

DMPC Decision – PCD 1222

Title: Award of contract for the provision of Employee Benefit Services

Executive Summary:

This paper is seeking the approval to award a 4-year contract (via CCS framework, lot RM6133) to start from 1 August 2022 and run until 31 July 2026 for the provision of Employee Benefit Services for the MPS.

This Lot has a sole supplier appointed and approval is requested to undertake a direct award to the suitably capable contractor Edenred Ltd. RM6133 framework is provided at no direct cost to the MPS.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

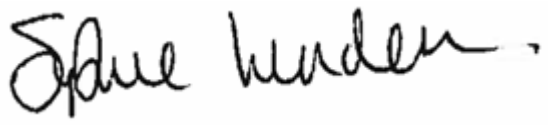
1. Approve the direct award of contract for 4 years via the CCS framework (RM6133) up to a maximum contract value of £15m, noting that there is no direct cost to the MPS.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature



Date 01/06/2022

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. The MPS has an existing contract in place for the provision of an employee benefit service for its staff (and MOPAC staff). The contract is held with Edenred Ltd. The MPS is seeking to arrange a further 4-year contract with Edenred Ltd. Lot RM6133 allows it to undertake a direct award to Edenred Ltd for this provision.
- 1.2. Alternative frameworks and options were considered as part of this process, however using the CCS framework offers optimum value-for-money for the MPS. If approval is given for this contract, Edenred Ltd will supply the following services to the MPS:
 - A Cycle to Work Scheme (via salary sacrifice),
 - A Childcare Voucher Scheme (via salary sacrifice),
 - Access to discounted Goods and Services
 - Associated secure website dedicated to the MPS, where users can access all offers.
- 1.3. These schemes are grouped under the banner 'MetRewards' or 'MetBenefits'. The current schemes are popular and are provided at no direct cost to the MPS. The Cycle to Work and Childcare Vouchers schemes are operated as Salary Sacrifice arrangements, which therefore nets the MPS employer NI savings at 13.8% of the value of employee contributions. The schemes offer staff and officers discounts and tax savings, which are essential in the current financial climate. The MPS wishes to arrange a new combined benefits platform to continue to offer this provision.
- 1.4. The MPS intends to retain all employer NI savings achieved through the salary sacrifice schemes. The overall reduction in NI contributions for the MPS running both schemes is currently c. £400k per annum. If the benefit platform is not offered in the MPS, the organisation will pay more employer NI contributions moving forward.
- 1.5. Both the Cycle to Work Scheme and Childcare Voucher Scheme have tax benefits for both the individual, as salary is sacrificed from gross pay i.e. before any tax has been levied, and for the MPS, as the organisation's NI liability is consequently lowered.
- 1.6. The discounted shopping contract operates at zero cost to the MPS or its staff with employees accessing an online portal to obtain discounts from retailers on a variety of goods and services. The services are widely accessed by MPS personnel and in total, in the period from January 2021 – October 2021, MPS' staff spent approximately £220k via the portal, saving each individual on average over 5% on each purchase that was made.

2. Issues for consideration

- 2.1. RM6133 framework is provided at no direct cost to the MPS and offers optimum value-for-money for the organisation. This Lot has a sole supplier appointed and approval is requested to undertake a direct award to the suitably capable contractor Edenred Ltd.

- 2.2. The duration of the call-off contract will be 48 months (from 1 August 2022); this is the maximum term for a call off contract from a framework and there will be no option to extend.
- 2.3. The call off contract will provide MPS staff with access to a Cycle to Work and Childcare Vouchers schemes and a platform for discounted shopping through a single management contract.
- 2.4. Edenred Ltd. have the current contract in place to supply Employee Benefit Services to the MPS. The MPS has been satisfied with the performance of Edenred Ltd over the life of the 4-year contract.
- 2.5. The total value for the contract is estimated to be between £10 – 15 million, however, this value was representative of the spend between MPS staff (including MOPAC staff) and the supplier, with all costs recovered by the MPS via salary sacrifice.
- 2.6. There is no direct cost to the MPS. However, the MPS is forecasting employer National Insurance (NI) savings of £1.78 million in the 4-year life of the contract; if the benefit platform is not offered in the MPS, the organisation will pay more employer NI contributions moving forward.
- 2.7. Employees also benefit as operating a salary sacrifice scheme means benefits are paid out of the individual's pre-tax salary. This means that a smaller proportion of the employees overall salary is lost to tax and NI.
- 2.8. The call off contract will provide MPS staff with access to a Cycle to Work and Childcare Vouchers schemes and a platform for discounted shopping through a single management contract.

3. Financial Comments

- 3.1. By using the CCS framework, significant savings are available compared to market available prices. Free of charge, cost neutral and low prices for services have been secured due to the aggregation of public sector demand. All customers benefit from the same volume discounts via the cumulative spend through the agreement.
- 3.2. The majority of the services do not require any upfront funding but the Cycle to Work scheme involves the MPS providing a loan for the employee to directly hire a bike from the supplier. The total cost of each bike is then deducted from the user's monthly salary; this payment is exempt from NI contributions. This strand of benefits alone is expected to save the MPS approximately £469k subject to demand.
- 3.3. The MPS will generate approximately £1.3m in NI savings as a result of administering the Childcare Voucher Scheme

4. Legal Comments

- 4.1. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). Public contracts for goods and services valued at £213,477 (inclusive of VAT) or above must be procured in accordance with MOPAC governance and the Regulations. This report confirms the value of proposed contract exceeds this threshold and, accordingly, the Regulations are engaged.
- 4.2. This report also confirms the procurement route proposed is to call off from a Crown Commercial Services framework agreement. This will represent a compliant route to market where the MOPAC is named as an eligible user of the framework and the MOPAC's requirements are within the framework's technical and financial scope.
- 4.3. Paragraph 7.23 of the MOPAC Scheme of Delegation and Consent provides that the Director for Strategic Procurement (now Commercial Services) has consent to approve the award of all contracts, with the exception of those called in through the agreed call in procedure.
- 4.4. Paragraph 4.13 of the Scheme provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all contract exemptions for £100,000 or above.
- 4.5. Paragraph 4.14 of the Scheme provides that the Deputy Mayor for Policing and Crime (DMPC) reserves the right to call in any MPS proposal to award a contract for £500,000 or above. Accordingly, the DMPC should be invited to call any proposed award in.

