



Department
for Environment
Food & Rural Affairs

**Can you provide benefits on a budget and still
maximise engagement?**

Natalie Jutla

Employee Benefits and Financial wellbeing lead



- How to provide a cost-effective employee benefits offering with visible return on investment (ROI) metrics for leadership teams
- Embedding and maintaining an employee benefits engagement culture
- Help your organisation realise the full potential of its employee benefits offer

Natalie Jutla



**Understanding the
'now'**

Debt is on the rise

According to The Money Charity (March 2023):



£65,513

Average total household debt



£2,315

Credit card debt



£3,991

Average unsecured adult debt

Mortgage and interest rates have been rising since early 2022

Monthly average effective interest rate for all mortgages broken down by interest rate type and official Bank rate January 2004 to December 2022.



Source: Bank of England – Effective interest rates and official Bank Rate

According to The Money Charity, the average mortgage rate being paid by UK households with a mortgage was 2.75%, equating to annual interest payments totalling £4,113.

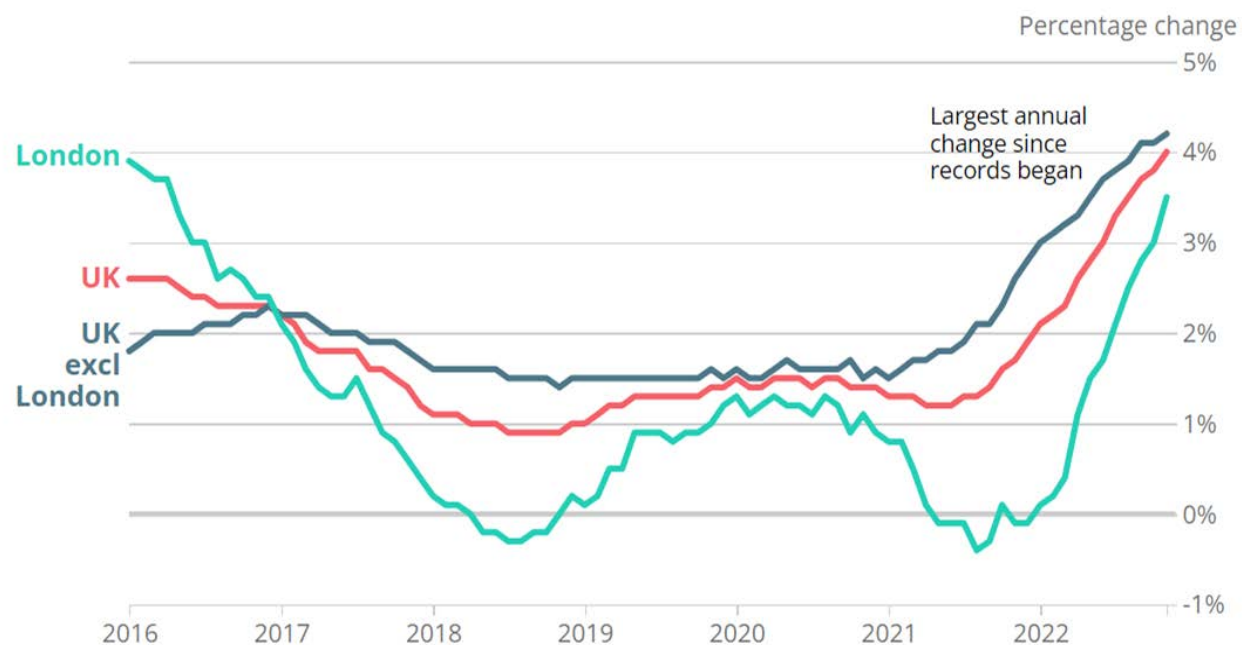
The average mortgage rate for new mortgages is now 4.44%, equating to annual interest payments totalling £8,237.

Renters also hit hard by increases

According to the Money Charity in the 12 months to March 2023 rent in the UK rose 9%, compared to a 4.8% rise in 12 months to February 2023.

And the ONS finds that renters pay 25% of their household income on rent.

