Cycle to Work Policy

# Document Control:

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| Author / Lead | Senior HR Business Partner |
| Responsible Executive Director | Chief People Officer |
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| Target Audience | Refer to Scope in Policy |
| Stakeholders engaged in development of Policy (internal and external) | * Mid and South Essex Staff Engagement Group * Trade Unions |
| Impact Assessments Undertaken  *(Delete if non-applicable)* | * Equality and Health Inequalities Impact Assessment |

# Version History

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| Version | Date | Author (Name and Title) | Summary of amendments made |
| 0.1 | November 2024 | HR Business Partner | First version ICB Policy |
| 1.0 | 07/02/25 | Governance Support Officer | Final – Approved version |
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## Introduction

* 1. The ICB will be introducing a Cycle to Work Scheme which enables employees to obtain a bicycle, cycling accessories and safety equipment, to use for at least some of their travel to work, by way of a salary sacrifice scheme.

1.2 At least 50% of the bicycle’s use must be for “qualifying journeys”, i.e. commuting to work purposes.

1.3 The Government’s Cycle to Work scheme is based on bicycle hire. The employee must not at any point during the hire period, own the bicycle. The Cycle to Work Scheme enables the employee to make savings by reducing their Income Tax and National Insurance liability.

1.4 The offer of the use of hired bicycles must be made equally available across the entire workforce, with no groups of employees being excluded.

## Purpose / Policy Statement

2.1 The Integrated Care Board (ICB) recognises it has a responsibility to contribute towards tackling climate change. It is also committed to encouraging its workforce to improve their health through increased fitness. It is also part of the ICB’s Corporate Social Responsibility.

2.2 The Integrated Care Board (ICB) has identified that by offering the Cycle to Work Scheme to employees it is supporting both these aims along with offering employees a benefit that allows them to make a financial saving on a purchase that will enable them to reduce their carbon footprint and improve their level of fitness.

## Scope

3.1 This policy applies to all ICB Employees directly employed by the ICB. It does not extend to those on secondment or those on a contract for service or any other off payroll arrangements. The following specific duties and responsibilities apply within the NHS Integrated Care Board (ICB).

## Roles and responsibilities

### Integrated Care Board

4.1.1 The ICB Board is accountable and responsible for ensuring that the ICB has effective processes in accordance with relevant legislation and best practice guidance.

### Chief Executive

* + 1. The Chief Executive is accountable for the policy and procedure being in place to ensure fair and equitable approach to all employees.

### Policy Authors

* + 1. The Policy authors are responsible for ensuring that this document is updated when any changes are made to the NHS Agenda for Change Terms and Conditions or taxation legislation.

### Executive Chief People Officer

* + 1. The Chief People Officer oversees the implementation of this policy and is responsible for ensuring that managers take action to meet the organisation’s obligations to ensure equity and consistency.

### Line Managers

4.5.1 The Line manager is responsible for checking and recording appropriate cycle insurance for business use, including public liability on an annual basis to permit claims on Easy Pay for staff expenses. Line Managers are also responsible for informing Finance and HR when a person who is part of the Cycle to Work Scheme advises of a resignation or is coming to the end of a fixed term.

### All Staff

4.6.1 All staff should be aware of the Cycle to Work Scheme and ensure that their circumstances are appropriate to participate in the scheme. The ICB HR Team has a responsibility to make all staff aware of the availability of the Cycle to Work Scheme. It also has a responsibility to ensure that certificate requests are processed in a timely manner.

4.6.2 Green Community Initiative (GCI) has a responsibility to provide a good level of service to all employees using the scheme.

4.6.3 **All-inclusive scheme**

With GCI you can be sure you’re offering a Cycle to Work Scheme for all your employees, regardless of their mobility.  This means that disabled employees, as well as those with mobility issues, can get [specialist or adapted cycles](https://greencommuteinitiative.uk/specialised-and-adapted-cycles/) through the scheme.  These cycles can cost in region of £3,000 so GCI’s no £1,000 spending limit means these bikes can be acquired.  No longer do employers have to exclude, or make alternative arrangements, for disadvantaged employees.

