

Date of Meeting: 17th March 2022

Cycle to Work Scheme

1. Purpose of Report

To consider the introduction of a Cycle to Work Scheme for employees

2. Background

Enquiries have been made by some employees of the Town Council relating to the possibility of introducing a Cycle to Work Scheme. In addition, such a scheme would have environment benefits, reducing the carbon footprint of the Town Council whilst staff are travelling to work.

3. Considerations

Any employer of any size across the public, private and voluntary sectors can run a Cycle to Work Scheme.

There are typically three types of schemes available to an employer:

Salary Sacrifice – This can benefit both the employer and employee from tax and national insurance exemptions. However, there would need to be a consumer hire agreement between the employer and employee that will be regulated under the Consumer Credit Agreement. In addition, if the value of the goods hired is in excess of £1000 authorisation from the Financial Conduct Authority (FCA) would be required.

An alternative option for an employer would be for a Cycle to Work Scheme provider to run the scheme on behalf of the employer. Scheme providers will be compliant to legislation, administer the scheme for the employer, reducing the complexity, advise on salary sacrifice arrangements and help promote the scheme to employees.

Loan Scheme – Providing a loan to an employee to purchase a cycle for active travel, similar to offering an advance of salary to employees. The disadvantage for this scheme is that it could be subject to Financial Conduct Authority (FCA) regulations.

Pooled Scheme – Where the employer purchases a number of cycles which are made available to employees either on a one to one or a pool basis. The disadvantage to this is that the employer will have to fund the purchase of the cycles, and the employees would not have the option to choose the type of cycle they would like.

The most suitable option should the Town Council wish to introduce the scheme would be through a salary sacrifice method using a Cycle to Work Scheme provider. The Town Council would still have to pay the up-front costs of the cycles, but the full amount would be repaid in the 12-month period with national insurance gains of approximately 13.8%.

4. Recommendations

- 4.1** That members consider the attached detailed guidance provided by the Department of Transport and make recommendations to Full Council.

5. Financial Implications

The Town Council would be required to fund the purchase of the cycle, but the funds would be re-imbursed during the 12 months. There would also be a cost saving through national insurance contributions.

6. Equalities Impact

The scheme is available to all employees.

7. Personnel Implications

There are no personnel implications.

8. Environmental implications

The introduction of the scheme would help provide options to employees to travel to work through more sustainable transport, reducing the Town Council's carbon footprint.

9. Consultation

N/A

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Word/Reports/Committee/General/Cycletoworkscheme