5. Commercial Issues

- 5.1. This requirement is being procured as a managed service to minimize the resources required from the MPS. Edenred will provide and manage three benefit strands, predominantly supplied at no cost to the organisation. The three benefits include Cycle to Work Scheme (via salary sacrifice), Childcare Voucher Scheme (via salary sacrifice), and access to discounted Goods and Services. All will be fully accessible to MPS users on a secure online hosted website where users can view offers, access pre-paid top-up cards and tracks spend and savings according to their own profile.
- 5.2. As the intention is to continue the arrangements in place with the existing supplier, users will experience no disruption.
- 5.3. The MPS have identified a suitable CCS framework to call off from Employee Benefits services, which is RM6133 Lot 1. This is a single supplier Lot, thus approval is requested to undertake a direct award to the suitably capable supplier Edenred Ltd. Edenred will provide the MPS access to over 5,000 suppliers and retailers and provided service to other public sector organisations such as the Home Office, the Department for Transport, Department for Work and Pensions and Ministry of Justice.

- 5.4. The contract term will be for a period of 48 months from contract award. The current contract expires on the 31 July 2022 and the commencement date for the new contract will be 1st August 2022.
- 5.5. The contract with Edenred Ltd. contributes to delivering the London Anchor Institutions Charter in that the platform is sufficiently flexible to allow a wide variety of suppliers to provide discounts to MPS staff via the benefits platform. This is considered to be a valuable option for local companies who are looking to recoup losses incurred as a result of the COVID-19 pandemic. This facility is already in existence in the current contract with Edenred Ltd. and will continue when this is renewed.

6. GDPR and Data Privacy

- 6.1. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
- 6.2. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
- 6.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme meets its compliance requirements.
- 6.4. The programme does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

7. Equality Comments

- 7.1. Whilst this is a new contract, it is an extension of the service that is provided by Edenred Ltd. The benefits service is available to all MPS staff and therefore there are no equality impacts associated with this arrangement.

8. Background/supporting papers

- 8.1. Report.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date: n/a

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – NO

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice:

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

Legal Advice:

The MPS legal team has been consulted on the proposal.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

Commercial Issues

The proposal is in keeping with the GLA Group Responsible Procurement Policy.

✓

GDPR/Data Privacy

- GDPR compliance issues are covered in the body of the report.
- A DPIA is not required.

✓

Drafting Officer

Craig James has drafted this report in accordance with MOPAC procedures.

✓

Director/Head of Service:

The Interim Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature



Date 30/05/2022



Award of contract for the provision of Employee Benefit Services

MOPAC Investment Advisory & Monitoring meeting 1 April 2022 Report by Mark Pomroy on behalf of the Chief of Corporate Services

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

This paper is seeking the approval to award a 4-year contract (via CCS framework, lot RM6133) to start from 1 August 2022 and run until 31 July 2026 for the provision of Employee Benefit Services for the MPS.

This Lot has a sole supplier appointed and we request approval to undertake a direct award to the suitably capable contractor Edenred Ltd. RM6133 framework is provided at no direct cost to the MPS.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. Approve the direct award of contract for 4 years via the CCS framework (RM6133) up to a maximum contract value of £15m.

Noting:

2. The total value for the contract is estimated to be between £10 – 15 million, however, this value was representative of the spend between MPS staff¹ and the supplier, with all costs recovered by the MPS via salary sacrifice.
3. There is no direct cost to the MPS. However, the MPS is forecasting employer National Insurance (NI) savings of £1.78 million in the 4-year life of the contract. To be clear, if the benefit platform is not offered in the MPS, the organisation will pay more employer NI contributions moving forward.
4. Employees also benefit as operating a salary sacrifice scheme means benefits are paid out of the individual's pre-tax salary. This means that a smaller proportion of the employees overall salary is lost to tax and NI.
5. The call off contract will provide MPS staff with access to a Cycle to Work and Childcare Vouchers schemes and a platform for discounted shopping through a single management contract.

Time sensitivity

6. A decision is required from the Deputy Mayor by 30 April 2022. This is allow the

¹ MPS Staff includes MOPAC staff

MPS sufficient time to work with Edenred Ltd. to facilitate arrangements for the new contract to be put in place.

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

Introduction and background

7. The MPS has an existing contract in place for the provision of an employee benefit service for our staff. The contract is held with Edenred Ltd. The MPS is seeking to arrange a further 4-year contract with Edenred Ltd. Lot RM6133 allows us to undertake a direct award to Edenred Ltd for this provision.
8. Alternative frameworks and options were considered as part of this process, however, using the CCS framework offers optimum value-for-money for the MPS. If approval is given for this contract, Edenred Ltd will supply the following services to the MPS:
 - A Cycle to Work Scheme (via salary sacrifice),
 - A Childcare Voucher Scheme (via salary sacrifice),
 - Access to discounted Goods and Services
 - Associated secure website dedicated to the MPS, where users can access all offers
9. These schemes are grouped under the banner 'MetRewards' or 'MetBenefits'. The current schemes are popular and are provided at no direct cost to the MPS. The Cycle to Work and Childcare Vouchers schemes are operated as Salary Sacrifice arrangements, which therefore nets the MPS employer NI savings at 13.8% of the value of employee contributions. The schemes offer staff and officers discounts and tax savings, which are essential in the current financial climate. The MPS wishes to arrange a new combined benefits platform to continue to offer this provision.
10. The MPS intends to retain all employer NI savings achieved through the salary sacrifice schemes. The overall reduction in NI contributions for the MPS running both schemes is currently c. £400k per annum. If the benefit platform is not offered in the MPS, the organisation will pay more employer NI contributions moving forward.
11. Both the Cycle to Work Scheme and Childcare Voucher Scheme have tax benefits for both the individual, as salary is sacrificed from gross pay i.e. before any tax has been levied, and for the MPS as the organisations NI liability is consequently lowered.
12. The discounted shopping contract operates at zero cost to the MPS or our staff with employees accessing an online portal to obtain discounts from retailers on a variety of goods and services. The services are widely accessed by MPS personnel and in total, in the period from January 2021 – October 2021, MPS' staff spent approximately £220k via the portal saving each individual, on average over 5% on each purchase that was made.

Issues for consideration

13. RM6133 framework is provided at no direct cost to the MPS and offers optimum value-for-money for the organisation. This Lot has a sole supplier appointed and we

request approval to undertake a direct award to the suitably capable contractor Edenred Ltd.

14. The duration of the call-off contract will be 48 months (from 1 August 2022); this is the maximum term for a call off contract from a framework and there will be no option to extend.
15. The call off contract will provide MPS staff with access to a Cycle to Work and Childcare Vouchers schemes and a platform for discounted shopping through a single management contract.
16. Edenred Ltd. have the current contract in place to supply Employee Benefit Services to the MPS. The MPS has been satisfied with the performance of Edenred Ltd over the life of the 4-year contract.

Contributes to the MOPAC Police & Crime Plan 2022-2025²

17. The provision of an employee benefit services supports our aim to have a better police service. The schemes are considered an attractive recruitment and retention tool and are a necessary offering during a period of pay freeze for all public sector workers and because of the current financial climate.

Financial, Commercial and Procurement Comments

18. This requirement is being procured as a managed service to minimise the resources required from the MPS. Edenred will provide and manage three benefit strands, predominantly supplied at no cost to the organisation. The three benefits include Cycle to Work Scheme (via salary sacrifice), Childcare Voucher Scheme (via salary sacrifice), and access to discounted Goods and Services. All will be fully accessible to MPS users on a secure online hosted website where users can view offers, access pre-paid top-up cards and tracks spend and savings according to their own profile.
19. As the intention is to continue the arrangements in place with the existing supplier, users will experience no disruption.
20. The MPS have identified a suitable CCS framework to call off from Employee Benefits services, which is RM6133 Lot 1. This is a single supplier Lot, thus we request approval to undertake a direct award to the suitably capable supplier Edenred Ltd. Edenred will provide the MPS access to over 5,000 suppliers and retailers and provided service to other public sector organisations such as the Home Office, the Department for Transport, Department for Work and Pensions and Ministry of Justice.
21. The contract term will be for a period of 48 months from contract award. The current contract expires on the 31 July 2022 and the commencement date for the new contract will be 1st August 2022.
22. By using the CCS framework, significant savings are available compared to market available prices. Free of charge, cost neutral and low prices for services have been

² [London's Police and Crime Plan 2022-25 | London City Hall](#)

secured due to the aggregation of public sector demand. All customers benefit from the same volume discounts via the cumulative spend through the agreement.

23. The majority of the services do not require any upfront funding but the Cycle to Work scheme involves the MPS providing a loan for the employee to directly hire a bike from the supplier. The total cost of each bike is then deducted from the user's monthly salary; this payment is exempt from NI contributions. This strand of benefits alone is expected to save the MPS approximately £469k subject to demand.
24. The MPS will generate approximately £1.3m in NI savings as a result of administering the Childcare Voucher Scheme
25. The contract with Edenred Ltd. contributes to delivering the London Anchor Institutions Charter in that the platform is sufficiently flexible to allow a wide variety of suppliers to provide discounts to MPS staff via the benefits platform. This is considered to be a valuable option for local companies who are looking to recoup losses incurred as a result of the COVID-19 pandemic. This facility is already in existence in the current contract with Edenred Ltd. and will continue when this is renewed

Legal Comments

26. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). Public contracts for goods and services valued at £213,477 (inclusive of VAT) or above must be procured in accordance with MOPAC governance and the Regulations. This report confirms the value of proposed contract exceeds this threshold and, accordingly, the Regulations are engaged.
27. This report also confirms the procurement route proposed is to call off from a Crown Commercial Services framework agreement. This will represent a compliant route to market where the MOPAC is named as an eligible user of the framework and the MOPAC's requirements are within the framework's technical and financial scope. These points should be confirmed.
28. Paragraph 7.23 of the MOPAC Scheme of Delegation and Consent provides that the Director for Strategic Procurement (now Commercial Services) has consent to approve the award of all contracts, with the exception of those called in through the agreed call in procedure.
29. Paragraph 4.13 of the Scheme provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all contract exemptions for £100,000 or above.
30. Paragraph 4.14 of the Scheme provides that the Deputy Mayor for Policing and Crime (DMPC) reserves the right to call in any MPS proposal to award a contract for £500,000 or above. Accordingly, the DMPC should be invited to call any proposed award in.

