



**Glasgow City Council**

**Contracts and Property Committee**

**Report by Director of Legal and Administration**

**Contact: Maureen Fitzpatrick      Ext: 76406**

**Item 5**

**7th August 2025**

**The Provision of a Salary Sacrifice Scheme Administrator  
for a Cycle to Work Scheme**

**Tender Reference :- GCC006116CPU**

**Purpose of Report:**

To submit details of the Direct Award of contract for the provision of a salary sacrifice scheme administrator for a cycle to work scheme and recommend acceptance of the most economically advantageous tender as detailed in this report.

**Recommendations:**

The Contracts and Property Committee is requested to approve the Direct Award of a contract for the provision of a salary sacrifice scheme administrator for a cycle to work scheme to the supplier listed below.

Cycle Solutions (Cycle to Work) Limited  
Companies House Number 05860892

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐    consulted: Yes ☐ No ☐

## **1 Background and Tender**

- 1.1 Glasgow City Council's ("the council's") annual spend for the provision of a salary sacrifice scheme administrator for a cycle to work scheme is zero pounds.
- 1.2 A cycle to work scheme is a UK Government backed initiative that allows employees to hire bike and cycling equipment through their employer (the council) tax free, saving money on the overall cost.
- 1.3 This is a self-funding service for the council as the upfront money paid by the council is recouped through National Insurance savings.
- 1.4 The managed service will provide council employees with access to a major retailer, together with a network of local independent retailers, where bikes and associated equipment can be purchased. This arrangement allows the end user to choose where they source their bike and improves the level of diversity of the brand. This aspect also helps put funding into local bike retailers rather than to a single retailer.
- 1.5 The employee places an order through the cycle to work scheme for the bike and any equipment and the council is required to confirm the eligibility of the employee and approve or decline the order. The Administrator will generate an invoice for the council, on a monthly basis, for all complete orders.
- 1.6 The council recoups monies spent by deducting salary from council employees, over a lease period of 18 months, to pay back the output, whilst giving the council a saving from employer National Insurance contributions. The bike, and any equipment, remains the property of the council for the duration of the lease period agreed. If the staff member leaves during the lease period, they can take ownership of the bike by paying the balance owing. This is done by Net Wage, not Gross, or the employee can hand the bike back.
- 1.7 The Chief Executive's Department advised the following demand for the scheme:
  - Number of employees who have participated in the scheme and amount of money sacrificed:
    - 2022/23 – 241 employees, £264,400
    - 2023/24 – 180 employees, £217,140
    - 2024/25 – 212 employees, £248,840
    - 2025/26 (to date) – 54 employees, £57,160
  - Average value of voucher £1,133

- 1.8 A commodity team consisting of stakeholders from the Chief Executive's department and the Corporate Procurement Unit (CPU) was formed to develop the strategy and deliver a new contract.
- 1.9 In line with the effective and efficient objective within the council's Sustainable Procurement Strategy 2023-2027, which can be located [here](#), and to support the national agenda in utilising national collaborative frameworks, it was agreed that a Direct Award of contract from Lot 2 – Cycle to Work of the ESPO framework agreement 319\_23 Staff Benefits would be the most appropriate method to deliver this contract.
- 1.10 The duration of the contract is 2 years from the agreed start date with the option to extend it for a period of up to 24 months.
- 1.11 The contract will be utilised across the council family.