## Policy Detail

### Overall Principles

5.1.1 The Cycle to Work Scheme enables the ICB to offer employees the use of a bicycle for commuting in exchange for a salary sacrifice.  The salary sacrifice enables the employee to use their gross (before tax and NI) salary to repay the ICB. This means the employee saves the tax and NI that they would pay if they bought the bicycle from their net (after tax) pay. It also allows employees to spread the cost over monthly pay packets, making the acquisition more affordable.

5.1.2 A bicycle purchased under the scheme should be used for at least part of 50% of the journeys an employee travels to and from work. However, there are no requirements for the employee to cycle to work for a specified number of days throughout the year and there is no requirement from HM Revenue & Customs for employees to record their journeys. Employees can use the bicycle for leisure at weekends and on holiday.

5.1.3 The Cycle to Work Scheme chosen by the ICB enables you to buy a voucher which entitles you to the hire of a bicycle of your choice directly from GCI scheme. The cost of the voucher is the same as the bicycle so for a £1,500 bicycle the voucher is £1,500. You repay the cost of the voucher by sacrificing a part of your gross (before tax and NI) salary.

5.1.4 At the end of the hire period the bicycle would incur a tax liability. The GCI scheme invite you to have a free of charge extended loan for a further five years and nine months. After a total of 6 years under a separate agreement, GCI transfer ownership title to you for a £1 processing fee. The £1 acts as a marker to protect you from any future claim that HMRC can make. You are not permitted to sell the bicycle until the end of the extended free loan period, unless agreed otherwise in writing with the GCI. Full details of the scheme are available at LINK.

**5.2 Eligibility**

5.2.1 Green Commute Initiative (GCI)has been chosen by ICB to act as the third-party facilitator. They are an independent company created to help both employers and employees make the most of the Green Transport Plan Initiative and associated tax concession offered by the Government.

GCI are partners with a considerable number of bicycle shops. GCI customers are not limited to any bicycle or accessory brand and therefore can choose the best for quality and value-for-money.

GCI work with employers under this arrangement, to ensure that Hire Agreement terms and conditions are written in full compliance with the Office of Fair Trading, HM Revenue & Customs, Trading Standards and the Department for Transport regulations.

5.2.2 The scheme is open to all full and part-time employees of ICB whose term of employment has more than the minimum period of hire (12 months) to run.

* To take advantage of the tax breaks that result from salary sacrifice please also note:
* You need to be a UK taxpayer.
* You need to be over 18 years of age to comply with Consumer Credit Act legislation.
* You need to be earning more than the National Minimum Wage after your loan repayment has been deducted.

**5.3 Financial Details**

5.3.1Staff expense

Reimbursement for using bicycles for official journeys will be reimbursed upon submitting a claim via Easy Pay and appropriate cycle insurance for business use, including public liability. Full details are available in the Reimbursement of Staff Expenses Policy.

5.3.2 Salary Sacrifice

A salary sacrifice is a system whereby an employee gives up the right to receive part of their pay due to them under their contract of employment in return for the employer’s agreement to provide some form of non-cash benefit, in this case the loan of a bicycle and related equipment. The loan repayment is taken from the employee’s gross, rather than net, salary for the 12 months of the hire period.

5.3.3 Saving

The savings depends upon the individual’s income tax band. An individual being taxed at the higher rate band will save more than someone that pays standard rate Income Tax.  This coupled with your national insurance contributions will give you the percentage of what you’ll save from your gross salary.

5.3.4 Spend Limit

The Department for Transport (DfT) permits a certificate of any value. The ICB will apply sound judgement and proportionality when approving any application on the basis of contract length, salary earned, relative cost and impact.

5.3.5 Pension

Reducing your gross salary will most likely reduce your pension contributions, which in turn affects your final pension pot.  An employee’s pension contribution is payable on their full salary. This will be affected by a salary sacrifice arrangement. If you have any queries about pension implications, particularly if you are considering retirement in the next five years, you should contact MY NHS Pension.

5.3.6 Pay award

Any pay award will be based on the employees unreduced salary. The amount the employee is paying towards the bicycle will not change.

5.3.7 Unpaid leave

During approved unpaid leave, such as maternity leave, the salary sacrifice period will be extended by the number of months when the salary was not paid to be able to collect the required payments.

