

## **EMPLOYMENT PANEL**

**TUESDAY 14 AUGUST 2012 AT 2.00PM**

**PRESENT:** Councillors Atkinson, Mrs Bradley (as substitute for Councillor Weber) Glover, J Mallinson, Mitchelson and Stothard (as substitute for Councillor Hendry)

### **EMP.11/12 APPOINTMENT OF CHAIRMAN**

It was moved and seconded that Councillor Glover be appointed Chairman of the Employment Panel for the Municipal Year 2012/13.

**RESOLVED** – That Councillor Glover be appointed Chairman of the Employment Panel for the Municipal Year 2012/13.

Councillor Glover thereupon took the Chair.

### **EMP12/12 APPOINTMENT OF VICE-CHAIRMAN**

The Chairman sought nominations with regard to the appointment of a Vice-Chairman for the Panel.

It was moved and seconded that Councillor Atkinson be appointed Vice-Chairman of the Employment Panel for the Municipal Year 2012/13.

**RESOLVED** – That Councillor Atkinson be appointed Vice-Chairman of the Employment Panel for the Municipal Year 2012/13.

### **EMP.11/12 APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillor Hendry and Councillor Weber

### **EMP.12/12 DECLARATIONS OF INTEREST**

No declarations of interest were submitted at this meeting.

### **EMP.13/12 MINUTES OF PREVIOUS MEETING**

**RESOLVED** – That the minutes of the meetings held on 16 February 2012 be agreed as a correct record of the meeting and signed by the Chairman.

## **EMP.14/12 EMPLOYEE BENEFITS – CYCLE TO WORK SCHEME**

The Organisational Development Manager submitted report CE.12/12 regarding the introduction of the Cycle to Work Scheme.

The Organisational Development Manager reminded the Panel that they had, at their meeting in July 2011, approved the introduction of an Additional Annual Leave Scheme which would enable staff to buy extra annual leave each year. The Panel also approved additional work to be carried out on the proposed Cycle to Work Scheme.

She explained that the Cycle to Work Scheme would enable employees to buy a bike and/or bike equipment at a reduced price through a salary sacrifice arrangement which offered tax and National Insurance savings to employees and National Insurance savings to the City Council as the employer.

The Employee Benefit Working Group recommended Halfords as the preferred provider of the Scheme because the Scheme was HMRC compliant, cost free to the employer, compliant with Public Sector Procurement rules and was part of the framework agreement that the Council could access without breaching EU procurement procedures.

The Chief Accountant outlined the three options for financing the purchase of the cycles:

1. Outright purchase by City Council (with 12.5% cashback)
2. 0% Finance (No cashback)
3. 9% Finance (with 12.5% cashback)

The preferred option would be to finance the outright purchase of the cycles from capital resources. The option gave the greatest savings to the employee and employer. Although the City Council would have to use capital resources to finance the initial purchase, this would be repaid within twelve months. The Employee Benefits Working Group recommended the cashback option which was available on all Halfords sourced bikes. Halfords would pay the cashback for four months after all the letters of collection in the window had been redeemed.

The Organisational Development Manager explained what would happen at the end of the hire period and how staff who did not have access to the internet could apply for the scheme. She added that Halfords had identified several groups who may not be covered by the normal scheme rules and they listed within the report.

She highlighted that a number of staff had suggested that a cycle mileage rate be introduced for staff who used their own bikes to cycle on council business. Cycle mileage rates were offered by Councils across the country and were considered a useful way to reduce traffic congestion, increase staff fitness levels, improve air quality and reduce transport costs. HMRC had an

approved cycle rate of 20p per mile and she requested that the Panel give approval to further work and development on the rate.

The Panel felt strongly that the local economy should be supported by the Council and had serious concerns regarding the use of a national chain to supply the scheme. The Panel asked for clarification with regard to the decision to use Halfords and if it was possible to carry out some 'soft market testing' with local providers.

It was clarified that Halfords Scheme was HMRC compliant and was cost free to the employer. The Scheme was also compliant with the Public Sector Procurement rules and was already part of a framework agreement. There were three organisations nationally who delivered cycle to work schemes of which Halfords was one of them and all of them worked with local cycle shops. The Panel were informed that the Halfords Scheme allowed for employees to purchase their bikes from local providers but the administration and finance would be provided by Halfords. She agreed to investigate further how Halfords would administer the finances if cycles were purchased from local businesses.

In response to questions from the Panel, the Organisational Development Manager clarified the requirement for insurance by the employee and informed the Panel that the employee would also be responsible for providing evidence of use if the HMRC chose to audit the Scheme. She added that it would not be possible to insist that employees use cycle helmets within the Scheme but it would be possible to include a helmet as a requirement when using the bike for work purposes. In response to a further question she agreed to include information on possible support for staff who walk to work in a future report to the Panel.

The Panel understood that there may be merit in increasing the proposed cycle mileage rate to ensure that there was an incentive to use bikes for work purposes but felt that other incentives should be explored further.

RESOLVED – 1) That the Cycle to Work Scheme as set out in report CE.12/12 be approved for consultation;

2) That the outcome of the consultation be reported back to the Employment Panel alongside detailed information on how Halfords would administer the finance in employees purchased cycles from local providers

3) That further development work on the cycle mileage rate be approved.

(The meeting finished at 3.15pm)