Flexible benefits schemes can form part of your reward strategy and offer employees a range of benefits that they can select from to best meet their needs. Flexible benefits can be hosted in-house or outsourced to a third party provider. In this case study, we share East Kent Hospitals University NHS Foundation Trust’s (EKHUFT) experience of sourcing and implementing flexible benefits through a third party provider.

EKHUFT ran a one-year pilot exercise so that they could evaluate the potential return on their investment, before they committed to a longer contract.

Jacqui Siggers, head of HR at EKHUFT, tells us why they decided to use a third party provider to host their flexible benefits package, ‘We Care Rewards’, how the trust prepared for implementation and how they communicated the scheme to their employees.

Q. Why did you decide to use a flexible benefits platform?

We realised that as a trust we were not doing as much for our staff around rewards as we could be. We recognised the financial pressures facing our staff, with increases to employee pension contributions and no significant cost of living awards. On top of this, we were having to increase our car parking charges from 1 March 2014, which was going to have an additional financial impact on staff.

Our reward offering at the time consisted of advertising locally agreed discounts as well as national NHS discounts via our trust website. There were lots of different strands that were not linked up and so lacked impact for our staff. Uploading new discounts to the website was time consuming and sporadic because we did not have a dedicated resource. We recognised there was more we could do for our staff to give them access to real savings in one place.

Although we recognised that the use of flexible benefits might increase staff retention, this was not our primary focus. Of more concern to us were our staff survey results, which had been static for three years with our trust in the lowest 20 per cent for staff engagement when compared with other trusts.
Q. How did you pay for the flexible benefits platform?
We had identified an under spend and I put together a business case to use this to fund the pilot. What I was asking to spend on the pilot was a relatively small amount of money in comparison to our overall payroll budget.

Our finance director asked some very difficult questions about whether the platform would genuinely make the kind of difference for staff that spending the money elsewhere could not deliver. It was difficult to justify the spend because we knew as a trust we wouldn’t be making savings equivalent to the amount we were investing. It would also not be possible to measure the percentage increase in discretionary effort made by staff as a result of our investment in the scheme.

I was able to persuade senior management colleagues that the intrinsic value of the pilot for staff was worth the investment.

We had embarked on a staff engagement and cultural change programme ‘We Care’ in 2013 and we were keen to link our rewards platform to this, so we called it ‘We Care Rewards’.

Q. How did you decide which third party provider to use?
We knew that having a bespoke flexible benefits platform created would be cost-prohibitive so we looked at what existing platform providers were offering.

We did some online research into flexible benefits providers. We didn’t use a matrix to assess different providers against specific criteria, but we knew there were fundamental elements the platform had to deliver:

— Ensuring all savings were passed on to employees via discounts.
— No commission payments made to us as the employer/client.
— Offering better discounts and greater savings to employees than could be accessed via other cash-back websites available to non-NHS staff members.
— Delivering more savings to employees than it cost us as a trust to provide.
— Customising the platform to reflect the trust’s ‘We Care’ values.

Q. What did the platform you chose offer that the others didn’t?

For our employees
The platform we chose offers pre-paid store cards. One card offers a discount of 7.5 per cent off the face value of the card. The advantage of this card is that it is accepted at a number of different retailers. Retailer-specific store cards offer even higher percentage discounts. Seasonal offers and promotions can increase available savings.

Our provider also offers cash back when purchasing online through the platform. Employees choose how the cash back is paid to them – either directly into their bank account or as store cards. There is no charge or transaction fee when redeeming cash back.
As a trust
Aligning the scheme with our trust’s values was important for us and customising the platform to include the ‘We Care Rewards’ logo and branding achieved this. We already have our salary sacrifice benefits, buying and selling annual leave and banner adverts for specific campaigns (such as the bike scheme) on the platform.

We plan to add a live news feed from our trust website and information on other trust policies.

Q. What did you do to prepare for the platform?
We had to consider practicalities such as:

— communicating with staff
— the perceived cost to the trust (from within and outside the trust)
— evaluating success.

We realised that timing could be a real driver but would create a pressure point. We could potentially roll out the platform in time for Christmas shopping, which we thought could increase our chances of success but would leave us with only three weeks from contract to implementation. We decided it was too good an opportunity to miss and launched in early December 2013.

Q. How did you communicate the scheme to your staff?
We knew the key message would be the savings staff could make on their Christmas shopping.

Our internal medical photography team designed three different Christmas cards promoting the new scheme. We had specially designed pop-up banner stands, staffed by our HR team handing out the Christmas cards during the busiest times (shift changeovers and lunchtime) at each of our three main sites. Many staff returned to the stands to collect cards for colleagues. HR also hand delivered the cards to each department.

HR staff were able to give first-hand accounts of the savings that the scheme offered as they were able to register and test the platform one week prior to roll-out. This ‘ambassador’ role proved very successful in piquing colleagues’ interest.

We ran an advertisement in our November 2013 trust newsletter (print and online), put banners up at our three main sites, placed the advertisement on computer desktops, added it to email signatures and included information and updates in team briefings and the chief executive’s forum. We ran a prize draw for those who registered within the first week of launch and a ‘refer a colleague’ campaign in March with £50 in gift vouchers for the new member and the person who referred them.
Q. How will you know whether the scheme is successful?

We plan to measure success by the number of members signed up and the amount of spending through the scheme. The platform we chose provides a monthly report on the number of members signed up, how much is being spent and with which retailers. It also tells us how many members are accessing the site on a regular basis.

We were delighted that 1,072 staff signed up by the end of December 2013 and a total of 1,379 by 24 March 2014. Over £77,000 was spent via ‘We Care Rewards’ up to 24 March 2014 with over half of this being spent by the end of December 2013.

We will measure staff perceptions of the savings and staff engagement through additional questions in the Friends and Family test. These questions will assess employee awareness of ‘We Care Rewards’, ask whether staff have signed up and how they perceive the savings. We will ask those who weren’t aware of the scheme if they would be interested in signing up.

Q. What’s next?

We will begin a tender process for the platform, aligning this with our salary sacrifice offerings. The tender process will identify whether the platform could be self-funding. We may use other salary sacrifice savings to part fund future costs.

I will produce a business case for the platform to go to our Strategic Investment Group (SIG), which includes colleagues from finance, HR, operations and nursing. The business case will be challenged by SIG and will compete with other requests for funding for things such service developments, clinical equipment, staff and other proposals. SIG will make a recommendation to the executive team.

It will not be possible to evaluate the success of the platform in isolation as other work has been carried out around staff engagement and reward under ‘We Care’, however, the information gathered from questions asked in the Friends and Family Test in quarter one will be used to inform the business case and bid for future funding.
Top tips for employers considering a flexible benefits platform:

— Understand what rewards and benefits you already offer staff and how they access them.
— Find out from employees what rewards they value and whether a flexible benefits platform is the right medium to deliver them.
— Consider how you will communicate with your employees if you change your rewards or how you offer them.
— Can you add your trust/scheme branding and logo to the platform?
— What scope is there to develop your rewards offering?
— How will you measure your success?

To find out more about flexible benefits and how they can help you meet your strategic reward goals, read our ‘introduction to flexible benefits’.

For more information on developing a total reward strategy, visit our reward strategy toolkit and total reward web pages.

More information on East Kent Hospitals University NHS Foundation Trust:

— Employs 7,500 staff across East Kent
— Acute trust
— Three district general hospitals with a number of additional satellite services from other locations
— Serves a population of around 759,000 people.

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