Equality Comments

31. Whilst this is a new contract, it is an extension of the service that is provided by Edenred Ltd. The benefits service is available to all MPS staff and therefore there are no equality impacts associated with this arrangement.

Privacy Comments

32. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
33. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
34. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme meets its compliance requirements.
35. The programme does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

Real Estate Implications

36. There are no real estate implications as a result of this programme.

Environmental Implications

37. There are no environmental implications as a result of this programme.

Report author: Mark Pomroy, Head of Policy & Reward, 07515 397554

Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for Part 2 is:

OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of Award of contract for the provision of Employee Benefit Services paper

Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).

The paper will cease to be exempt until 31 July 2029.

Business Justification Paper

Portfolio and Investment Board, 8 March 2022

Award of contract for the provision of Employee Benefit Services

Freedom of Information Act Publication Scheme

| | |
|-----------------------------|--|
| Protective Marking | Official - Public |
| Publication Scheme Y/N | N |
| Title | Award of Contract for the provision of an Employee Benefit Services |
| Version | 1.1 |
| Summary | Award of a contract to Edenred Ltd for the provision of an Employee Benefit Services |
| (B)OCU or Unit, Directorate | HR Directorate |
| Author | Daniel Pickett |
| Review Date | 14 February 2023 |
| Date Issued | 14 February 2022 |

Version History

| Version | Date | Additions/Modifications | Prepared/Revised by |
|---------|------------------|-------------------------|---------------------|
| 1.0 | 9 November 2021 | First draft revision | Daniel Pickett |
| 1.1 | 14 February 2022 | Second draft revision | Paul Butcher |
| | | | |
| | | | |

Internal Consultation & Assurance

The following people have been consulted in the production of this Business Justification and their opinions incorporated.

| Directorate / Dept. | Name & Job Role | Rank / Grade | Date Assured |
|---------------------------|---|---------------------------------------|-------------------------------|
| Commercial Services | Rob Friend, Commercial Services Debby Ebanks | Commercial Analyst Commercial Lead | November 2021 January 2022 |
| DP | N/A | | |
| HR | Mark Pomroy, Head of Pay, Reward and Policy | Broad Band 3 | 10 November 2021 |
| Legal (DLS) | Prit Mandair | Lawyer | 17 January 2022 |
| Property | N/A | | |
| Finance Business Partners | Claire Owen, Finance Business Partner | Band U | 9 January 2022 |
| Health & Safety | N/A | | |
| Transformation | N/A | | |

1 Decisions Required

This Business Justification concerns the replacement of the current Staff Benefit package for Cycle to Work, Childcare Vouchers and access to discounted goods and services which is due to expire on 31st July 2022.

The Portfolio and Investment Board is requested to approve the following recommendations:

- Approve the award of contract for 4 years via the CCS framework (RM6133) up to a maximum contract value of £15m.

The key issues the Portfolio Investment Board need to take account of are:

- The total value for the contract is estimated to be between £10 – 15 million, however, this value was representative of the spend between MPS staff and the supplier, with all costs recovered by the MPS via salary sacrifice.
- There is no direct cost to the MPS. However, the MPS is forecasting employer National Insurance (NI) savings of £1.78 million in the 4-year life of the contract. To be clear, if the benefit platform is not offered in the MPS, the organisation will pay more employer NI contributions moving forward.
- Employees also benefit as operating a salary sacrifice scheme means benefits are paid out of the individual's pre-tax salary. This means that a smaller proportion of the employees overall salary is lost to tax and NI.
- The call off contract will provide MPS staff with access to a Cycle to Work and Childcare Vouchers schemes and a platform for discounted shopping through a single management contract.

2 Strategic Case

Historical Perspective

On 1st August 2018, the MPS let a Benefits Platform contract with Edenred for a period of four years following a call off from the CCS framework, RM3704 Lot 1. Initially, the scope covered ride to work, childcare vouchers, home technology, car hire and a discounted goods and services portal. In 2019, the Met removed home technology and the car hire schemes from the benefits offer. There are no plans to re-introduce either of these options moving forward.

Please Note: As both schemes were salary sacrifice schemes that are re-paid over a three-year period, the last deductions from payroll will be in 2022 (Home Technology – December 2022 & Car Hire Scheme – September 2022) and will therefore form part of the initial contract.

As of January 2022, there remains 1,154 members of the Home Technology Scheme (956 police officers and 198 police staff) and 155 members of the Car Hire Scheme (111 police officers and 44 police staff).

In 2018, the total value for the contract was estimated to be between £10 – 15 million, however, this value was representative of the spend between MPS staff and the supplier. Based on the current arrangements the MPS we will offer the following schemes through the combined benefits platform, which will be open to all staff/officers:

- A Cycle to Work Scheme (via salary sacrifice),
- A Childcare Voucher Scheme (via salary sacrifice),
- Access to discounted Goods and Services¹
- Associated secure website dedicated to the MPS, where users can access all offers

These schemes, plus other benefits enjoyed by officers and staff², are grouped under the banner 'MetRewards' or 'MetBenefits'. In these times of financial constraint, the provision of benefits has become a service priority as a mechanism to reward officers and staff. The full suite of offers is accessible via the dedicated platform via a secure website and is available 24/7, 365 days a year. The platform has been popular with the MPS and there are over 18,000 registered users on the Edenred site with approximately 20,000 page views made per month. The schemes offer officers and staff discounts and tax savings.

