than cash allowance

Asda introduced a company car scheme in 2011, encouraging staff to take up the scheme rather than receive a cash allowance to use their own cars.

The retailer has more than 150,000 staff and introducing the scheme, provided by Zenith, has helped it and its employees to save on car running costs.

To date, Asda has saved about £6,000 per company car compared to the cost of providing a cash allowance. Savings are made on fuel, insurance and maintenance costs.

Jane Earnshaw, senior director of reward at Asda, says: "The savings we have made on running costs have enabled us to put money back into the car scheme."

Asda has worked to raise staff awareness of how to make savings on car running costs, including the use of a cash calculator to show employees where savings can be made.

"There is a lot of information available on things such as fuel, to make sure the car is sustained for fuel economy, as well as on tyres, and other simple tips," says Earnshaw. "Employees also get a reminder when the car needs servicing.

Asda has also set up a risk committee, with representatives from across the organisation, which meets regularly to raise the awareness about, and the cost implications of, accidents.

Jane Earnshaw will speak at Employee Benefits Live, which will take place on 24 and 25 September 2014 at Olympia, London.

fixed period, with comprehensive insurance provided by their employer."

3. Use in-car technology

Most cars are now fitted with technology that aids their efficiency, helping to save money on running costs. For example, switching on the eco-driving system can make a significant difference to fuel economy.

Nigel Trotman, strategic fleet consultant at Alphabet, says: "If employees use a car's technology, it can make a real difference, whether they are driving on business or private mileage."

> "If employees use a car's technology, it can make a real difference"
>
> Nigel Trotman, Alphabet

4. Use telematics

Telematics can enable employers to monitor the location, movement, speed and behaviour of a car. It uses satellites to track a car's movements, displaying the results with computerised mapping software.

Driver monitoring can also flag up potentially hazardous behaviour, which can be acted upon to reduce the likelihood of accidents and also keep the car in better condition.

Alphabet's Trotman says: "This can show how a car is being driven and helps keep costs down, but it only works if everyone is prepared to use it. It might be seen as a big no-no with unions, and staff may feel they are being spied on. But it can have a knock-on effect on driver safety and fuel economy."

5. Review fuel policy

Reviewing fuel policy could result in significant savings for an organisation. Firstly, employers can ensure staff buy fuel from the cheapest forecourts, which would restrict spend.

Tools such as a fuel finder can help staff find the cheapest places for fuel and enable drivers to make decisions to reduce car running costs.

Another tactic is to educate staff about the impact of speed on fuel costs. The faster a car is driven, the greater its fuel consumption and the pollution it causes. Driving at 70mph uses up to 9% more fuel than driving at 60mph and up to 15% more than driving at 50mph. Cruising at 80mph can use up to 25% more fuel than travelling at 70mph.

6. Use fuel cards

Fuel cards can also save employers money by reducing administration costs. For example, employers that do not use fuel cards are likely to have a pay-and-reclaim system in place, which increases the administration time to process each claim, repay the employee, get sign-off and file the records for tax purposes.

A fuel card minimises administration by using a single data report with one invoice for all staff and their journeys, which are prepared to be HMRC-compliant for reclaiming VAT. It can also reduce the risk of fraud and misuse by ensuring accurate recording of business and personal mileage for HMRC reporting.

Brian Flood, vice-president at AllStar, says: "Fuel cards can cut fleet running costs through lower fuel prices at pumps, savings due to limiting purchases, reducing administration and reducing possible fraudulent reporting. They are a massive time-saver for employers."

7. Introduce driver training

Driver training can teach staff how to drive effectively and highlight what they can do to reduce car running costs, such as being aware of correct tyre pressures, which can reduce fuel consumption and minimise tyre damage.

Training can also include how to check oil and coolant levels, as well as simple driving tips such as opening a window when driving at 35mph or below. At lower speeds, this can be more fuel-efficient than using air-conditioning, says Pendragon Contracts's Hillier. But at higher speeds, the reverse is true.

Employees could also be instructed not to carry unnecessary weight in the car, which can also increase fuel consumption.

Training can also make staff more aware of the car itself, encouraging them to take care of it as if it was their own. Most car schemes are provided on a fully maintained, fully serviced basis, but it is still down to the driver to be proactive about looking after the car.

Lex Autolease's Hodgson says: "Services are provided by car providers, but the driver has to make it happen. It is about making sure the car is maintained, that tyre pressures are correct, and that everything follows manufacturers' recommendations. Employers could notify drivers about when a car needs to be checked, but staff still have to be proactive." EB

Robert Crawford is a reporter at *Employee Benefits*

@ Read also *Summer driving tips for employees* at *bit.ly/1lD1uao*

Specialists add significant value

Sole supply may be easy to manage, but multi supply delivers efficiency – that's a key message from Fleet Operations, the UK-based international fleet management and consultancy firm.

Supporting businesses with independent advice and helping them make long-term fleet savings, Fleet Operations has a track record for saving organisations millions of pounds with its services - whether project consultancy, supporting in-house fleet management teams or full outsourcing.

