

**To:** Policy, Resources & Personnel  
**From:** Joshua Bond – Centre & Sports Development Manager  
**Date:** 16/02/2022  
**Subject:** Cycle2Work Scheme

### **1. Purpose of report**

- To remind the Council of the governments Cycle to Work Initiative and how Fawley Parish Council can take further advantage of this through Cycle2Work.
- To seek approval for the recommendation below.

### **2. Recommendations**

- That FPC sign up as an employer with Cycle2Work to allow the Council to purchase and then loan cycles to employees as a tax free benefit from a wider range of suppliers.

### **3. Background and information**

- The governments Cycle to Work initiative has been running for almost 23 years and it is aimed at promoting healthier journeys to work as well as reducing environmental pollution. The 1999 Financial Act introduced an annual tax exemption which allows employers to loan cycles to employees as a tax free benefit.
- FPC already takes advantage of this initiative through CycleScheme, however it is limited to certain suppliers and by using Cycle2Work as well, the Council will be expanding the available suppliers our employees can use to source their bike.
- The two different schemes are run almost identically, and FPC can work with both at the same time. Through this scheme, the Council will purchase a cycle and loan it to the employee for 12 months, who will then compensate the Council through an agreed salary sacrifice. This salary sacrifice means the employee can make savings on their tax and NIC's of up to 39% of the bikes initial value. The added benefit of Cycle2Work is that it is also cheaper for the employee to take ownership of the bike once the hire period comes to an end.
- The process for loaning a bike is done mostly through the Cycle2Work meaning there is very little that FPC need to do once signed up. The main

role for the the Council is to pay Cycle2Work for the bike and then arrange and administer the salary sacrifice.

- Once the loan comes to an end and FPC has recouped the original cost of the bike, the Council are then no longer involved any further. It is then between the employee and Cycle2Work to arrange for how they will take ownership of the bike.

#### **4. Reasons for recommendations**

- As explained, Cycle2Work is an easy way for the Council to continue to provide a good benefit to our employees which promotes a healthier lifestyle. This will also support Policy 9 of the Council's Strategic Plan by helping to reduce the emission of greenhouse gases.
- There is no cost to the Council for taking part in this scheme (except a small amount of administration time) as the costs of the cycles are regained through the employee's salary sacrifice.

Joshua Bond

Centre & Sports Development Manager