The current schemes are popular and are provided at no direct cost to the MPS. The Cycle to Work and Childcare Vouchers schemes are operated as Salary Sacrifice arrangements, which

¹ Special Constables have access to the discounted goods and services platform. Payment for any of the these goods or services are made directly

² MPS Staff includes MOPAC staff

therefore nets the MPS employer NI savings at 13.8% of the value of employee contributions. The schemes offer staff and officers discounts and tax savings, which are essential in the current financial climate. The MPS wishes to arrange a new combined benefits platform to continue to offer this provision.

For this contract, the MPS intends to retain all employer NI savings achieved through the salary sacrifice schemes. Previously, the MPS had to pay a nominal management fee of 0.185% for the provision of childcare vouchers, however, on the new contract; this fee has been withdrawn by Edenred.

Both the Cycle to Work Scheme and Childcare Voucher Scheme have tax benefits for both the individual, as salary is sacrificed from gross pay i.e. before any tax has been levied, and for the MPS as the organisations NI liability is consequently lowered.

The Cycle to Work Scheme operates whereby the MPS pays the upfront cost of the bicycle and then recovers the cost from the employee via salary sacrifice. This arrangement operates at zero cost to the MPS. The MPS currently benefits by operating this scheme by approximately c. £117k annually because of the reduced Employer NI contributions that we have to make.

The Childcare Voucher Scheme also operates via salary sacrifice. The MPS currently benefits by operating this scheme by c. £300k annually because of the reduced Employer NI contributions that we have to make. There are 2,401 members of the scheme (2,060 police officers and 341 police staff) although this number will reduce over the life of this contract as the scheme closed for new members on 4.10.2018. The Government replaced this with Tax-Free Childcare Scheme, which is not administered by the MPS.

Therefore, the overall reduction in NI contributions for the MPS running both schemes is currently c. £400k per annum. If the benefit platform is not offered in the MPS, the organisation will pay more employer NI contributions moving forward.

The discounted shopping contract operates at zero cost to the MPS with employees accessing an online portal to obtain discounts from retailers on a variety of goods and services. The services are widely accessed by MPS personnel and in total, in the period from January 2021 – October 2021, MPS' staff spent approximately £220k via the portal saving each individual, on average over 5% on each purchase that was made.

Economic Case

The following commercial arrangements have been considered as part of the approach to delivering this requirement:

The Mayor's Office for Policing and Crime (MOPAC) as the contracting authority is proposing to carry out a direct award for the supply of a combined benefits package for Employee Services to the MPS. The term of the contract will be for a period of 48 months from contract award.

The aims and objectives for this contract are to provide the MPS with a scheme that meets all of the following mandatory criteria:

- Offered at no direct cost to the contracting authority.
- Provides best value to MPS employees.
- All processes and systems are to be fully managed by the provider with minimum involvement by the contracting authority
- Must meet all legislation in respect of income tax, NI, VAT and the Consumer Credit Act, data protection, employment law etc.
- That fully comply with MPS security requirements
- Where appropriate processes must integrate seamlessly with the contracting authority payroll function
- Processes are to be user friendly and information provided to staff to be easy to understand, clear and where appropriate highlight risks and considerations that should be taken into account before signing up
- Have a clear and competitive pricing structure
- Any website must be easy to navigate, secure and available 24/7, 365 days a year
- Help desk/phone line should be available to scheme members from Monday to Friday 8am - 6pm at a minimum.

The successful supplier will be required to comprehensively manage the delivery of all three-benefit strands including the management of any salary sacrifice arrangements in conjunction with authority payroll providers. The estimated value of the contract is estimated to be between £10-15 million. This spend is indicative of the throughput spend of employees working for the MPS throughout the life of the contract. As the bulk of spend through the contract is likely to be associated with the purchase of childcare vouchers, via a salary sacrifice arrangement, this value will not constitute direct spend with the successful supplier.

Route Appraisal

With the current contract with Edenred due to expire on 31 July 2022 Commercial Services and HR have been exploring the routes to market for a new benefits platform. The following three options/frameworks for procurement were considered:

Option 1

Conventional route to market and tender via an OJEU process for a contract on behalf of the MPS.

- Pros:
 - May provide MPS staff with a higher percentage discount on the goods and services that are available to them.
- Cons:
 - Compliant OJEU competition would take resource and cost to implement, but given the nil budget position on expenditure it was not considered appropriate use of such resources.
 - Any additional discounts offered to officers and staff are likely to be minimal as the MPS is seeking a supplier that provides services at no direct cost to the organisation.
 - The supplier derives income from the scheme by charging a 'host' organisation a fee or by offering staff a lower level of discount on a discounted Goods and Services platform.

This option was discounted in favour of Option 3.

Option 2

Using the Blue Light Card (BLC)

The BLC is an established discount service for the emergency services. The MPS noted that the discounts offered by the BLC were generally better than what Edenred Ltd were providing to employees, however, to enjoy the maximum benefits of the scheme, the blue light card costs £4.99 per person to purchase and the cards are only valid for 2 years.

If the MPS purchased individuals cards for our employees, this would cost approximately £225k. There would then be an on-going requirement to purchase cards for new employees and a requirement for a replacement programme in Year 3, which would cost a further £225k. The MPS would also need to work with the HMRC to understand if there are any benefit in kind implications of providing the card.

This option would also not provide a platform or any insight as to usage, to allow the MPS to tailor such offers in the future.