"One of the best ways that companies can operate cost effectively is to have a continuously competing environment," said Fleet Operations' chief executive Ross Jackson.

"In the last year, we have saved customers more than £6 million through our managed multi-bid service where we tender to the market and manage the service provision from a range of the best suppliers for our clients' organisations."

Fleet Operations' proven track record is supported by a market trend of seeking greater savings in fleet-related goods and services because, said Mr Jackson: "Businesses are tasked to reduce costs and most realise that no single organisation has the best price, for every product in every market on every day. Reducing costs takes continuous effort and focus.

"This isn't to say that sole supply doesn't work – it can work very well for some businesses and there are some great leasing companies delivering true customer value.

"But price isn't everything and – always a high agenda item for us - the emphasis on relationships and ongoing service must be right."

However, getting procurement "right" is no longer a one-day exercise every three or four years, but a continuous process.

Tony Ritchings
Group Procurement Director,
PHS Group PLC

"Transforming a good fleet operation into a great fleet operation takes time, skill and patience," said Mr Jackson. "Our role is to work with organisations, procurement departments and fleet managers to maximize efficiency and cost reduction opportunities operationally and commercially."

Fleet Operations saves businesses millions of pounds

"We use our considerable market knowledge to create a base line and seek realistically deliverable savings on a client by client basis." said Mr Jackson.

This year Fleet Operations has identified millions of pounds of potential savings for PHS Group plc, the leading workplace services provider, by advising it to adopt revised fleet strategies in key areas.

PHS operates a 2,700-strong fleet of cars and commercial vehicles and Group director of procurement Tony Ritchings said: "Fleet Operations undertook a root and branch review of our operation and procurement practices to support our view of where financial efficiencies could be achieved.

> **"We selected Fleet Operations on a consulting assignment due to its reputation as fleet subject matter experts.**

"It identified significant savings and operational efficiencies through a number of channels including improvements to vehicle purchasing, fuel purchases, vehicle usage, operational efficiencies and greater use of telematics. That has proved hugely supportive to our existing fleet department.

"This project was not about outsourcing." said Mr Ritchings, "It was about an honest 'state of the nation' appraisal and the right answer for PHS. The work has enabled PHS to rapidly make decisions that are right for our business, delivering improved support and potentially major savings and efficiencies."

Sean Gallivan, procurement lead for the UK division of Japan Tobacco International (JTI) which operates over 600 company cars, has worked with Fleet Operations for three years and calculates that Fleet Operations has delivered "significant financial savings".

He said: "We brought Fleet Operations in to consult on a policy review, but that expanded into a detailed analysis of our entire fleet operation.

Sean Gallivan
Procurement Lead, JTI

"We wanted every aspect of our operation analysed, challenged and benchmarked against best practice.

"We thought our existing fleet management processes were good and that value for money was being obtained, but we wanted to check.

> **"Fleet Operations' expertise and knowledge has been instrumental in helping shape and redefine our entire fleet operation and has delivered significant efficiencies. Our fleet policies and procedures were embedded in the business. Fleet Operations identified areas that needed change."**

Mr Jackson concluded: "With our support, businesses can see in great detail where costs are moving and then look to make further financial savings and influence driver behaviour to deliver efficiency improvements. Good procurement is a continuous process of improvement."

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DOORS TO SUCCESS

What are the secrets to success for an employee benefits online portal? **Nick Martindale** highlights eight key factors for employers to consider

Constant advances in technology mean that selecting the right employee benefits portal for a workforce can be like trying to hit a moving target. But getting the right design and functionality can be crucial to a portal's success or failure. Here are some questions for employers to consider.

1 What does the portal need to achieve?

A good starting point for employers is to work out what they want to achieve, says Matt Duffy, head of online consultancy at Lorica Employee Benefits. "Look at issues such as which benefits will be communicated on the platform and whether you want to create a new benefits or reward brand," he says. "Are there different types of audience and, if so, do there need to be different messages?"

2 Can it provide enough information?

Any portal should provide detailed information about the benefits employees receive, as well as those they have yet to take up, says John Woodward, chief executive of Busy Bees Benefits. "This is important because it takes account of major changes in an employee's working life, such as buying a car, starting a family or planning for later life," he says.

3 Which modelling tools does the workforce need?

Modelling tools will enable employees to see the impact benefits could have on their financial situation in the short and long term, including salary sacrifice, workplace individual savings accounts (Isas) and pensions. Daniela Aramu, head of user experience at Thomsons Online Benefits, says: "This is of particular importance for young or highly transient workforces that either tend not to plan for the long term or move between employers with radically different offerings. But any tool has to be relevant and easy to relate to. Modelling tools should vary based on the type of benefit, and allow for personalisation by the employee."

