

Report of the Portfolio Holder for Resources and Personnel Policy

SUPPORT FOR EMPLOYEES FACING FINANCIAL HARDSHIP1. Purpose of Report

To propose some measures which may support employees during the cost of living crisis.

73% of the Council's workforce is on grade 7 and below (the top of grade 6 is £28,245).

With inflation running in double figures, interest rate rises, increases in food and utility bills, the Council may wish to introduce some measures to support employees to cope with these pressures.

2. Recommendation

Cabinet is asked to CONSIDER proposals regarding the waiving of car parking fees where employees working at the Council Offices in Beeston; CONSIDER proposals for an Employee Hardship Grant and Employee Hardship Loan scheme and RESOLVE accordingly, with the £5,000 cost of the Employee Hardship Grant scheme to be funded from General Fund revenue balances

3. Detail

Three measures are proposed in the report:

- (a) Waiving of car parking charges where employees on Grade 7 and below come to the office to work attached at appendix 1.
- (b) An employee hardship grant budget of up to £5,000 per annum to be added to the HR section's budget at appendix 2.
- (c) An employee loan scheme at appendix 3.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

In terms of the proposal to waive car parking charges for employees on lower grades, the Council has issued 50 green discounted parking permits which enables employees who are non-designated car users the opportunity of all day parking for £1 per day. It is estimated that an average of ten employees use this discount on a daily basis. The loss of income would therefore be around £2,500 per annum, which would have to be managed within the overall car parking charges income budget.

The total cost of the Employee Hardship Grant scheme will be determined by demand. The proposal to create a £5,000 per annum budget will have to be funded from General Fund revenue balances as the Revenue Contingencies budget in 2022/23 has all but been exhausted (subject to other items on this agenda).

The total cost of the proposed Employee Hardship Loan scheme will also be determined by demand. In addition to the cost of administering and managing the loan scheme, the other cash cost will be the loss of interest received from the cash balances used to finance the loan scheme. If, for example, 50 employees were to take out the maximum loan, the loss of interest would be around £3,000 per annum. This loss of interest will be absorbed within the overall investment income budget.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

Whilst there are no direct legal implications arising from this report, if the Employee Hardship Loan and Hardship Grant schemes are approved, a suitable agreement setting out the terms and conditions will be required and provided by Legal Services.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

None provided

7. Union Comments

The Union comments were as follows:

UNISON fully support this initiative being proposed by the Council. Employees are struggling with the current cost of living crisis, and this safety net could be a great help. Being in debt and worrying about finances can have a huge impact on people's work. UNISON has a welfare team and a hardship fund, but we are only able to assist those who are members. This new initiative would support those who are not in a union and require assistance.

Waiving car park charges would also be appreciated by those on the lower pay scales.

We would request that consideration is given to offering this assistance to employees at Grade 7 and below, as Grade 7 is the cut-off for most other things such as overtime

8. Data Protection Compliance Implications

None

9. Equality Impact Assessment

Not applicable

10. Background Papers

Nil

APPENDIX 1**Car Parking Charges**

Current studies show that the Council's car park at the rear of the Old Town Hall in Devonshire Avenue is now utilized around 27% of capacity. This car park is for essential car users to be able to park without charge in order that they may easily access vehicles which are essential to them carrying out their jobs.

Employees who are not essential car users are not able to park in this car park and have to pay car park charges on occasions when they work from the office (free car parking is available for employees based at Kimberley depot at the depot).

It is proposed to review the authorised number of employees who are able to park free of charge in Devonshire Avenue car park with a view to increasing utilization of the car park and enable more employees who is based in the office for work, but who are not essential car users to also use the car park free of charge. It will be important to do this without creating an overcapacity problem thereby causing disruption to those essential users who need to ensure quick and easy access to their vehicles for work. The situation will be carefully monitored to achieve the right number of potential users. For allocating car park passes to non-essential car users working in the office, those with longest service will have the greatest priority. Any remaining employees who work in the office who will continue to have to pay car parking charges would have these charges waived.

There is a risk that the introduction of these flexibilities may create a disincentive to make sustainable travel choices and Members are asked to take this into consideration when deciding whether or not to approve the proposal. In addition, there will be a lot of income from car parking fees. The overall impact of this is difficult to quantify but is not thought to be a significant amount.

