

For Immediate Release: 7th March 2011

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Cycle to Work Scheme to be retained says the Office of Tax Simplification

The independent Office of Tax Simplification has recommended the cycle to work tax relief should be retained. The Office, based at the Treasury, recognised the key part the cycle to work scheme plays in creating new cyclists and helping people live healthier lives.

The Office of Tax Simplification has presented its findings to the Chancellor of the Exchequer and a formal response is expected as part of the Budget 2011. The Office was created to provide independent advice on simplifying the UK tax system.

76% of cycle to work scheme users say they would not have purchased a bike if it had not been offered through the cycle to work scheme, the Cycle to Work Alliance's recent *Behavioural Impact Analysis* found. 87% of those who cycle to work have also noticed a direct health benefit from their more active commute.

Keith Scott, Cycle to Work Alliance Representative and Head of Business Services at Halfords said:

"We are delighted the Office of Tax Simplification has recognised the important work the cycle to work scheme plays in supporting the Government's health, environment and sustainable transport policy."

-ENDS-

Notes for editors:

- The Cycle to Work Alliance is a group of the leading providers of the cycle to work scheme, including Cyclescheme, Cycle Solutions, Evans Cycles and Halfords.
- The cycle to work initiative is a tax-efficient, and on the whole, salary-sacrificed employee benefit that provides a way of encouraging more adults to take up cycling. Introduced in the 1999 Finance Act, the scheme encourages employers to loan bicycles and cycling safety equipment to employees as a tax-exempt benefit for the purpose of cycling to work. Under the scheme, employers buy cycling equipment from suppliers approved by their scheme administrator, and hire it to their employees. At the end of the loan period, the employer may choose to give the employee the option to purchase the equipment.
- To date over 400,000 people have taken advantage of the scheme, which involves over 2,220 bike retailers and 15,000 employers.
- The full results of the *Behavioural Impact Analysis* can be found here: <http://cycletoworkalliance.org.uk/news.html>
- The Office of Tax Simplification's report can be found here: http://www.hm-treasury.gov.uk/d/ots_review_tax_reliefs_final_report.pdf
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