Option 3

Use the Crown Commercial Service (CCS) framework.

- Pros:
 - Compliant with UK/EU procurement legislation.
 - Benchmarking conducted by HR and Commercial Services has shown the advantage of bringing together policy, advice, and direct buying in a public service as provided by CCS.

- CCS framework will enable MPS staff to benefit for widest range of discounts available through leveraging the power of the public sector.
 - Edenred has been named as the sole and exclusive provider of employee benefits and reward solutions to UK government employees through the Employee Services framework, established by CCS. They are the incumbent supplier and as such, no implementation costs will be incurred.
- Cons:
 - The benefits platform does not offer the same level of discounts that some other benefit providers offer albeit these solutions would be at a cost to the MPS.

Recommendation

Based on the information above, Option 3 is the recommended route to deliver a value for money effective service, whilst allowing MPS to reduce NI contributions. The service will provide the MPS with an employee portal consisting of voluntary benefits and discounts, Salary Sacrifice schemes, plus access to key resources and information. It will be available through an existing, bespoke online platform.

3 Commercial Case

- This requirement is being procured as a managed service to minimise the resources required from the MPS. Edenred will provide and manage three benefit strands, predominantly supplied at zero cost to the organisation. The three benefits include Cycle to Work Scheme (via salary sacrifice), Childcare Voucher Scheme (via salary sacrifice), and access to discounted Goods and Services. All will be fully accessible to MPS users on a secure online hosted website where users can view offers, access pre-paid top-up cards and tracks spend and savings according to their own profile.
- As the intention is to continue the arrangements in place with the existing supplier, users will experience no disruption.
- The MPS have identified a suitable CCS framework to call off from Employee Benefits services, which is RM6133 Lot 1. This is a single supplier Lot, thus we request approval to undertake a direct award to the suitably capable supplier Edenred Ltd. Edenred will provide the MPS access to over 5,000 suppliers and retailers and provided service to other public sector organisations such as the Home Office, the Department for Transport, Department for Work and Pensions and Ministry of Justice.

The contract term will be for a period of 48 months from contract award. The current contract expires on the 31 July 2022 and the commencement date for the new contract will be 1st August 2022.

- By using the CCS framework, significant savings are available compared to market available prices. Free of charge, cost neutral and low prices for services have been secured due to the aggregation of public sector demand. All customers benefit from the same volume discounts via the cumulative spend through the agreement.
- The majority of the services do not require any upfront funding but the Cycle to Work scheme involves the MPS providing a loan for the employee to directly hire a bike from the supplier. The total cost of each bike is then deducted from the user's monthly salary; this payment is exempt from NI contributions. This strand of benefits alone is expected to save the MPS approximately £470k subject to demand.
- The terms of the contract will be in line with the CCS Framework Terms and Conditions.

SOCIAL VALUE

As an existing framework, prior to the adoption of the Government guidance to include 10% social value weighting, this was not included within the award criteria for the framework award. The framework does require the supplier to:

- Comply with the HM Government Supplier Code of Conduct
- Corporate Social Responsibility requirements set out in the framework
- Support CSC and the MPS (as the buyer) in fulfilling their Public Sector Equality duty under S149 of the Equality Act 2010.

- Comply with the Modern Slavery Act 2015, Child Labour and Inhumane Treatment
- Comply with the applicable sustainability Government Buying Standards applicable to Deliverables <https://www.gov.uk/government/collections/sustainable-procurement-the-government-buying-standards-gbs>

Anchor Institution Charter

It is anticipated the award of this contract will support and contribute to delivering against London Anchor Institutions Charter in the following areas:

- To reverse the pattern of rising unemployment and lost economic growth caused by the economic scarring of Covid-19
- Narrow social, economic and health inequalities
- Help young people to flourish with access to support and opportunities
- Support our communities, including those most impacted by the virus

The provision of childcare vouchers will support both MPS staff to stay in the workplace whilst also helping to support local childcare businesses through the use of the vouchers.

The benefits platform and the offer of discounted good and services as a staff benefit will help encourage staff to spend their money with these companies (both large and small) aiding recovery from the impacts of COVID whilst allowing those companies to potentially employee additional staff. As part of the management of this contract HR will work with Edenred to increase the number of London based suppliers offering discounts as well as more SME's to maximise the benefits of this contract in support of the Anchor Institution Charter.

LEGAL IMPLICATIONS

The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). Public contracts for goods and services valued at £213,477 (inclusive of VAT) or above must be procured in accordance with MOPAC governance and the Regulations. This report confirms the value of proposed contract exceeds this threshold and, accordingly, the Regulations are engaged.

This report also confirms the procurement route proposed is to call off from a Crown Commercial Services framework agreement. This will represent a compliant route to market where the MOPAC is named as an eligible user of the framework and the MOPAC's requirements are within the framework's technical and financial scope. These points are confirmed above and the proposed route is therefore valid..

Paragraph 7.23 of the MOPAC Scheme of Delegation and Consent provides that the Director for Strategic Procurement (now Commercial Services) has consent to approve the award of all contracts, with the exception of those called in through the agreed call in procedure.

Paragraph 4.13 of the Scheme provides that the Deputy Mayor for Policing and Crime (DMPC) reserve the right to call in any MPS proposal to award a contract for £500,000 or above. Accordingly, the DMPC should be invited to call any proposed award in.

4 Financial Case

The purpose of this section is to set out the implications for the MPS revenue budget and capital plan of the proposed approach.

The MPS wishes to arrange a new combined benefits platform to continue to offer this provision. There will be no direct costs incurred by the MPS for service provision; however, significant savings will be generated by way of reduced employer NI contributions.