4 What extra functionality could be useful?

Some employers use portals to offer staff extra functionality beyond the benefits package, giving them more reason to access the portal. Chris Brooks, a director at Symatrix, says: "One of our customers even has a capability for crew members to buy, sell and swap shifts on their portal, making it a collaborative tool and empowering those employees."

5 Is it mobile-enabled?

Any portal will need to offer access from a range of mobile devices, such as smartphones and tablets. Derek Irvine, vice-president of client strategy and consulting at Globoforce, says: "Most of today's workers will have some form of mobile device, and many will have more than one. Without mobile access, organisations are limiting the effectiveness of any benefits programme, both now and in the future."

6 How can it be communicated?

Communication should be part of any portal project, to promote both the benefits on offer and the portal itself. Girish Menezes, a principal at Xerox, says the key is to identify what works best for staff, including the use of focus groups to understand individual preferences. "Raising awareness and usage of the portal is relatively simple in an office environment where staff have immediate email and web access," he says. "But this is far more difficult in stores, factories and for field forces. Here, ingenuity is required to connect with employees cost-effectively, perhaps using desk drops, posters and roadshows."

7 How do different providers' offerings compare?

It is worth taking time to explore the options available from different providers. Thomsons Online Benefits' Aramu says: "There are many differences in online portals, the most significant being adoption of the latest technology and the quality of the user experience. With employees becoming more tech-savvy, providing a consumer-grade experience, designed in HTML5 and being device-agnostic, has become integral to keeping a benefits platform in line with employees' online expectations."

8 Do you get on well with the provider's team and culture?

Beyond the technology, a cultural fit is also important, says Lorica's Duffy. "It's about the individuals you are going to work with and their ability to deliver not only the technology, but also the scheme design, project management, communication expertise and administration services," he says. "Meet them, spend time with them and go to their office. Understand their thinking and make sure it aligns with yours." EB

@ Read also *Developments in benefits apps and modellers* at bit.ly/1itBqyp

MAKING LIFE SWEETER

Head of reward Henk Verhoek has reshaped British Sugar's previously disjointed benefits into a total reward offering that staff enjoy, says **Jennifer Paterson**

When British Sugar's head of reward, Henk Verhoek, joined the organisation in March 2013, he brought with him a mantra: reward is more than pay. He had already introduced this concept at two previous employers, expanding each reward function from a payroll-focused, operational role to encompass total reward.

"Pay is very important and it has to be on an acceptable level, but there are so many other things that are also important to people," says Verhoek. "I always look at total reward in four sections: variable pay, the benefits, learning and development opportunities, and what we offer as an organisation."

When Verhoek asked British Sugar's directors and senior managers about their perceptions of pay and benefits within the organisation, he received three main responses: 'We don't have any benefits', 'We have benefits, but I don't understand what they are', and 'I know we have benefits, but it's such a hassle to get access to them'.

Historically, British Sugar has offered its staff a range of benefits, but these were disjointed and administered via paper forms. Those perks fit into the traditional definition of voluntary benefits, although Verhoek does not think such categorisation is necessary.

"I wouldn't say we have flexible benefits, but we have benefits that are flexible," he says. "My perception of flexible benefits is the strong connotation of a heavy administrative burden. I wanted to create something that is low-maintenance but easy to access."

British Sugar produces a million tonnes of sugar and 500,000 tonnes of animal feed from sugar beet each year

Online portal

The organisation launched an online benefits portal called My Staff Shop, provided by Gee7, in November 2013. This brought all its benefits into one place for the first time. Employee can access the portal at work or at home, 24 hours a day, seven days a week, through computers, tablets and mobile devices.

British Sugar held an on-site benefits fair at its Peterborough head office to launch the scheme. It also gave face-to-face presentations about the portal and all the benefits it includes at each of its four factories. It will continue to communicate the benefits using targeted emails and campaigns.

"We have take-up of 60%," says Verhoek. "We will keep focusing on the remaining 40%. If we help people to understand how good

CAREER PROFILE

Henk Verhoek has been head of reward at British Sugar and AB Sugar since March 2013.

He previously held various roles at Inchcape Shipping Services, including head of global reward and group compensation and benefits manager. He has also been global compensation and benefits manager at Wilhelmsen Maritime Services and held a range of HR roles at Unitor Ships Service.

At Inchcape and Wilhelmsen, Verhoek built the global reward function from scratch. He says: "Reward was not on the agenda. HR was a very operational role, and the organisation wanted to have a more strategic approach to reward, HR and benefits.

"I basically built the whole reward function from being a very operational, payroll-related role to a strategic function within those organisations, so introducing total reward thinking. I am quite proud of leaving that as a legacy in those organisations."

Verhoek is taking the same approach at British Sugar. "What I'm proud of at British Sugar is making the reward function visible," he says. "I am a true believer in personal contact, speaking with people, doing presentations at the factories and helping employees to understand what the benefits can do for them."

Before embarking on a career in reward, Verhoek spent 15 years working in finance and auditing at Steens and Partners and EY.

the benefits are, they will pick up on it."