Index of Private Housing Rental Prices percentage change over 12 months, UK and London, January 2016 to November 2022



Source: Office for National Statistics – Index of Private Housing Rental Prices

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The loan sharks profiting from the pain of soaring prices

6 days ago



Money and mental health link remains :

Research from the Money and Pensions Service finds that:

18%

Of people with a mental health problem are also in problem debt

1.5X

They are more likely to struggles with bills and credit commitments

50%

Have less than £100 in savings and 1/3 have none at all



Review MaPs latest mental health and money best practice guide.

Employee Benefits definition

Employee benefits are non-cash provisions within the reward package, although they can have a financial cost for employers, for example paid holidays, pensions, or company cars.

They may be offered for business reasons, for example to attract and then motivate employees to achieve organisational objectives, and/or 'moral' reasons based on a desire to care for employees' wellbeing (and, in so doing, potentially enhance employee commitment). The prevailing financial, legal, and social background also plays a role in the development and shaping of benefit policies and practices.



Understanding the “why”

What do we know

- 73% of UK employees would use any financial rewards received from their workplace for essentials rather than luxuries.
- 90% of UK employees' most critical need, outside of increasing pay, is simply to be recognised among their colleagues for their efforts, ideas and successes at work
- 80% of UK employees say it's important for employers to offer financial wellbeing resources and tools.
- Jan 2023 Fixed mortgage rates have increased by 3.4% since Dec 2021 - 2 million UK households will need to re-mortgage in the next 12-18 months IMF said the worst is yet to come and 2023 will feel like recession
- Suicide rates increase by 30% during cost of living crisis years the most at risk age group is 28 – 42 years

Your employees



Strugglers

Often run out of money before payday.



Copers

Have virtually no savings and don't have enough to spend on things without feeling guilty.



Builders

Have some savings but less than three months, so don't have sufficient resilience to deal with life's unexpected expenses (e.g. a new boiler, vet bill, car breakdown).



Planners

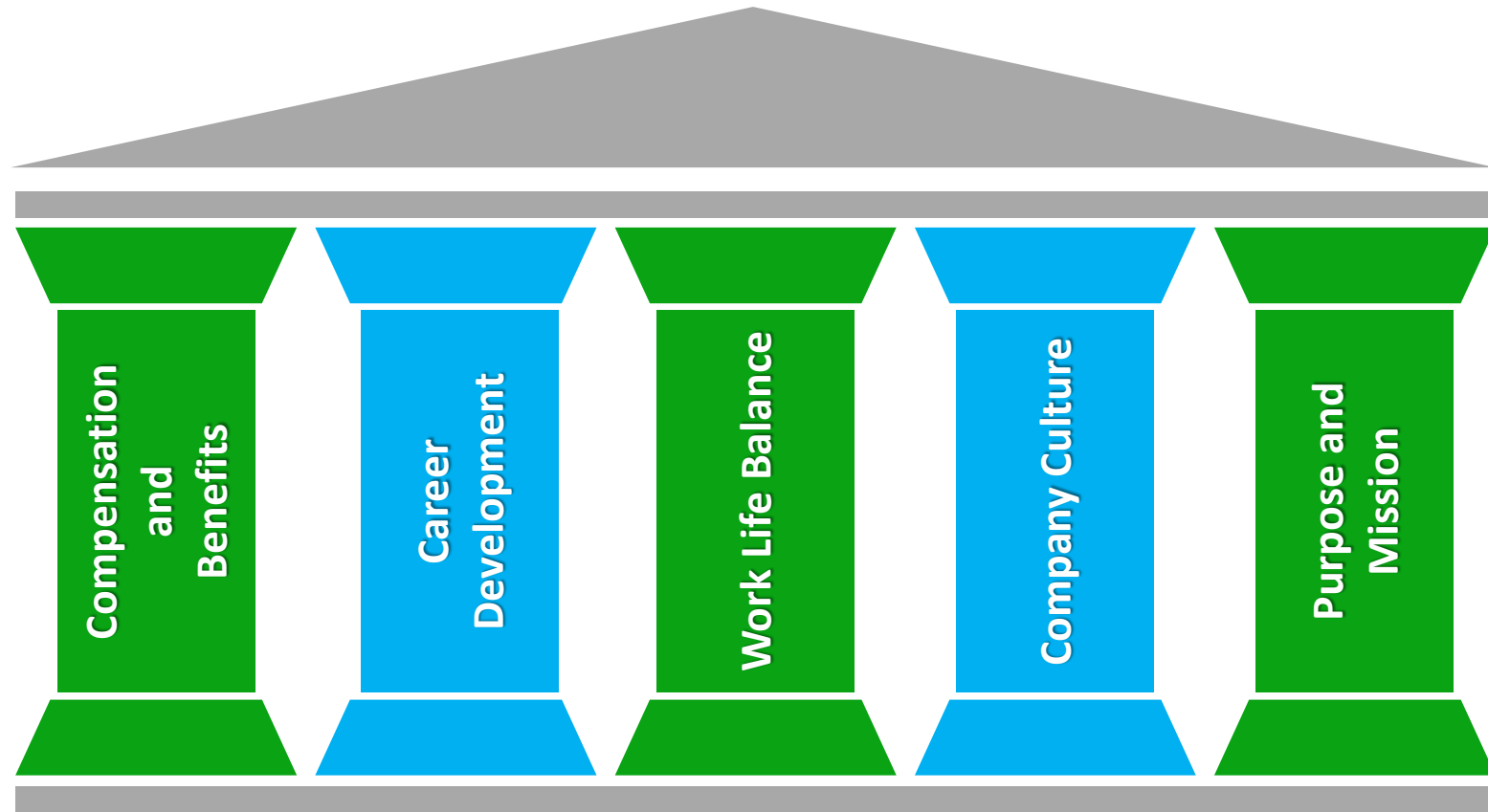
Have more than three months of savings to cope with an unexpected expense and a plan in place to achieve long-term financial goals.



