

**REPORT TO:** Policy and Resources Committee - 13 January 2014

**REPORT ON:** Childcare Voucher Scheme and Employee Discount Scheme

**REPORT BY:** Head of Human Resources

**REPORT NO.:** 15-2014

## **1 PURPOSE OF REPORT**

- 1.1 To seek the Committee's approval to award Kiddivouchers the contract for administering the Council's Childcare Voucher Scheme along with an Employee Discount Scheme (Wider Wallet) under the existing Eastern Shires Purchasing Organisation (ESPO) Framework.

## **2 RECOMMENDATIONS**

It is recommended that the Committee approves the following:-

- 2.1 Appropriate notice be given to Edenred to terminate the current contract for administering the Childcare Voucher Scheme with the last day being 28 February 2014.
- 2.2 The direct awarding of the contract for administering the Council's Childcare Voucher Scheme to Kiddivouchers under the ESPO Framework including an Employee Discount Scheme (Wider Wallet).

## **3 FINANCIAL IMPLICATIONS**

- 3.1 The administration costs involved in operating the Childcare Voucher Scheme are relatively low and will be unchanged with the new provider. The Council can save approximately £303 a year in national insurance for each employee in the Scheme and employees benefit by receiving national insurance and tax relief. There was a net saving to the Council of £19,024 for 2012/13.
- 3.2 The current charge for Edenred administering the Childcare Voucher Scheme is 3% of the value of each voucher. Kiddivouchers charge 1% and based on the current uptake by employees this would result in a saving of approximately £10,296.00 on the service charge in a full financial year.
- 3.3 The one-off cost of Wider Wallet is £1,000.

## **4 MAIN TEXT**

- 4.1 The Personnel Committee on 17 October 2005 approved the implementation of a Childcare Voucher Scheme and the contract for administering this was awarded to Edenred (formerly ACCOR). The contract with Edenred ends in February 2014.
- 4.2 Whilst the Government has indicated that there will be changes to the provision of childcare vouchers from Autumn 2015 employees who are already in a scheme at that time will continue to receive the same provision.
- 4.3 There is currently an ESPO Framework Contract in place for Staff Benefits which would enable the Council to use Kiddivouchers without a requirement to tender. The rate charged by Kiddivouchers is 1% of the value of each voucher which would result in a saving as the current rate charged by Edenred is 3% of each voucher. Procurement has been consulted on the changeover process.

- 4.4 Kiddivouchers also offer an internet based Staff Discount Scheme (Wider Wallet) at a one-off cost of £1,000. The Scheme provides access to discounts from national stores and local businesses for employees.

## 5 **POLICY IMPLICATIONS**

- 5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty, and Risk Management. There are no major issues.

## 6 **CONSULTATIONS**

- 6.1 The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services.

## 7 **BACKGROUND PAPERS**

- 7.1 None.

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Head of Human Resources

20 December 2013