The organisation also carries out an employee engagement survey every two years, the first of which took place in 2011. Since then, it has seen a rise in staff engagement from 74% in 2011 to 76% in 2013. It has also seen a 3% rise in the number of employees completing the engagement survey. Satisfaction scores around the working environment, and performance and recognition have also increased. Verhoek adds: "I think that is mainly because we have been focusing on taking actions from the engagement survey.

"We thought that was very important. It is the voice of the employees. We listen to them and see what we can actually do to accommodate their needs."

BUSINESS CHALLENGES

- The European sugar quota system, which legislates how much sugar is produced each year, will be scrapped in September 2017, opening up the market to more competition.
- Negative media coverage about sugar.
- The fall of sugar prices over the past year.

Total reward

British Sugar will continue to respond to employee feedback as it develops its total reward proposition. For instance, it currently offers only senior and middle managers, about half of its employees, access to an employer-paid private medical insurance (PMI) scheme, while the rest of the workforce has the option to purchase PMI via an employee-paid scheme.

"We are looking at making the PMI offering more flexible," says Verhoek. "It's part of my philosophy on benefits.

"What we want to create is a suite of benefits where there is something for everyone. We recognise that people are at different stages of their lives. For some, childcare vouchers might be very important. For others, it might be things like PMI or the bikes-for-work scheme."

Verhoek's definition of total reward is all the things an employer offers that employees do not really think about. "It goes beyond the monetary bit and looks at things people get real satisfaction from, such as career development, personal development and working in a safe place," he says.

"I focus on all the different elements, which also helps me interact with all the other parts of the business. It needs to resonate with everyone in the organisation.

"We have to think of reward as a whole. The strategy is really looking at where we are today and where we need to go into the future. That has to be strongly aligned with other activities in the organisation.

"We have the HR strategy, which is about British Sugar being a great place to work, as well as looking at the business strategy and making sure it is all aligned, that nothing stands on its own." EB

Henk Verhoek will speak at Employee Benefits Live, which will take place on 24 and 25 September 2014 at Olympia, London.

Jennifer Paterson is senior reporter at *Employee Benefits*

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British Sugar has four sugar-beet factories in East Anglia

THE BENEFITS

Pension

- Trust-based defined contribution scheme, with employer-matched contributions up to a maximum of 10%.
- From February 2013, all non-pension members are being auto-enrolled at contribution levels of 4% for both employee and employer.
- Legacy defined benefit pension schemes.

Healthcare

- Employer-paid private medical insurance (PMI) scheme available for senior and middle managers, which make up about 50% of staff.
- Employee-paid PMI scheme for the rest of the workforce.
- Employee assistance programme.

Company cars

- Company car or car allowance for senior managers.
- Job-need cars for some staff.

Other benefits

- Childcare vouchers.
- Bikes-for-work scheme.
- Retail discounts.
- On-site staff shop for discounted ABF products.
- Payroll-giving scheme.
- Employer-matched charitable donations.
- Recognition programme.
- Social and sports clubs for factory employees.

BRITISH SUGAR AT A GLANCE

British Sugar has four sugar-beet factories in East Anglia which produce more than a million tonnes of sugar a year. It is part of AB Sugar, which is wholly owned by Associated British Foods (ABF), which also owns brands such as Primark and Twinings.

British Sugar's first factory was built in Cantley, Norfolk, in 1912. The organisation was owned by the government until 1981, when it began trading as a private company.

It was bought by ABF in 1991.

With a focus on taking an integrated approach to manufacturing, British Sugar also produces 500,000 tonnes of animal feed from sugar beet pulp; recycles stones, lime and soil for landscaping; exports enough heat and power from its factories to power 160,000 homes; and uses carbon dioxide and water from the sugar manufacturing process to grow about 140 million tomatoes a year.

It has 1,200 permanent employees and takes on an additional 300 to 500 casual workers during the sugar-manufacturing season between September and March. The average age of staff is 42 and the average length of service is 11 years.

PRODUCT FILE

HEALTH SCREENING

Health checks and screening can give early warning of any health problems among staff, says **Barbara Cockburn**

Health screening can be an effective part of any employer's health and wellbeing strategy.

In a world of increasing pressure in the workplace, more employees are taking time off to deal with stress and illness. Health screening can therefore be a useful tool for employers to gain an insight into employees' current wellbeing and to promote health awareness among the workforce.

Health screening can be offered as part of a flexible benefits scheme, free with an employer's medical insurance scheme or as a standalone benefit.

Online health risk assessments are offered free through some medical insurance schemes and health cash plans, and the National Health Service recently rolled out free health checks for people aged 40-74 in England.

Health checks and screenings aim to reduce the risk of staff developing disorders such as diabetes, stroke, heart disease and kidney disease, and can recommend lifestyle changes.

Screening can be provided on-site or at a provider's premises. Screening can help to identify potential health problems at an early stage, so steps can be taken to reduce the problem. This makes it a valued perk among staff.