APPENDIX 2**Hardship Grant Scheme**

Currently the only mechanism through which the Council can provide financial assistance to employees (apart from training) is through advance payment of salary and loans to purchase cars which are essential for the performance of employees' duties. Union members have access to hardship funds but the Council does not have such a facility. The council's total pay bill is around £12m.

Employees, the majority of which are on relatively modest salaries, currently face significant cost of living pressures and the council has a desire to recruit and retain people with talent to work at Broxtowe. Supporting employees going through difficult times in a tangible way reinforces our corporate value relating to "valuing employees and enabling the active involvement of everyone".

The introduction of a hardship grant scheme would build on the council's policies to support employees who are carers or who themselves have life limiting conditions, and those who support family members who have such conditions and would also support employees with disabilities, some of whom face additional expenses relating to their disabilities.

In the current context Councillors may wish to consider the allocation of a small budget (e.g. £5,000 in a full financial year, with a pro rata amount for the current financial year) to be available for exceptional hardship grants.

1. Criteria

The criteria for the award of a hardship grant would be (not an exhaustive list)

- Where support is needed to help defray an unexpected, necessary expense (e.g. a major car breakdown or key household appliance failure)
- Where the employee is experiencing acute temporary difficulties in managing monthly income and outgoings through unexpected events
- To support the employee in circumstances where additional costs arise through family bereavement, diagnosis of a life limiting condition or other personal emergency.
- Support with financial difficulties which have been incurred due to external events in a manner which is beyond the employee's control.
- Support employees who have disabilities with additional costs they may face through having a disability or which may assist them in overcoming personal challenges incurred through disability.

2. Amount and Numbers of Grants

Only one grant per employee per year of up to but no more than £250 each would be available only to employees on grade 7 or below.

3. Grant Requests:

Employees who are in need of a hardship grant would make their needs known to the HR Manager or a member of the HR section, who will deal with any requests in a confidential manner.

4. Decisions on Grants

Decisions on the award of a hardship grant will be made by the HR Manager, or that person's nominated deputy, provided that the decision is also supported in writing by a senior officer of head of service level or above. Care will be taken to undertake the process of decision making with sensitivity and confidentially.

5. Records

Records will be kept of grants which are made; those who are in receipt of grants, and the purpose for which grants are made for audit and transparency purposes. Any sensitive personal data will be processed in accordance with the Council's responsibilities under the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.

6. Hardship grants are not repayable and may be used in conjunction with the employee loan scheme described below, provided the total amount of both grant and loan made to an individual employee does not exceed a maximum of £1,500.

APPENDIX 3

Employee Loan Scheme 2022**1. INTRODUCTION**

- a. In recognition of the challenges individuals may be facing as a result of the current cost of living increases, the Council has taken the decision to introduce an Employee Loan Scheme (the Scheme).
- b. The aim is to provide support for those who may be facing financial hardship or financial difficulties at present. Examples of when this might apply (not an exhaustive list) are in situations such as:
 - Where support is needed as a result of an unexpected, necessary expense (e.g. a major car breakdown or key household appliance failure)
 - Where the employee is experiencing additional costs as a result of exercising caring responsibilities for elderly or disabled parents or dependent relatives of any age
 - To support the employee in circumstances where additional costs arise through family bereavement or diagnosis of a life limiting condition
 - Support with financial difficulties which have been incurred in a manner which is beyond the employee's control.
- c. This scheme may be withdrawn at any time and does not form part of an employee's contractual terms and conditions.

2. THE LOAN

This scheme is designed to provide support to individuals on grade 7 or below where such support is needed. The details of the scheme are as follows:

- The maximum loan amount has been set at 5% of your annual salary, to a maximum of £1,500. The reason for this limit is to ensure that the Council lends responsibly and repayments are affordable.
- The loan is interest – free, subject to repayments being made in line with the scheme.
- The loan scheme may be used in conjunction with a hardship grant provided the total amount allocated in grant and loan does not exceed £1,500.
- The scheme is not to be used for optional expenditure.
- Repayments will be deducted directly from your salary. See the section below on Repayment for more details.
- If an employee's employment comes to end, for whatever reason, before the full loan amount has been repaid, the loan amount will normally be deducted from their salary over their notice period.