The total savings generated through reduced employer NI contributions is estimated at £1.78m over the four-year term.

For ease of reference, the financial implications of this contract award for each Scheme will be dealt with separately.

Cycle to Work Scheme

The Cycle to Work scheme (salary sacrifice) requires the MPS to pay the upfront cost of the bicycle (up to a maximum value of £3,000) and then to recover the cost from the employee via salary sacrifice over a period of 12 to 18 months. The liability of the loans to employees is recognised on the balance sheet, so consequently does not directly impact on the revenue accounts.

The MPS can generate Employer NI savings on all scheme salary deductions.

The following table shows estimated Employer NI savings of c. £470k over the course of the new four year contract, however this will be subject to workforce attrition and scheme eligibility,

| | 2022/23 Aug - Mar | 2023/24 FY | 2024/25 FY | 2025/26 FY | 2026/27 Apr - Jul | CONTRACT TOTAL |
|---|----------------------|---------------|---------------|---------------|----------------------|-------------------|
| Cycle to Work contributions ¹ | 511,111 | 766,667 | 766,667 | 766,667 | 255,556 | 3,066,667 |
| Annual MPS Savings: NI @ 15.3% ² | (78,200) | (117,300) | (117,300) | (117,300) | (39,100) | (469,200) |

¹ 2022/23 contributions based upon FY21/22 average contributions as at December 2021. Assumed demand remains constant.

² Employer NI contributions set to increase from 13.8% to 15.3% from April 2022.

Childcare Vouchers

The Childcare Vouchers scheme (salary sacrifice) operates at net direct cost to the MPS, yet continues to allow the organisation to generate Employer NI savings on the value of all vouchers drawn down.

The following table shows estimated Employer NI savings of c. £1.3m over the course of the new four year contract, however this will be subject to workforce attrition and scheme eligibility,

| | 2022/23 Aug - Mar | 2023/24 FY | 2024/25 FY | 2025/26 FY | 2026/27 Apr - Jul | CONTRACT TOTAL |
|---|----------------------|------------------|------------------|------------------|----------------------|--------------------|
| Employee Childcare Voucher contributions ¹ | 1,751,944 | 2,321,326 | 2,050,505 | 1,811,279 | 603,760 | 8,538,815 |
| Annual MPS Savings: NI @ 15.3% ² | (268,048) | (355,163) | (313,727) | (277,126) | (92,375) | (1,306,439) |

¹ 2022/23 Contributions based upon FY21/22 average contributions as at December 2021. Contributions are then forecast to reduce year-on-year due to staff attrition and non-eligibility (vouchers only valid until child reaches the age of 15 or, if disabled, the age of 16).

Please note: Scheme closed for new entrants in October 2018.

² Employer NI contributions set to increase from 13.8% to 15.3% from April 2022.

Overall Savings

Based upon current contributions, and including assumptions for workforce attrition and scheme eligibility, total benefits are as follows:

| | 2022/23 Aug - Mar | 2023/24 FY | 2024/25 FY | 2025/26 FY | 2026/27 Apr - Jul | CONTRACT TOTAL |
|--|----------------------|------------------|------------------|------------------|----------------------|--------------------|
| Cycle to Work Employer NI savings | (78,200) | (117,300) | (117,300) | (117,300) | (39,100) | (469,200) |
| Childcare Vouchers Employer NI savings | (268,048) | (355,163) | (313,727) | (277,126) | (92,375) | (1,306,439) |
| TOTAL MPS EMPLOYER NI SAVINGS | (346,248) | (472,463) | (431,027) | (394,426) | (131,475) | (1,775,639) |

5 Management Case

The purpose of this section is to explain how the outcome of the procurement will be implemented and the benefits realised.

Implementation Team

The Pay and Rewards Team will lead the planning and administration of the new contract. The senior staff members responsible for this phase of the process will be Kate Martin and Daniel Pickett. Daniel Pickett will be appointed to manage the project day to day through this and the subsequent implementation stage. A Contract Management Team will be formed along with representatives from the Commercial and SSCL staff. The Contract Team members and overall manager will be agreed shortly.

The planning for the new contract will include a Transition Stage in the period from 1 April 2022 to 31 July 2022. This period will enable the MPS to work with Edenred Ltd to formalise the changes to the existing contract. The main change to the existing contract involves the removal of the Home Technology and Car Lease salary sacrifice scheme although this is expected to involve minimal activity.

Deliverables & Timescales

It is anticipated that the transition process will be completed no later than the 31st July 2022 and the contract for the benefit services will commence on 1st August 2022. Post transition, Management Information will be required on a quarterly basis. Occasionally ad hoc information will be required for senior managers, the Authority or for Freedom of Information (FOIA) requests. These information requests must be provided within 48 hours.

It is essential that the benefit services and the associated processes be delivered in a way that avoids any detrimental effect on MPS staff.

Security

Security of information is of paramount importance to the MPS. The MPS will only supply the minimum amount of data to allow the benefit schemes to operate and wherever possible avoid the use of home addresses. Where it is necessary for individuals to supply data that the MPS considers sensitive, it is imperative that wherever possible this is not shown to be associated with their employment with the MPS. Where it is essential that the employer is shown alongside the details of the employee as in the case of hire/salary sacrifice agreements this data is to be stored securely with only those who have been security cleared by the MPS having access.

Vetting

Employees of the contractor and sub-contractors involved in providing any services under these schemes would be required to have Initial Vetting Clearance (IVC). However, the number of staff requiring vetting will be kept to the minimum required to deliver the service to the contracting Authority.