Although the results of a health screening are confidential, general anonymised feedback can enable employers to shape health initiatives. For example, if a health screening reveals that a lot of staff are overweight and have poor diets, an employer could help turn this around by introducing a healthy-eating campaign.

The opportunity for early intervention also has benefits for employers. Having a healthier workforce improves productivity and engagement and helps to reduce health insurance claims.

Screening costs

The cost of screening depends on how comprehensive it is. Some providers offer assessments starting at £35 per employee, but these tend to cover only basic checks, such as height and weight, blood pressure and cholesterol.

Comprehensive assessments will include more in-depth and tailored tests, such as a prostate check for men aged over 50 or a cervical smear and breast examination for women, can cost between £250 and £500. Higher-end health screenings, such as those often provided to executives, can cost £600-plus.

Health screening also has tax advantages. As long as employees receive no more than one screening a year, it is not classed as a benefit in kind and there is no tax or national insurance liability.

Some plans include an employee contribution towards health screening, and employers can help staff with the cost by offering a health cash plan. The downside of this is that there may be a low take-up rate.

In the past, many employers would provide health screening only to senior executives, but some are now seeing the benefits of providing health checks or screening for most of their workforce. This is made possible through cheaper options, for example involving only blood pressure and glucose testing for diabetes. The employee will receive a report and be given advice.

Employers must also consider how often to provide screenings. Some like to offer an annual test to staff considered more at risk, such as those aged over 40, or to senior executives, but most employers will make screenings available every two years or so.

STATISTICS

28% of employers believe it is their duty of care to encourage staff to have health screenings

23% of employers offer their staff health screening, a similar number to the 26% that did so in 2002

Source: Employee Benefits Healthcare research 2013, June 2013

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The facts

What is health screening?
Corporate health screening is a range of assessments that can help identify health risks. This can help to safeguard employees' health by identifying potential health issues that may benefit from early intervention.

Where can employers get more information?
Information on screening and tests that are recommended for employees at different ages can be found on the NHS website at *www.screening.nhs.uk/screeninginfo*
Health screening suppliers can be found at *bit.ly/1mzdOwg*

Who are the main providers?
Axa PPP Healthcare, Benenden, Blossoms Healthcare, Bluecrest Health Screening, BMI Healthcare, Bupa, Business and Health Consultancy, Cigna, Co-Health, Corazon Health, CS Healthcare, Healthy Performance, Health Shield, iHealth, Life Line Screening, Lifescan, Medicash, Medichecks, New Leaf Health, Nuffield Health, Prescan, Preventicum, Pru Health, Randox Health, Relaxa, Screenetics, Serco ASP ToHealth, Wellbeing People, Westfield Health, Working Health.

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More DC choice calls for more guidance

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WEALTH at work

KNOWLEDGE | EXPERIENCE | OPPORTUNITY

Radical changes to the retirement options for members of DC pension schemes have heightened the importance of employers offering quality financial education, says **Jonathan Watts-Lay**

The 2014 Budget changed the face of retirement options for members of defined contribution (DC) pension schemes, with perhaps the most radical pension proposals of our lifetime.

The changes have far-reaching consequences for employers, employees and pension trustees alike and introduce a level of flexibility and choice in a way that DC pension schemes have not previously seen.

It is proposed that from April 2015, there will be no restrictions on how savings from DC pension schemes can be taken from age 55, rising to 57 in 2028 when the state pension will be 67. Of course, other than tax-free cash allowances, it will still be treated as income however it is taken, and marginal rates of tax will apply.

Before then, and until the Finance Act receives Royal Assent, interim changes to pension regulations are already in force, which affect the choices individuals have, giving them more to consider.

Those that want to purchase an annuity or take income drawdown will still be able to do so. However, the ability to take entire DC pension funds as a cash payment from next year brings more complexity and risk to the decision-making process.

Removing restrictions

Removing the majority of restrictions for pension savings, and the compulsion to purchase an annuity for DC members has made room for a new compulsion: for providers and trustees of occupational DC schemes to provide a 'guidance guarantee' for pension savers when they come to retirement, supporting and encouraging them to make informed decisions that best suit their individual needs.

This will have a significant impact on what pension savers actually do with their money and how employers, pension scheme providers and pension trustees help them make wise decisions that last throughout their retirement.

The proposals detailed in the Treasury's consultation document *Freedom and Choice in Pensions*, published in March, outline a future where flexibility and choice is available to all DC pension savers over the age of 55, but they also recognise that with freedom and flexibility comes additional complexity and that offering choice alone is not enough.

While there is much to consult upon before the rules around this are agreed and pass into law, it is clearly outlined that this guidance will be free and impartial and will include the right to face-to-face guidance with an expectation that individuals will then be able to make confident and informed decisions.

DC code of conduct

Before the Budget, in November last year, and in recognition of the need to provide more support and guidance to employees in the lead-up to retirement, The Pensions Regulator issued a new DC code of conduct and supporting guidance outlining a blueprint for trustees to provide a retirement journey that would result in better retirement outcomes for employees. Providing financial education about retirement options and access to guidance and advice at the point of retirement were central to this.

In our many years' experience, we believe that delivering financial education, guidance and advice to employees in the lead-up to retirement is essential and we welcome the new proposals. But giving employees more choice and flexibility is just the first step. Employers now need to ensure there is greater understanding and that employees are making informed decisions.

By ensuring staff go through a process of learning and are properly guided to make good financial choices, we should eradicate much of the confusion that many seem to have, leading to a more prosperous life in retirement.

Jonathan Watts-Lay is a director at Wealth At Work

PRODUCT FILE

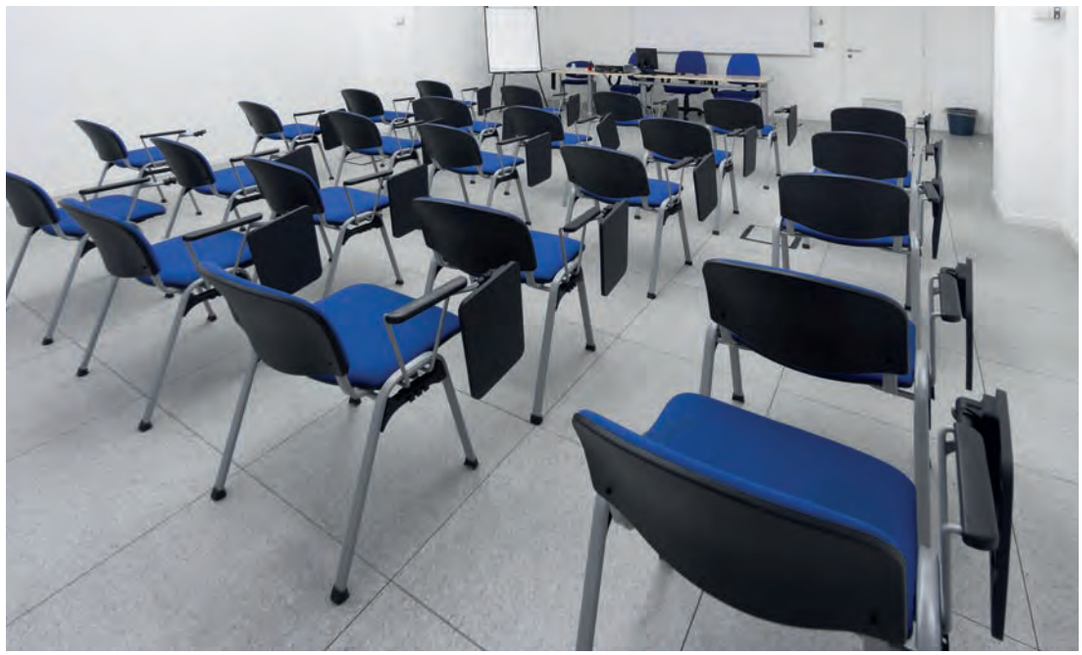
FINANCIAL EDUCATION

Pension changes are making workplace financial education more important than ever, says **Alison Coleman**

Workplace financial education has always been valued by employees, and with the arrival of pensions auto-enrolment and Chancellor George Osborne's Budget announcement in March of changes to pension rules, education is likely to become more valuable than ever.

A well-designed financial education programme can help staff improve their financial literacy and understand how such changes might affect their own financial situation, as well as generally learn how to make their pay go further.

Money worries have been a major cause of stress and anxiety for employees throughout the recession, and even now, with economic recovery beginning, many people are still struggling to make ends meet.



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Financial problems

According to a YouGov survey of employees, *Financial wellbeing: The last taboo in the workplace*, published in May 2014, conducted on behalf of Barclays Corporate and Employer Solutions and Barclays Workplace Banking, one-fifth say their personal financial problems have interfered with their work.

More tellingly, the report revealed a significant disconnect between employees and employers on this subject, with more than two-thirds (69%) of employers believing staff feel their employer is concerned about their financial wellbeing, but only one in 10 (10%) employees believing this.

Meanwhile, the Chartered Institute of Personnel and Development (CIPD)'s summer 2012 *Employee outlook focus*, based on a survey of more than 2,000 staff, found that three-quarters (73%) said their employer offered them no financial support or advice to help them understand and manage their finances better. Although only 16.9% of employers offered financial education to their employees, more than half (53.4%) offered access to debt advice, counselling or guidance.

However, with measures announced in the 2014 Budget giving defined contribution (DC) pension scheme members greater flexibility at retirement, and government calls to employers and the pensions industry to ensure employees are educated about their retirement options going forward, there is a compelling business case to implement a financial education programme.

These programmes typically provide guidance about financial benefits, including pensions, share schemes and individual savings accounts (Isas).

One option for employers is to appoint a financial education provider or independent financial adviser to provide guidance in the form of workshops that can cover a range of topics that are relevant to their particular workforce.

A further option is for employers to segment their workforce and organise tailored workshops for different employee groups to optimise the effectiveness of the programme. For example, debt management workshops could be targeted at younger staff who may be struggling with student debt.

Workforce needs

Employers that want to offer a financial education programme should first consider the needs of their workforce and then the basis on which they are prepared to offer guidance. Do they want to work exclusively with one provider or share the workload among several providers that offer different financial specialisms?

The research analysis used for the abovementioned Barclays

STATISTICS

69% **of employers believe staff feel their organisation is concerned about their financial wellbeing, but only 10% of employees actually think this is the case**
Barclays Corporate and Employer Solutions

63% **believe pre-retirement education needs improving**
Equiniti, June 2014

14% **offer financial education as a core benefit to all employees**
Employee Benefits' Benefits Research, May 2014

PRODUCT FILE

report applied financial health segmentation to survey respondents. This found that a significant number of employees would benefit from greater employer support in managing their day-to-day finances, as well as education about the advantages of measures such as a savings buffer.

It identified four financial health categories: comfortable, coasting, balancing and slipping. Based on this segmentation, more than half (59%) of respondents were found to be in the 'balancing' category, focusing on managing their current financial situation rather than saving for the future. More than one in 10 (11%) respondents, meanwhile, fell into the 'slipping' category, which means they have no savings and regularly spend more than they earn.

Targeted programmes

Once employers have identified which groups exist in their workforce, they can then target education programmes.

Following the sweeping Budget changes to the way employees will access their pension funds, the government has also guaranteed that everyone who retires in a DC pension will be offered free, impartial, face-to-face advice about their choices at the point of retirement.

It is not yet clear how this guidance will be delivered, although the government will provide £20 million over the next two years to develop the initiative.

Pension providers and trust-based pension schemes will both have a new legal duty to offer this 'guidance guarantee'.

Providers and trust-based schemes will also be required to ensure the guidance given follows a set of robust standards, which will focus on helping DC members to understand the choices available to them at retirement, engage with products and providers confidently, and access professional independent financial advice.

However, the extent to which many employees are unaware of the changes and what these will mean for their personal situation has been identified in a number of polls carried out since the Budget.

For example, research published by MetLife in May found that more than one in three employees approaching retirement were unaware of the Budget pension reforms, and that 35% are either unaware or unsure about the pensions overhaul due in April 2015, which will enable retirement savers in DC schemes to access their money however and whenever they like from age 55.

A survey by Capita Employee Benefits, also in May, found that a quarter (28%) of employees in workplace DC pension schemes have no idea how much their pension is worth. Also, more than half (54%) do not know how much they need to save for their retirement. A similar proportion feel pensions jargon makes retirement planning harder, and 48% say they would be more likely to save into a pension if they understood how it worked.

Not engaged

These surveys show that many employees are not actively engaged with their pension, so there is a need for some form of help and support to make sense of their retirement funds and how to plan for this life event.

However, financial education does not always come cheap, which makes provision challenging, particularly for smaller employers.

Some organisations are minimising cost by offering financial advice on a voluntary basis, while others offer employer-funded advice to those most in need, such as retirees. Others target only senior managers and executives by providing financial advice offered by an independent financial adviser (IFA).

But employers must remember that financial advice must only be given to employees by a registered financial adviser.

The retail distribution review (RDR), introduced in January 2013, was aimed at preventing intermediaries from making biased product recommendations based on the providers that pay the most commission.

This means that financial advice and education from IFAs and benefits consultants is now charged on a fee, rather than commission, basis, which may deter some employers from making a long-term commitment to financial education.

The facts

What is financial education?
Workplace financial education involves employers, or a third-party provider, educating employees about financial benefits, such as pensions and share plans, but it can also include individual savings accounts (Isas) and tax planning, and how to use these perks to optimise their financial wellbeing.

Financial education can be delivered to staff through one-to-one sessions and group workshops, and covers a range of topics, such as investment guidance and retirement planning. Online programmes can also be arranged, using webinars and video-conferencing technologies, such as Skype and Google Hangouts.

What are the origins of financial education?
Financial education programmes first began to emerge in the 1970s, triggered by mass redundancies, when many long-serving employees received sizeable lump-sum payments and needed some financial guidance on how best to use their redundancy packages. Initially, this focused mainly on pensions before evolving into the much broader offerings seen today.

Where can employers get more information?
More information is available through Employee Benefits' financial education channel at: *bit.ly/1kXeOYs*

What are the legal implications?
Employers are prohibited from giving financial advice. Only Financial Conduct Authority-registered advisers can do so.

What are the costs involved?
A financial education programme can be expensive for employers, although costs will vary depending on an employer's size and the provider it chooses. Prices can start from less than £1 per employee per year.

What are the tax issues?
HM Revenue and Customs regards individual financial education as a benefit in kind, with the tax charged generally on the cost to the employer providing the benefit. There are exceptions, for example for pensions advice costing below £150 per employee per year.