3. ELIGIBILITY

- a. In order to be eligible for the loan, an employee must:
 - Be an employee of the Council on either a permanent or temporary contract of employment. Note that the contract must be expected to last for longer than the repayment duration
 - Have passed a probation period
 - Have not served notice of resignation
 - Have not have received notice terminating their employment
 - Not be subject to any formal proceedings that could result in dismissal
 - Not be subject to an active final written warning
- b. In addition, the repayments must not take an employee below their protected earnings rate.

4. APPROVAL

- a) Applications for a loan under the scheme should be made directly to the Council's HR Manager.
- b) Applications will be treated confidentially
- c) If the HR Manager is satisfied that the application meets the criteria the HR Manager will grant the application subject to the grant approval being countersigned by the Chief Executive or Deputy Chief Executive.
- d) When considering an application, the HR Manager will undertake such checks as are reasonably necessary to ensure that an employee meets the criteria of the scheme.

5. REPAYMENT

- a. Repayment of the loan will normally be made in 12 equal monthly instalments and will be deducted from an employee's salary after Tax and National Insurance contributions and any other salary deductions.
- b. If an employee wishes for repayments to be taken over a shorter period, they may indicate this on the application form at appendix 1. This will be agreed subject to repayments not taking an employee below their protected earnings rate.
- c. Deductions will begin from the month following the award of the grant or at a different specified date depending on information provided on the application form.
- d. Deductions will be shown on an employee's payslip.
- e. If an employee's employment with the Council ends, for any reason, before full repayment has been made, they will be required to repay the outstanding amount. The outstanding amount will be deducted from their salary over their notice period, where possible, or a deduction equivalent to the outstanding amount on the loan will be made from any final

payments due which, for the avoidance of doubt, may include (but not necessarily be limited to) salary, holiday pay or overtime.

- f. If full repayment cannot be made over an employee's notice period or from their final payment, they will be invoiced separately and required to organise repayment outside of payroll.

6. REPAYMENT DURING ANY PERIOD OF LEAVE THAT IMPACTS UPON SALARY

- a. If an employee enters into a period of leave and their salary is impacted, (maternity or paternity leave for example), repayments will be temporarily paused and will begin again once they are in receipt of their normal salary.
- b. Note that this does not apply to unauthorised absence, or short-term periods of unpaid leave (up to one week) subject to this not taking an employee below their protected earnings rate.
- c. If an employee does not return to work following a period of leave, the outstanding amount will be deducted from their salary over their notice period, where possible, or a deduction equivalent to the outstanding amount on the loan will be made from any final payments due which, for the avoidance of doubt, may include (but not necessarily be limited to) salary, holiday pay or overtime.
- d. If full repayment cannot be made over an employee's notice period or from an employee's final payment, they will be invoiced separately and required to organise repayment outside of payroll.

7. FAILURE TO REPAY THE FULL LOAN AMOUNT

- a. If repayment of the loan is not made in accordance with this Scheme, the Council may take legal action to recover the amount outstanding and interest may be charged.

8. PROCEDURE

- a. To make an application for an interest – free loan under this Scheme the form at appendix 1 should be completed in full.
- b. The completed form should be returned to the Council's HR Manager. A response will be made within 3-5 working days. In the event that the HR Manager is on leave or ill, The Chief Executive, Deputy Chief Executive or another Chief Officer may determine applications subject to another senior officer countersigning the approval.
- c. If an application is approved, the employee will be sent a written agreement to sign. This will confirm the amount of loan that they will receive, when it will be paid and the value of the monthly deductions that

will be made once repayments begin. They will also receive an agreement and declaration to sign.

- d. Employees will be required to sign the agreement and declaration to confirm their acceptance of the relevant terms.
- e. On receipt of the signed agreement and declaration, and subject to eligibility checks, the Council will initiate a BACS transfer, within 3-5 working days, directly into the bank or building society account that an employee's salary is normally paid to.

9. DATA PROTECTION

- a. The Council will only process any personally identifiable information that is provided in accordance with our responsibilities under the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018.

10. ADVICE AND GUIDANCE

- a. If you have any questions about the Employee Loan Scheme, please, in the first instance, contact any member of the HR team.
- b. The HR team will signpost an employee to suitable sources of advice where relevant including debt counselling, mental health support or money management advice.