

Report to the Cabinet

Report reference: C-037-2008/09
Date of meeting: 1 September 2008



Portfolio: Corporate Support & ICT Services
Subject: Cycle to Work Scheme
Responsible Officer: Paula Maginnis (01992-564536)
Democratic Services Officer: Gary Woodhall (01992-564470)

Recommendations/Decisions Required:

That, as requested by the Joint Consultative Committee, the Council adopts the Cycle to Work Scheme.

Executive Summary:

The Government have introduced a Green Transport Plan Initiative, which allows tax incentives for staff purchasing cycles. It is a salary sacrifice scheme whereby the cycles remain the property of the Council until the hire period finishes (i.e. the pay back period which is usually over 12 or 18 months). At the end of this period employees will be given the opportunity to buy the cycle at a 'fair market value'. The cycle should be used for 50% of the commute into work and can be used freely in the employee's own time.

Reasons for Proposed Decision:

The benefits of a Cycle Scheme can be provided to staff at no cost to the Council.

It is hoped that the Scheme will help reduce the demand for car parking spaces within the Council's staff car parks.

Other Options for Action:

The Cabinet could decide not to agree to the introduction of a Cycle to Work Scheme.

Report:

1. If the Cabinet agree to introduce a Cycle to Work Scheme the employee can save up to 40% on the cost of a cycle and safety equipment through these arrangements. The Council will save Second Class NIC (up to 12.8%) on that part of the gross salary sacrificed. For example, if the Council was to loan a cycle worth £500 over eighteen months, the employee would sacrifice £500 of gross salary generating employers NIC savings of £64 per employee.

2. Attached at Appendix 1 is a 'Question and Answer' sheet, which provides details of the Initiative. This has been taken from the website of a company offering this scheme (Cyclescheme). There are a number of companies the Council can use to administer the scheme and they all will provide the scheme at no cost to the Council.

3. The main difference between the scheme providers is that some use local independent cycle shops to provide the cycles and maintenance deals. The closest shop to the Civic Offices is Spokes in Epping with other businesses offering this scheme in Harlow, Highams Park, Ilford, Broxbourne, Hainault, Brentwood and Romford. Other companies are web based cycle providers who sell cycles direct and have decided to participate in the scheme. It is proposed that the Council use a company whereby local businesses are used to provide the cycles.

4. The Corporate Executive Forum has expressed a willingness to support a scheme of this nature and the Committee are asked for their comments.

Resource Implications:

The Council will save Second Class NIC (up to 12.8%) on that part of the gross salary sacrificed.

Legal and Governance Implications:

Not Applicable.

Safer, Cleaner and Greener Implications:

Introduction of a Cycle to Work Scheme could help to reduce the CO2 emissions of Council staff.

Consultation Undertaken:

Internal consultation has been undertaken with the Trade Unions and members of the Car Park Working Party.

Background Papers:

Not Applicable

Impact Assessments:

Not Applicable.