5.3.8 Maternity, Paternity, Parental, Adoption and Sickness Leave

An employee’s reduced income may influence the following:

1. During maternity/paternity/parental/adoption/sickness leave: any calculations for pay during this period will be made based on gross salary after the salary sacrifice.
2. The employee will continue to have the bicycle and equipment on loan during their absence. The employee will continue to have deductions made from any payments they are receiving and / or will accrue a debt that will be recovered as soon as they return to work and receive a payment from Mid and South Essex ICB NHS.

5.3.9 Student loan repayment

Employees making student loan repayments via deduction from payroll will be affected. Under salary sacrifice the employee’s total gross salary on which National insurance is paid will reduce, so their loan repayments will reduce.

5.3.10 Child tax credit

Employees may still be able to apply for Child Tax Credit whilst being in a salary sacrifice scheme. For more information please check directly with the HMRC tax credit advice line on telephone 0345 300 3900.

5.3.11 Working tax credit

The vast majority of staff will benefit from joining the cycle scheme. However, some employees’ personal circumstances may mean that it is not beneficial. This is most likely to be the case for those on low income affected by Working Tax Credit, which may cancel out the savings made on Income Tax and National Insurance contributions. Please seek advice from the HMRC tax credit advice line on telephone 0345 300 3900.

**5.4 Leaving the Organisation**

5.4.1 If the employee leaves ICB before the end of the salary sacrifice repayment, they will be required to settle all outstanding monies before they leave. The outstanding balances will be deducted from their final **net** salary payment.

5.4.2 Settlement is from net pay because once the employee leaves ICB, they also leave the cycle to work scheme and are no longer eligible to benefit from the Income Tax savings. If the outstanding amount owed is not fully covered by the final salary payment, the employee must pay it within 14 days of leaving the employment through their own means.

5.4.3 If the employee leaves the ICB during the extended hire period (“as part of the own, it later” arrangement) and repayment has been completed no further action will be taken. The Modifying Agreement is between the participant and GCI so even if their employment ceases, the extended hire period will continue to run with GCI.

**5.5 Cancelling the agreement**

5.5.1 Under the terms of the cycle to work scheme it is not possible for the loan to be cancelled. The employee is committed to making the salary sacrifice for the duration of the hire period. If the employment is terminated during the 12 months hire period, the employee is still liable to complete payments identified in the hire agreement. This means that an employee must be sure they are happy entering the scheme and with the cycle selection and cost they have committed to.

* 1. **Process for applying**

5.6.1 The first step is for the employee to choose the new bicycle and any accessories required as the ‘bicycle package’.  The package must contain a bicycle, but it can also include safety equipment, clothing, tools and spares.  HMRC rules mean GPS or bicycle computers are not available as part of the bicycle package. The employee contacts one of CGI registered bicycle shops and ask for a quote for the package.

* + 1. The next step is to submit an application.  If the employee is using the Instant GCI scheme, a code is not required and the employee can submit an application [here](https://www.greencommuteinitiative.uk/instant-gci/).
    2. When submitting an Instant GCI application, a pro-forma invoice will be emailed to you.  This is for a GCI voucher to cover the cost of the package.  Please take the pro-forma invoice to the HR department so payment can be made.  Without payment, the application will not be processed.

5.6.4 When the application is approved and payment received, GCI will process the application and confirm the order with the bicycle shop.  GCI will email the employee two documents for electronic signature: the Hire Agreement (3 12 to 24 months) and the Salary Sacrifice agreement.  Both documents require the employee’s signature. Until GCI receive all of the signed documents, nothing further will happen with your application.

* + 1. The employer has paid GCI for the voucher and a salary sacrifice arrangement is agreed to enable reimbursement.  ICB will reduce the employees gross (before tax) pay by the value of the voucher.  This means the employee will not pay tax or National Insurance on the amount of salary you sacrifice.  Depending on your tax rate, a saving will be made on cost of the package.  It is recommended that the employee takes insurance against the bicycle package as even in the event of theft, the salary sacrifice can continue.

5.6.6 The salary sacrifice period will vary and the repayment period will be 12 to 24 months.  Remember, the Salary Sacrifice Agreement is between you and your employer and is entirely separate from the Hire Agreement with GCI.

* + 1. When the Hire Agreement with GCI expires, GCI will contact you with ownership options.  GCI will recommend that you take the Extended Loan option to take the bicycle to 6 years old.  At this point, there will be no Benefit-in-Kind tax payable to HMRC.  If you want to take ownership before the bicycle is 6- years old, GCI will advise your payroll department of the tax payable for your P11D.

