



Saxilby with Ingleby Parish Council

Non-Confidential

Cycle 2 work scheme

Report to: Finance Committee 06-23

Report by: Clerk

Power/duty which decision falls under:

Primary: 2011 Localism Act Sec 1 General Power of Competence /

Secondary: 1972 Sec 111 Subsidiary powers of local authorities.

1972 sec 112: Appointment of staff.

Agenda item: To agree which budget the 'cycle to work' scheme will sit under and consider risk implications (23-05 Full Council action FC094/23) to enable the scheme to progress.

Clarification has been sought from The Green Commute Initiative (GCI). Any bikes through the scheme are owned by the GCI and loaned to the employee, therefore they are not a council asset.

This means the expenditure would not come from the capital expenditure budget.

Further explanation is in their briefing document:

End of scheme arrangements

The Hire Agreement is for 3 months and is separate from the Salary Sacrifice Agreement which will be for a longer period. At the end of the hire period, we can't simply give you the bike because if we do you will incur a HMRC tax liability based on the purchase value of the bike.

So, we'll make you a free loan until the bike is 6 years old, at which point there will be no tax liability. Check out HMRC's Fair Market Values table for more information.

At the end of the 6 year period, and under a separate agreement, we can transfer the ownership title to you for a £1 processing fee. However, in practice, the bike is yours from day one.

Finance Coding and Employee Benefit

The loan payment for the bike is deducted from staff wages, therefore it is suggested a new code is created for staff benefits (e.g. 4070) and the amount any bikes cost are vired to the employee benefit code under the relevant team's cost centre e.g. 4070/135 for admin staff, 4070/115 for grounds staff etc, each time an employee enters the scheme.



Managing Risk

1. Suitable safety gear would be required to be worn when using the bike to commute, as laid out in the background information
2. In the background paper it is advised the GCI is a social enterprise that cannot take on debt, so they won't go 'bust'
3. The employee enters into a salary sacrifice agreement so if they left the council they would be obliged to pay off any balance or transfer it to a new employer if they agreed

Based on the above it is deemed the scheme does not place the council at a significant level of risk.

RECOMMENDATION(S):

That finance committee resolve:

1. **For the RFO to create a new code for staff benefits (e.g. 4070) and the amount any bikes cost are vired to the new employee benefit code under the relevant team's cost centre each time an employee enters the scheme.**
2. **That the committee has assessed the risk and deems it at an acceptable level to proceed**



Appendix I: Background Documents

Report to: Full Council 05-23

Report by: Assistant Clerk

Power/duty which decision falls under:

1972 Sec 111 Subsidiary powers of local authorities.

A local authority shall have power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

1972 sec 112: Appointment of staff.

Without prejudice to section 111 above but subject to the provisions of this Act, a local authority shall appoint such officers as they think necessary for the proper discharge by the authority of such of their or another authority's functions.

Which council objective(s) it falls under:

Council Vision

Saxilby with Ingleby Parish will develop and thrive as an active, sustainable community, whilst retaining its rural character. It will continue to be an area that is attractive for people to live, work, and visit.

Council Objective

Recognise the climate and biodiversity emergency and it should be considered as the basis of all decision and policy making.

Wellbeing policy

3.3. Provide opportunities for employees to look after their mental wellbeing, for example through physical activity, stress-buster activities, and social events.

Consideration on carbon reduction:

The scheme would directly contribute to the reduction in carbon emissions.

Public Sector Equality Duty (*Consider or think about how policies or decisions affect people who are protected under the Equality Act*)

The scheme is open to all employees'. Options are available for those with disabilities ensuring the scheme is accessible to all employees.

Green commute initiative

The GCI scheme helps employees save money when buying a cycle, to cycle to work. It benefits the employer as the money is taken out of the wage at gross and so it saves the employer paying NI contributions for the employee.



GCI is a non-profit social enterprise, HMRC compliant, and regulated by financial conduct authority.

Over 1,000 small retail business are registered with the scheme.

The employee gets a quote from their cycle shop, enters it into the GCI website, that produces a proforma for the employer. Once everyone has signed the agreements the bike is released to the employee and the employer is given the details of how much to deduct each month.

There would be the initial pay out for council but they get the money paid back and they save 18.8% on the NI contributions they would have paid on the sacrificed payments.

It is good for the health and well-being of the employees and good for the environment as it reduces car travel to work.

RECOMMENDATION(S):

That full council notes the report and resolve to join the GCI scheme cycle to work scheme.