Stakeholders

| Key Stakeholders | Role |
|------------------|---|
| Human Resources | Project Lead & Contract Implementation |
| SSCL | Administration of Benefits Platform |
| Finance | Financial advice |
| Commercial | Drafting of the contract and Implementation Support |

Governance/Contract Management

The high-level team has been outlined above. Regular meetings between the Contract Team and Edenred Ltd will be a key part of the management of the scheme. Initially, these will need to be at least every three months to ensure a smooth set up of the new contract. It should be noted that SSCL will be a critical part of the team due to their role as payroll providers to the MPS.

After the contract has gone live, it is anticipated that meetings will be required on a quarterly basis for the remainder of the contract.

Stakeholders

| Key Stakeholders | Role |
|----------------------------|---|
| Human Resources | Project Lead |
| SSCL | Administration of Salary Sacrifice Schemes |
| Finance | Management of NI contributions |
| Commercial | Advice on contractual matters throughout the contract duration. |
| Vetting | Vetting advice |
| DLS | Legal advice |
| HQ Strategy and Governance | Advice on security data |

Reports/Management Information

The Contract Manager will also require monthly reports on scheme usage and as time progresses this should show trends throughout the year. This data will enable the Authority and the scheme providers to manage the timing of communications to potential members. In the case of discounted goods/services, the monthly reports should also include data on the most popular/used services. The exact content and format of the monthly reports shall be agreed with Edenred Ltd. during the implementation of the contract.

Managing Errors/Complaints

A clearly defined complaints procedure is required which sets out timescales of the action that will be taken and includes timescales of when matters will be escalated.

The supplier and subcontractors will be responsible for rectifying any errors they make. Immediately after an error becomes apparent action must be taken. In the event the error involves an employee, they must be notified of the error and the proposed remedial action. The supplier and contract manager must be copied in to this communication.

As a minimum, complaints must be acknowledged within 24 hours, and satisfactorily resolved within 2 - 3 working days, or by agreement with the MPS.

Performance measurement

Throughout the Contract Period, the Contractor will need to supply services that meet or exceed the standards set out in the Key Performance Indicators (KPI's) described in the KPI section below and take corrective action in the event of failure to meet those standards.

The Contractor will also need to provide monthly reports (in accordance with the section below headed "Reporting Obligations" summarising the performance achieved by the Contractor against the KPIs.

Where the Contractor fails to meet the required performance standard against a KPI, the Contractor will accrue "Performance Points" in the manner described in the KPI section below.

Where the number of Performance Points accrued in a particular period exceeds certain levels, as set out in the following sections of this Schedule, the consequences may include:

- The application of service credits by way of an adjustment to the Contract Price
- The preparation and implementation of a "Service Rectification Plan"
- The exercise of step-in rights by the Authority
- The exercise of termination rights by the Authority.

The remedies set out in this section for failure to meet the KPIs are not intended to be the MPS' exclusive remedy for any such failure and shall be without prejudice to any other right or remedy to which the organisation may be entitled, whether under other express provisions of the Contract, under the general law or otherwise.

Key Performance Indicators

Each of the following KPIs shall be measured on a monthly basis and relate to the standard of performance that is required in respect of the relevant tasks or activities, over any one calendar month:

| KPI | Performance Measure | Target |
|----------------------|---|---|
| Supply of Services 1 | Provision of benefits through a website | <p>Must be available 24/7 365 days per annum. 5 days' notice to be given to the MPS if it is necessary to take down the site for maintenance.</p> <p>50 performance points accrued for every occasion the site is unavailable for a period of more than 12 hours (the exception being if notice has been given)</p> |
| Supply of Services 2 | Provision of help desk/phone line | <p>Must be available to scheme members Monday to Friday 8am - 6pm.</p> <p>50 performance points accrued for every occasion this facility is unavailable for a period of more than 12 hours.</p> |
| Supply of Services 3 | Ability to meet payroll deadlines | <p>The MPS runs two payrolls, one for officers with a payday of on or around 20th of each month and one for staff with a payday of on or around the last day of the month. Details of members requiring salary sacrifice payments to be deducted must be with the payroll provider approx. 2 to 3 weeks before each payday. A detailed timetable will be supplied following contract award.</p> <p>250 points accrued for every day beyond the monthly deadline</p> |
| Supply of Services 4 | Ability to transfer voucher funds to Childcare Voucher Scheme members accounts within specification deadlines | <p>Voucher funds to be in parent's accounts on the same day they receive occupational pay.</p> <p>When parents transfer vouchers to their individual childcare providers the transaction should be immediate.</p> <p>100 points accrued for each day past the target date this measure is not met.</p> |

| | | |
|----------------------|---|---|
| Supply of Services 5 | Ability to transfer voucher funds to carer/providers account within specification deadlines | <p>Voucher funds to be in carer/providers account immediately following transfer from the parent.</p> <p>100 points accrued for each day past the target date this measure is not met.</p> |
| Quality 1 | Ability to resolve customer complaints relating to salary sacrifice payment issues | <p>Customer complaints must be satisfactorily resolved within 24 hour or by Agreement with the Authority.</p> <p>50 performance points accrued for failure to deal with complaints within the specified time-lines.</p> |
| Quality 2 | Ability to resolve customer complaints (from both the scheme members & the contracting Authority) | <p>Customer complaints must be acknowledged within 24 hours and satisfactorily resolved within 2-3 working days or by Agreement with the Authority.</p> <p>20 performance points accrued for failure to deal with complaints within the specified time-lines.</p> |