What is the annual spend on financial education?
No official figures are available on the annual spend on financial education, but employers can spend as much as £3,500 per employee per year on independent financial advice.

Which are the main providers?
They include Anthony Hodges, Clarity, Close Brothers Asset Management, Friends Life, Jelf Employee Benefits, Life Academy, Lorica Employee Benefits, Mattioli Woods, Money Advice Service, Origen, Towers Watson and Wealth at Work.

@ **Read more about financial education at** bit.ly/1kXeOYs

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Cycle of annoyance

Candid is asked why there is no bikes-for-work scheme. The answer is that there is a noticeable lack of support, particularly in Lycra

I have just had a call from our Swindon office asking one of my most hated questions. The guy was an accounts assistant for one of the divisions, and he wanted to know if we have one of those bike schemes. Oh God, not again. He asked me the same question last year, and the year before that.

You might think I don't take our staff requests seriously, but really I do. I discussed it long and hard with the local HR manager, and we decided the demand didn't support such a programme. In London, we just don't have any demand, thanks to Boris and the adjacent Tube.

Besides, in this busy area, the only people who don't regret cycling in are the few who live to talk about it. My friend says the hardest thing about cycling to work in London is the pavement. In Swindon, the roads might be more cycle-friendly, and there are, oh, at least two people who want this benefit. Sorry, nothing doing, guys.

I admit, I am prejudiced against cyclists. For a start, where I live, they hang out in packs, making driving a complete hazard. I wouldn't drive along slowly next to two other cars making it impossible to overtake, so why do cyclists find it necessary to ride three abreast?

Also, there is the ridiculous matter of their outfits. What is it about cycling that makes perfectly ordinary people want to dress like super-heroes in neon Lycra? Worse than that: matching Lycra. Not only husbands and wives; I've seen whole families sporting corporate colours and co-ordinated goggles. And there is the small matter of padded pants at the back, and then the matter on display at the front. The whole thing is just deeply cringeworthy.

I am also prejudiced against salary sacrifice flexible benefits. Call me unkind, but for us, it just isn't worth it. Against my better judgement, we introduced a company car salary sacrifice scheme last year. The time I alone spent on the project would have cost the company several thousand, not to mention the involvement of HR leaders and management. We spent more money on communications, website changes and amendments to our HR system. And for what? A 2% take-up.

> "I admit, I am prejudiced against cyclists. Where I live, they hang out in packs, making driving a complete hazard"

I tell my friend in Swindon we will look into bikes, but I have no intention of doing so. But then I get a second call. It is from the Higher Being based in Swindon. It seems he wants to know about the bikes-for-work programme. I tell him, quite clearly, that we don't have one. But, he says, we can save employees hundreds of pounds in income tax and the company can save money on national insurance. I did know that, actually. For two employees, that works out about £200 a year in savings, and it will cost more than that just in my time to set it up.

I tell him I will look into it, and hang up. I feel uneasy, though. Ignoring accounts assistants is one thing, but Higher Beings are used to getting their own way.

Sure enough, a couple of days later, Big Bad Boss asks me why we don't have a bikes-for-work scheme. Because there isn't enough demand, I tell him. Because it would cost us more to implement than it would save. I can see he isn't listening. He wants me to produce some numbers.

I produce some numbers, which say, naturally, that it would cost us more to implement than it would save. But Big Bad Boss is still not convinced.

Someone has told him it helps our corporate social responsibility (CSR) data. Note the use of the word 'data'. We are not actually interested in social issues, only in our CSR data. The Higher Beings have the social conscience of a school bully, but data: that is vital.

I am good at making decisions in the best interests of the company. I am even better at dodging unnecessary work. Both factors would say we should park any cycle leasing programme indefinitely, but I am also good at knowing when resistance is futile. Higher Beings are expressing an unnatural interest in this, and I may as well get on it.

The next best thing to avoiding work altogether is to get someone else to do it. So I invite a couple of providers in to pitch for the deal. If I can get them in front of Big Bad Boss, they can answer all his stupid questions and, better still, they can do all the work of implementation and communication for me.

One firm pitching makes a very slick presentation and, better still, brings free gifts. It showers us in stickers and free cycle accessories. The accessories mysteriously disappear into Big Bad Boss's room.

The other firm is not so hot, but it does make a suggestion I really like: offer an allowance for anyone using public transport or cycling to work. That would allow the Higher Beings to be seen to be doing something green and yet save us all the hassle of accounting for leased bikes, and salary sacrifice arrangements. But Big Bad Boss doesn't like it. He thinks we need to offer actual bikes. Really? For two people?

In the end, the take-up turns out to be four: the two in Swindon, one guy in IT and, unbelievably, Big Bad Boss himself. This is unimaginable; he doesn't even carry his own golf clubs. One thing is for sure: I really don't want to see him in Lycra.

Next time...*Candid is fed up with meetings.*

@ **Read more Confessions at:** bit.ly/RKIOt2

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