

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3888
Author:	Lynn Frances Griffin-Pearce
Department:	Strategy and Resources
Contact:	Lynn Frances Griffin-Pearce (Job Title: Reward and Retention Consultant, Email: lynn.griffin-pearce@nottinghamcity.gov.uk , Phone: 0115 8763621)
Subject:	Extension to the current Cycle To Work Scheme
Total Value:	£34,000 (Type: Revenue)
Decision Being Taken:	<ol style="list-style-type: none">1. approval to increase the current employee loan limit for the Cycle To Work schemes (Salary Sacrifice) from £1k to £2k.2. approval to enter into a contract with Halfords for the supply of bikes to employees of bicycles under the Cycle to Work scheme.3. dispensation from Contract Procedure Rule 4.1.1 to award the contract to Halfords in accordance with Financial Regulation 3.29.
Reasons for the Decision(s)	<p>NCC currently runs 2 cycle schemes via Salary Sacrifice in partnership with NCC's Employee Benefit partners Sodexo. The current limit for each cycle is £1k (which includes cycle equipment). NCC would like to increase this limit to £2k as this will allow employees to acquire e-bikes as there are only a small number available that fall under the current limit. This will also allow for a greater choice of bikes including Bromptons which employees can use as part of their commute if they use the train to get to work. By extending the scheme to allow for up to £2k to be loaned to employees to fund a bike, this will generate a greater take-up of the Cycle Scheme as well as more National Insurance savings for NCC. The Works Perks team have had to refuse a number of requests in the past from employees as their desired bike exceeded the £1k limit (i.e. there is a demand for a higher level loan). Although NCC will need to provide more upfront funds if employees want a bike over £1k, any amount loaned to employees is recovered through reduction from their salary over a period of 18 months. In addition to the value of the bike being recovered via monthly salary reduction, NCC receives National Insurance Savings which is an additional benefit as well as supporting employees in greener ways to commute to work, which is likely to be more popular given the current situation with Covid-19 and encouraging people to not use public transport when they return to work.</p>
Briefing notes documents:	18741_Sodexo Cycle 2 Work guide_update_06.pdf

Other Options Considered:	To continue with the £1k limit-this is an option but will not meet the needs of the workforce who would like to use an e-bike or a bike over the £1k limit, such as a bromptom, to get to work. This will also not meet the aspirations of NCC to increase cycling/physical activity as part of improving its green travel provision.								
Background Papers:	N/A								
Published Works:	The cycle to work scheme is provided for within the current Employee Benefits contract with Sodexo.								
Affected Wards:	Citywide								
Colleague / Councillor Interests:	N/A								
Dispensation from Financial Regulations:	Yes								
Consultations:	<table border="1"> <tr> <td>Date: 21/05/2020</td> </tr> <tr> <td>Unions: Unison, GMB, Unite</td> </tr> <tr> <td>Central Panel will be notified regarding the extension to the cycle scheme</td> </tr> </table> <table border="1"> <tr> <td>Date: 21/05/2020</td> </tr> <tr> <td>Minority Groups: BME Disabled Workers Women's network</td> </tr> <tr> <td>Employees Support Groups will be notified regarding the extension to the cycle scheme</td> </tr> </table> <table border="1"> <tr> <td>Date: 07/05/2020</td> </tr> <tr> <td>Chief Finance Officer: Phil Gretton</td> </tr> </table>	Date: 21/05/2020	Unions: Unison, GMB, Unite	Central Panel will be notified regarding the extension to the cycle scheme	Date: 21/05/2020	Minority Groups: BME Disabled Workers Women's network	Employees Support Groups will be notified regarding the extension to the cycle scheme	Date: 07/05/2020	Chief Finance Officer: Phil Gretton
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**Chief
Finance Officer-5th March 2020-Phil Gretton will be
consulted as part of the Delegated decision advice process and advice completed 7th/11th May 2020**

Those not consulted are not directly affected by the decision.

**Crime and Disorder
Implications:**

None

Equality:

Please login to the system to view the EIA document: 20200507 v.03 EIA.docx

**Social Value
Considerations:**

None

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

12/06/2020

Advice Sought:

Legal, Finance, Procurement, Human Resources, Equality and Diversity

Legal Advice:

This report seeks authority to increase the financial value of bicycles which may be supplied under the City Council's cycle to work scheme which is administered by Sodexo. Sodexo has agreed to the proposal and this change is permitted under the contract. To provide the bicycles Sodexo has identified Halfords as its nominated supplier to ensure it is able to comply with the restrictions in the Consumer Credit Act. Halfords has a Consumer Credit Act licence. The agreement with Halfords sets out the terms under which Bicycles are made available to employees and for the costs of the bicycles to be reimbursed by the City Council: those costs are then recovered from employees under the Cycle to Work salary sacrifice scheme. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 28/04/2020.

Finance Advice:

This proposal seeks approval to increase the maximum loan given to NCC employees for bicycles supplied under the City Council's cycle to work scheme, which is administered by Sodexo. The proposal would increase the loan from £1,000 to £2,000. This increase will result in an estimated £34,000 additional cost initially; however this will be received in full by the employees via salary sacrifice over 18 months therefore there is no net cost to NCC in doing this other than administration time.

If the total £34,000 is taken up by employees, a saving with regards to employers NI is expected at an estimated £4,692 (based on the current NI rate of 13.8%). This would contribute to existing Work Perks income budget and targets.

There is a risk that an employee may leave the Council without fully paying off their loan, and so there should be appropriate debt collection processes in place to ensure NCC receive the full reimbursement. Advice provided by Philip Gretton (Finance Analyst) on 11/05/2020.

Procurement Advice:

There are no procurement implications in relation to this decision. Advice provided by Paul Ritchie (Lead Procurement Officer) on 05/03/2020.

HR Advice:

This proposal is for the benefit of employees who wish to purchase a bicycle through the Cycle to Work Scheme and it needs to be clear in all associated employee documentation and information what the implications are in taking up a Works Perks Scheme of this nature. Employees should be advised to take independent financial advice in terms of any loans taken through Council Schemes. There are no obvious other implications in relation to this decision that directly impact on employees.

Lynn Robinson
HR Business Lead
12 March 2020
Tel: 0115 8763605

lynn.robinson@nottinghamcity.gov.uk Advice provided by Lynn Robinson (HR Business Partner) on 12/03/2020.

Equality and Diversity Advice:

Comments have been added on EIA document attached below.

Comment provided by Nasreen Miah (Equality & Employability Consultant) 28.04.2020 Advice provided by Nasreen Miah (Equality & employability consultant) on 29/04/2020.

Final EIA signed and dated 12.05.2020.

Advice documents: 20200507 v.03 EIA.docx

Signatures

Eunice Campbell-Clark (Portfolio Holder Health, HR and Equalities)

SIGNED and Dated: 18/05/2020

Candida Brudenell (Corporate Director for Strategy and Resources)

SIGNED and Dated: 13/05/2020

Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 04/06/2020
Chief Finance Officer's Comments: