

tax-free bikes for work



cyclescheme.co.uk

Cyclescheme





“Our scheme has now been in place since June, and in that short time we now have 200 employees participating. As a police force, we are striving to reduce bureaucracy, so we were keen to take advantage of Cyclescheme’s supplementary services to simplify the process for employees and minimise the administration for us.

This has worked well thanks to the personal support from Cyclescheme staff and the quality of their website. Most importantly, in keeping with the sustainable development agenda, Cyclescheme use a network of independent bike shops, so our participation in this scheme helps support local businesses. The most common question I have been asked by our employees is “what’s the catch?” and it has become clear to us that there isn’t one; everyone benefits.”

Ralph Butler, Business Manager - Staffordshire Police Authority

Welcome to Cyclescheme

Introduction

Welcome to Cyclescheme, the UK's number one provider of tax-free bikes for the Government's Cycle to Work initiative. It's a brilliant programme where everyone wins – employees make big savings on new bikes, while you get a healthier, more motivated workforce, significant National Insurance contribution savings and, in some cases, Corporation Tax savings.

Cyclescheme has a phenomenal track record in helping many major UK employers - including IBM, ASDA, the BBC, Sellafield, Barclays and Rolls Royce - set up and run record-breaking schemes. On the home front the Cycle to Work Scheme's two leading protagonists - Department for Transport and Office of Fair Trading - have used our services for the past two years. We can help you get a scheme going in next to no time, offering great customer service and access to all the UK's best brands using your local bike shop. The result? Better scheme participation and a host of organisational and individual gains.

There are two key reasons for our success. First and foremost, we're here to make the whole process straightforward. Our innovative online administration tool is simple to use and puts you and your employees in control. Secondly, Cyclescheme has decades of industry experience and a truly vast national network of over 1,400 independent bike shops.

We're superbly positioned to help employers achieve their goals, and we hope to be working with you very soon. For more information on what we offer, please read on.



There's no need to tender

Cyclescheme has won a Central Government tender that effectively templates our provision throughout the UK. The recent DCLG (Department for Communities and Local Government) open tender is available for use by all UK contracting Authorities including, but not limited to Government Departments and their Agencies, Non-Departmental Public Bodies, Local Authorities, Police Authorities, Fire Authorities and Educational Establishments.

Cyclescheme is the UK's number one Cycle to Work Provider and we work exclusively with Independent Bicycle Dealers to provide expert, convenient and user-friendly service to the UK's employers and employees. Services to employers are provided free-of-charge including secure access to a voucher management site, with online signing of hire agreements, expert advice and scheme marketing. Any size of scheme is catered for and our reputation for fast and efficient service has gained wide acceptance.

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There's no need to tender

What's it all about?

Cyclescheme achieved a fantastic boost when they won the Department for Communities and Local Government contract in early 2009. Not only did Cyclescheme gain another government department, to add to the 30-plus bodies including the OFT, DfT, Ordnance Survey, Environment Agency, Department of Health and MET Office it also inherited a sanction that acts as a passport to access over three and a half million government employees: The DCLG was made an 'open' tender in order to allow other government bodies access to the work already carried out by the DCLG. This will save millions of pounds of government money as many hours are saved in not having to duplicate work.

Who does this apply to?

The scope of the open tender is colossal. It covers, but is not limited to, Government Departments and their Agencies, Non Department Public Bodies, Local Authorities, Police Authorities, Fire Authorities and Educational Establishments. Cyclescheme has already made great headway into the above sectors, as of mid-2009 we have 27% of Councils, 32% of Police Forces and 50% of Fire Authorities already working with us. The open tender therefore sanctions existing business and gives credence to any other public bodies using it to avoid unnecessary work, expense and time delays.

How do I use this information?

So, how do you take advantage of this great initiative? If you fit into any of the above categories you can ask Cyclescheme for the DCLG tender documents which will allow you to template your Cycle to Work scheme in next to no time. Within this template you will learn more of our provenance and cover off frequently asked questions and answers directly applicable to your forthcoming scheme.



Example savings

This is an example[†] of how savings are made for basic and higher rate tax payers on bike packages hired over a 12 month period. The employee savings tables show with VAT* and without VAT* values as a significant volume of employees work for employers whose core services do not involve VAT* e.g. Universities, some charities and the NHS.

Example Employer Savings

| | |
|--|---------------|
| Company Size | 10,000 people |
| Take Up | 5% |
| Average Equipment Cost | £600 |
| VAT* Registered employers NI saving | £33,391 |
| Non -VAT* Registered employers NI saving | £38,400 |

Employee Savings with VAT*

| Retail Price | £200 | £600 | £1000 |
|--|---------|---------|---------|
| Basic Rate Taxpayer 20% Tax, 11% NI | | | |
| VAT* saving | £26.09 | £78.26 | £130.43 |
| Income Tax and NI saved | £53.91 | £161.74 | £269.57 |
| Net monthly payments | £10.00 | £30.00 | £50.00 |
| Total cost of bike package | £120.00 | £360.00 | £600.00 |
| Percentage saving over 12 months | 40% | 40% | 40% |
| Higher Rate Taxpayer 40% Tax, 1% NI | | | |
| VAT* saving | £26.09 | £78.26 | £130.43 |
| Income Tax and NI saved | £71.30 | £213.91 | £356.52 |
| Net monthly payments | £8.55 | £25.65 | £42.75 |
| Total cost of bike package | £102.61 | £307.83 | £513.05 |
| Percentage saving over 12 months | 50% | 50% | 50% |

Employee Savings without VAT*

| Retail Price | £200 | £600 | £1000 |
|--|---------|---------|---------|
| Basic Rate Taxpayer 20% Tax, 11% NI | | | |
| Income Tax and NI saved | £62.00 | £186.00 | £310.00 |
| Net monthly payments | £11.50 | £34.50 | £57.50 |
| Total cost of bike package | £138.00 | £414.00 | £690.00 |
| Percentage saving over 12 months | 31% | 31% | 31% |
| Higher Rate Taxpayer 40% Tax, 1% NI | | | |
| Income Tax and NI saved | £82.00 | £246.00 | £410.00 |
| Net monthly payments | £9.83 | £29.50 | £49.16 |
| Total cost of bike package | £117.96 | £354.00 | £590.00 |
| Percentage saving over 12 months | 41% | 41% | 41% |

At the end of the hire period, under a separate agreement, the ownership may be transferred to the hirer for a fair market value payment.

*VAT at 15% † Savings will be affected by your personal level of taxation.

We've helped some big name employers

- Government:** Department for Transport, Environment Agency, Health Protection Agency, Department for Health, Department of Communities and Local Government, OFT
- NHS:** Royal Cornwall NHS Trust, Newcastle upon Tyne Hospitals NHS Foundation Trust, NHS Highland, NHS Wiltshire, Nottingham City Primary Care Trust, Greater Glasgow and Clyde NHS
- Police:** **More than 32% of the UK's forces served including:** Devon & Cornwall Constabulary, Northern Constabulary, Avon & Somerset Constabulary, Thames Valley Police, Greater Manchester Police, Dorset Police
- Fire & Rescue:** **More than 50% of the UK's forces served including:** Tayside Fire & Rescue Service, Essex County Fire & Rescue Service, Greater Manchester Fire & Rescue Service, Avon Fire & Rescue Service
- Local Authority:** **More than 27% of the UK's Local Authorities served including:** Highland Council, Warwickshire County Council, London Borough of Hackney, Wiltshire Council, Oldham Council, The Isle of Wight Council
- Education:** Oxford University, Exeter University, London School of Economics, The Open University, University of Bath, The University of Manchester, University College London
- Corporate:** ASDA, Barclays Bank, IBM, Merrill Lynch, The Coca-Cola Company, Rolls-Royce, BBC

What is the Cycle to Work initiative?

Within the Government's Green Transport Plan, there's a tax exemption which allows employers to provide cycles and safety equipment to employees as a tax-free benefit. Technically speaking, employees actually hire the bicycles from you, buying them at the end of the salary sacrifice period for a fair market value payment. Cyclescheme will collect these fair market value payments for you and we can also offer highly competitive finance packages from well known providers.

Huge savings make happy employees

Cyclescheme gives your employees access to the UK's best bikes and safety equipment with big savings – up to 50% off retail prices – created by economies on VAT, Income Tax and National Insurance (see the savings table on page 4 for examples of how much your employees could save). Dealing with Cyclescheme's network of local bike shops also gives your employees the best experience, with the expert personal service, convenience and choice that larger multiple retailers just can't match.

Our online tool makes admin simple

Cyclescheme has set up Cycle to Work initiatives for over 12,000 employers of all types. Offering your staff a great package is vital, but we know that the key to success is making the scheme as simple as possible to administer. This is where Cyclescheme really stands out from the crowd.

We offer a unique online solution that is easy and fast to use, automates most of the process, and provides the ultimate in administrative flexibility. Our secure solution puts you in control, while also providing a convenient interface for individual staff to sign hire agreements online so you only receive requests from fully committed individuals.

Great for employees, even better for employers!

How does it work?

The employer buys the bikes and safety accessories at full retail price, including VAT which is reclaimed in the normal way, if applicable. The balance is recovered from a reduction in the employee's gross wages (salary sacrifice), and employers also benefit from worthwhile National Insurance contribution savings – see the employer savings grid on page 4. The net result? You generate savings on every bike you process through the scheme!

Cyclescheme's services are free of charge to employers!

All promotional literature and administration services are free.

Savings are great, but that's not the end of the story. Running a Cycle to Work scheme also offers the tangible benefits of a fitter, more motivated, more loyal and more productive workforce:

- ▶ Brighter, fitter, more punctual staff
- ▶ Enhanced benefits package promotes staff loyalty
- ▶ Liberated car parking spaces
- ▶ Reduced organisational carbon footprint.





Five steps to an easy life...

Our online administration tool is designed to make the whole process as stress-free as possible. Here's how it works...

Sign up and sign in

Once you've registered online at cyclescheme.co.uk, we will set up your online account giving you access to Cyclescheme's online administration tool.



Shout about it

Staff need to know how they can participate. It's a fantastic deal for your staff, but they'll only join up if it's well publicised, and they fully understand the benefits. Cyclescheme's free literature and promotional material will help you do this.



Decide on a ride

Employees visit one of over 1,400 participating bike shops to select their chosen bike and equipment; they will then be given a paper quote. They then use the online tool to apply for their chosen package, entering their details and digitally signing their hire agreement.



Signed and sealed

Once an employee requests a secure voucher, you are automatically informed by email. When you confirm their eligibility, and approve the request (at the click of a button) Cyclescheme will send you an invoice for the bike package. Then, as soon as payment is received by Cyclescheme, the secure voucher is sent to the employee.



On your bike

The employee contacts the bike shop to arrange collection. Employees will be asked for photographic ID when collecting the bike and equipment. The bike shop records the purchase details on the voucher and returns it to Cyclescheme, who immediately pay the shop.

"We have used Cyclescheme since June 2008 and they have provided us with a high level of customer service from day one.

Our contacts at Cyclescheme are helpful and have provided us with clear guidance every step of the way.

We would happily recommend them to any company considering joining a cycle to work programme."

Louise Cane, HR Co-ordinator
- HMV UK Ltd

Our partner network is at your service

The people behind Cyclescheme have decades of experience working in the bike industry. We believe that working in partnership with local bike shops is the best way to sustain the benefits of the scheme for you and your employees, and this approach lies at the heart of our service.

Compared to multiple retailers, Cyclescheme's ever increasing network of independent bike shops offers several key advantages to your staff:

- ▶ The exclusive choice of a huge range of top quality brands such as Specialized, Trek, Giant, Cannondale, Scott and Marin
- ▶ Employees can use their preferred local bike shop
- ▶ Full warranty, a free-of-charge first service and insurance replacements are provided locally
- ▶ Expert advice on bike sizing, equipment selection and other specialist issues.

Your local economy is relying on you

Independent bike shops offer convenience, choice and expert service to you and your employees. Many employers now have policies that encourage investment in local suppliers. So it's good to know that with Cyclescheme you'll be channelling significant spending towards small, locally-based businesses.



Over 1400 shops throughout the UK

All of the UK's top independent bike shops are now contracted to work with Cyclescheme, ensuring that wherever you're based, your staff will have a choice of established and reputable local bike shops where they can select the best bike and equipment for their trip to work.



"Cornwall Council has run a scheme for 3 years with Halfords. We decided to re-tender the scheme as we wanted staff to be able to use local bike shops, which would support local retailers and the local economy. Cyclescheme was able to offer this service having established partner shops across Cornwall.

There is always an answer at the end of the helpline, this provides a good support resource, which takes some of the work away from us as a local authority."

Melissa Burrows, Travel Plan Support Officer - Cornwall County Council



138

Partner Shops
in Scotland

22

Partner Shops
in Northern Ireland

232

Partner Shops
in the North

59

Partner Shops
in Wales

251

Partner Shops
in the Midlands

81

Partner Shops
in East Anglia

228

Partner Shops
in the South West

217

Partner Shops
in the South East

166

Partner Shops
in London

We'll help you spread the word

By signing-up with Cyclescheme, you'll ensure that your organisation has a professionally run, easy to administer Cycle to Work programme. We are also aware that effective marketing is essential to maximise the number of employees that actually participate in your scheme.

Cyclescheme provides an introductory marketing support package that includes A4 display posters, small flyers and 'Cycle Commuter' Magazines.

For large organisations we can produce co-branded literature and intranet pages, as well as roadshow events which can be run by local partner bike shops. We're also happy to supply larger volumes of promotional literature and work with you on more proactive marketing initiatives.



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YOUR LOGO HERE

Cyclescheme
cyclescheme.co.uk

Cycle commuter
Issue 42 Summer 2008
Holidays by bike - Your guide to cycle security - No-sweat cycling - Bike care made easy

5 steps to Summer fitness
Pedalling towards a new you!