5.6.8 If you opt for the Extended Loan Agreement, when the bicycle is 6 years old, GCI will contact you to arrange the transfer of ownership.  A separate agreement is made and subject to a £1 processing fee.  The £1 simply acts as a marker to protect you from any future claim that HMRC may make.

## Monitoring Compliance

The Finance and HR Team will be responsible for monitoring that this procedure is followed and may be consulted at any stage through the process to offer advice to those involved.

Monitoring information will be published and reported as appropriate.

## Arrangements For Review

This policy will be reviewed no less frequently than every two years. An earlier review will be carried out in the event of any relevant changes in legislation, national or local policy/guidance, organisational change or other circumstances which mean the policy needs to be reviewed.

If only minor changes are required, the sponsoring Committee has authority to make these changes without referral to the Integrated Care Board. If more significant or substantial changes are required, the policy will need to be ratified by the Remuneration Committee before final approval by the Integrated Care Board.

## Associated Policies, Guidance and Documents

* + Reimbursement of Staff Expenses Policy
  + <https://greencommuteinitiative.uk/faqs/>

## Equality Impact Assessment

The EIA has been included as **Appendix A** as does not negatively impact any groups of staff and is inclusive in its application.

## Appendix A - Equality Impact Assessment

**INITIAL INFORMATION**

|  |  |
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| **Name of policy:**  Cycle to Work Policy  **Version number (if relevant):**  1.0 | **Directorate/Service**:  People |
| **Assessor’s Name and Job Title:**  Dr Kathy Bonney Chief People Officer | **Date:**  22/11/2024 |

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| **OUTCOMES** |
| **Briefly describe the aim of the policy and state the intended outcomes for staff** |
| The policy provides all directly employed staff who have a contract for 12 months or more with the opportunity to purchase a bicycle for use when commuting to work. |
| **EVIDENCE** |
| *What data / information have you used to assess how this policy might impact on protected groups?* |
| The ICB monitors the composition of its workforce under the nine protected equality characteristics and reports on this annually. This information helps the ICB to assess the potential impact of its policies upon staff. |
| *Who have you consulted with to assess possible impact on protected groups? If you have not consulted other people, please explain why?* |
| Relevant Trade Unions have been consulted on the policy and any comments will be taken into consideration when the policy is published. |

**ANALYSIS OF IMPACT ON EQUALITY**

The Public Sector Equality Duty requires us to **eliminate** discrimination, **advance** equality of opportunity and **foster** good relations with protected groups. Consider how this policy / service will achieve these aims.

N.B. In some cases it is legal to treat people differently (objective justification).

* ***Positive outcome*** *– the policy/service eliminates discrimination, advances equality of opportunity and fosters good relations with protected groups*
* ***Negative outcome*** *–**protected group(s) could be disadvantaged or discriminated against*
* ***Neutral outcome*** *–**there is no effect currently on protected groups*

Please tick to show if outcome is likely to be positive, negative or neutral. Consider direct and indirect discrimination, harassment and victimisation.

| Protected  Group | Positive  outcome | Negative  outcome | Neutral  outcome | Reason(s) for outcome |
| --- | --- | --- | --- | --- |
| Age | √ |  |  |  |
| Disability  (Physical and Mental/Learning) | √ |  |  |  |
| Religion or belief | √ |  |  |  |
| Sex (Gender) | √ |  |  |  |
| Sexual  Orientation | √ |  |  |  |
| Transgender / Gender Reassignment | √ |  |  |  |
| Race and ethnicity | √ |  |  |  |
| Pregnancy and maternity (including breastfeeding mothers) | √ |  |  |  |
| Marriage or Civil Partnership | √ |  |  |  |

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| **MONITORING OUTCOMES** |
| Monitoring is an ongoing process to check outcomes. It is different from a formal review which takes place at pre-agreed intervals. |
| *What methods will you use to monitor outcomes on protected groups?* |
| It is anticipated that any issues in respect of the implementation of the policy will be identified because of staff exercising their right of appeal or via the ICB’s  Grievance Procedure. |

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| **REVIEW** |
| *How often will you review this policy / service?* |
| Every 2 years as a minimum and earlier if there are any significant changes in legislation, policy, or good practice. |
| *If a review process is not in place, what plans do you have to establish one?* |
| N/A |