Prosperers

Finances are not a constraint to living the life they want.

Organisations that effectively deliver on their EVP can decrease annual employee turnover by just under 70% and increase new hire commitment by nearly 30%





Understanding the “how”

PLANNING IS EVERYTHING

- **ASK YOUR PEOPLE**
- **KNOW THE MARKET**
- **BE BOLD**
- **TELL SUPPLIERS WHAT YOU NEED BUT MORE IMPORTANTLY WHAT YOU DON'T**
- **THE “SO WHAT”**
- **EMPLOYEE CHAMPIONS**
- **COMMS AND ENGAGEMENT**
- **DON'T RUSH IT**
- **NETWORKING & ATTENDING INDUSTRY WEBINARS AND EB EVENTS**
- **PUSH THE BOUNDARIES IN THE EMPLOYEE BENEFITS SPACE**
- **BUDGET vs PREMIUM**

A holistic approach

Employees who have access to great Employee benefits offer become and engaged workforce, that keep attrition rates low

- **TAILORED BENEFITS SOLUTIONS**
- **EASY TO USE AND ACCESS BENEFITS**
- **UP-TO-DATE REGULARLY REVIEWED CONTENT**
- **METRICS**
- **ROI**



DEFRA 1ST YEAR RESULTS

- **£7 MILLION SPENT THROUGH SMARTSPENDING ON RETAIL DISCOUNTS BY EMPLOYEES. REWARD GATEWAY HAVE CLIENTS WITH MORE THAN DOUBLE THE EMPLOYEE BASE OF DEFRA GROUP WHOSE SPEND IS ONLY £5 MILLION PER ANNUM.**
- **A £700K PER MONTH SPEND BY EMPLOYEES MEANS £45K PER MONTH SAVINGS FOR THOSE SAME EMPLOYEES**
- **£1.6 MILLION SPEND THROUGH RECOGNITION**
- **TOTAL REGISTERED USERS 35K OF WHICH 90% ARE ACTIVE USERS . THIS DATA SHOWS US THAT DEFRA GROUP EMPLOYEES ARE NOT JUST SIMPLY REGISTERING THEY ARE ACTUALLY ENGAGING WITH THE BENEFITS**
- **LEARNED BEHAVIOUR – EMPLOYEE FINANCIAL WELLBEING**

SUMMARY

Ask your people what's important to them

Build and regularly review an informed Employee benefits strategy

Prepare to educate and explain the importance of an engaged workforce

No one size fits all

Know what's available in the market by finding a flexible/adaptable provider

Work with your teams to ensure it isn't a tick box exercise – build your champions

Communication is everything ! Don't forget to shout about it !



Questions

Thank you for your time

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