Rain or shine...
On test: bikes for all seasons

Featuring 54 top cycling products

Cycling essentials
Your guide to...
• Pumps • Rucksacks
• Panniers • Tools

Find a shop, check your savings and request your voucher
www.cyclescheme.co.uk
We'll put your website link above, and your scheme launch date below

Any questions? Please contact our Help Desk:
Cyclescheme Ltd, PO Box 3809, Bath BA1 1WX
Telephone: 01225 448933 Email: info@cyclescheme.co.uk



Insurance: We've got it all covered

Cyclescheme provides advice and services to ensure that everything's covered from your perspective – including insurance issues. We partner with CycleAid, a dedicated assistance service for cyclists. CycleAid can discuss your duty of care as an employer and provide low-cost insurance solutions to mitigate any potential risks.

It is the responsibility of participating employees to insure the bikes and this is clearly communicated via our website and hire agreements. We can offer discounted specialist insurance policies for employees, in conjunction with Cycleguard, our partner insurers. Where employee insurance claims occur, we also recommend the free services of Fetch. Fetch expedite claims extremely quickly, so that the affected employee can be back on a bike within days of a theft or loss. Fetch support their clients with personal injury and material loss claims, as well as free legal advice.

Cycleguard: www.cycleguard.co.uk, 0845 408 1811

CycleAid: www.cycle-aid.co.uk, 0808 100 9995

Fetch: www.fetch.uk.com, 0870 460 8167

cycleguard



Fetch
Getting you back on your bike

Special Offer: 10% cycleguard discount on offer for all participants with Cyclescheme.

“Cyclescheme provided excellent posters and leaflets, and also worked closely with our payroll team to put advertising for the scheme into all employee payslips. The scheme has been very successful; in the first 3 months of our scheme we had over 200 approved applications.

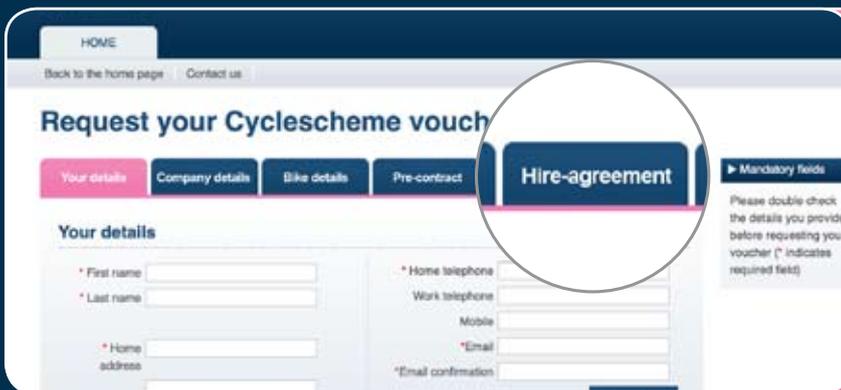
Cyclescheme have always been very efficient and responsive. Having a named contact at Cyclescheme is very useful and there is always someone available to deal with enquiries.”

Jane A Swindlehurst, Business Travel Plan Adviser - Lancashire County Council



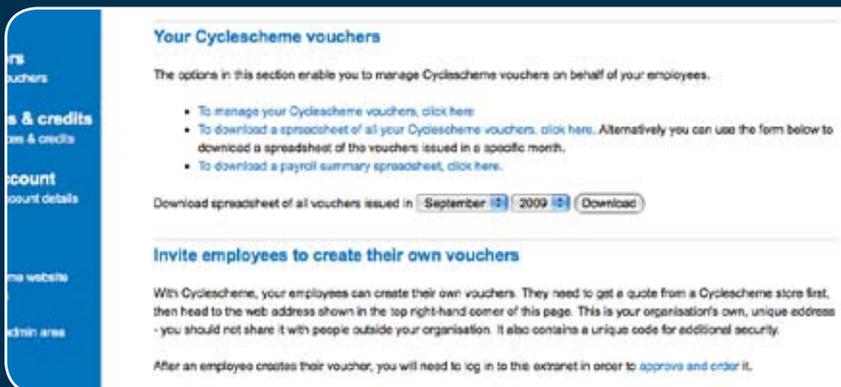
You can register for Cyclescheme quickly and easily on our website.

Simply fill in your company information and we'll provide login details to our secure 'Extranet' system and a personalised voucher request portal for your employees.



There's no paperwork with Cyclescheme - employees request their Bike Voucher and sign their Hire Agreement online!

Our dedicated helpdesk is on hand throughout the process to assist with any queries.



With our secure 'Extranet' system you are able to manage voucher requests effortlessly - 24/7.

You can approve requests at the click of a button, downloading spreadsheets and reports to give you all the information you need.

Any other questions?

The Employers' area of our website features a comprehensive Frequently Asked Questions (FAQs) section. This is the quickest way to resolve any questions you may have on a wide range of issues; for example scheme eligibility, the impact of salary sacrifice schemes on other aspects of the employment package and the procedure at the end of the loan period.

If after visiting our website you have any further questions, feel free to contact us using the details below.



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