## **2 Direct Award of Contract Process**

- 2.1 A request for information questionnaire was issued to all 8 suppliers on Lot 2 of the framework agreement. Of the 8 suppliers, 4 confirmed an expression of interest and completed the request for information questionnaire.
- 2.2 The request for information questionnaire asked the appointed framework suppliers to provide details of the following areas of their cycle to work schemes:
- warranty period;
  - discounts offered to the council and its employees;
  - confirmation that they could accommodate a voucher value of £3,500 which has been increased to facilitate the purchase of ebikes
  - confirmation that employees could review bikes before purchase;
  - choice of bike outlets;
  - admin resources required for the council;
  - any additional costs and;
  - details of any benefits/added value.
- 2.3 A benchmarking exercise was then conducted, aligned to the Direct Award of contract conditions of the ESPO framework, by reviewing the benefits offered to the council for each of the suppliers' schemes, across the areas listed in 2.2.
- 2.4 The key outcomes of the benchmarking is detailed below:
- All suppliers confirmed that they could accommodate voucher value, had a good choice of bike outlets, both major retailers and small independent stores. There are no additional costs to the council for all suppliers.
  - Range of stores across Glasgow and surrounding areas for employee to visit to view and try bikes and equipment.
  - All suppliers have 12-month manufacturer warranty
  - All suppliers offer a variation of discounts, rebates and free accessories

- All suppliers have an online platform for council to approve/decline orders from employees - variance regarding the governance and administration burden to the council relating to system and processes.
- Added Value/Benefits- each supplier offered a variety of benefits.

2.5 All four (4) suppliers met the minimum service requirements, as set out above. The benchmarking exercise identified Cycle Solutions (Cycle to Work) Limited as the supplier which would provide best value for the council across the majority of the benchmarking elements as set out in paragraph 2.4.

### **3 Contract implementation and Supplier Management**

3.1 The outcome of our Contract Management Assessment Tool (CMAT) has deemed this contract to be categorised as low.

3.2 The agreed Community Benefits outcome commitments will be monitored via Cenefits which is a web based monitoring tool. We will also capture sustainable commitments within the CPU Sustainable Register.

## **4 Policy and Resource Implications**

### **Resource Implications:**

#### *Financial:*

The estimated contract value over the four year duration is £974,000, if the extension is implemented.

There is no cost to the council as set out in paragraphs 1.1-1.3.

#### *Legal:*

The report raises no new legal issues.

The Director of Legal and Administration will be responsible for concluding the contract.

#### *Personnel:*

No direct personnel implications.

#### *Procurement:*

A Direct Award of contract as detailed in paragraph 1.9.

#### **Council Strategic Plan:**

This supports Grand Challenge 3 and Mission 1.

#### **Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2021-25*

Yes - the Sustainable Procurement Duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

*What are the potential equality impacts as a result of this report?*

An EQIA screening was completed, and it was deemed a full EQIA was not required.

See link - EQIA Procurement of Salary Sacrifice Scheme for Cycle to Work

*Please highlight if the policy/proposal will help address socio economic disadvantage.*

The supplier recommended for the award, Cycle Solutions (Cycle to Work) Limited, has confirmed that all employees are paid above the Real Living Wage.

Community Benefits were included as part of the Direct Award of contract process. The supplier recommended for the Direct Award has confirmed outcomes under thresholds of spending which are detailed in Appendix A.

**Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:*

Yes, action no. 56 is supported via this contract.

Encouraging residents to use a bike as their primary mode of transport. This project contributes to key deliverables from the Climate Plan, such as: Glasgow Net Zero targets, Low Emissions Zone, City Centre Transformation Plan, Active Travel Strategy.

*What are the potential climate impacts as a result of this proposal?*

The project will have a positive impact, and it will address 2 of the 5 Climate Plan themes:

- Theme 4 – Health and Wellbeing
- Theme 5 – Green Recovery

Enabling behaviour change, where people are encouraged to swap modes of transport, through the take up of cycling for commuting;

Promoting the reduction in the number of private car journeys, which will reduce carbon emissions in the city, improve air quality and;

More physical activity is translated into health and wellbeing benefits.

*Will the proposal contribute to Glasgow's net zero carbon target?*

Yes, as above. The key mitigations are as follows: the provision of the cycle to work scheme will assist in promoting a shift to more active travel methods and behavioural change. A change of behaviours will reduce carbon emissions with a reduced dependency on cars as the main mode of transport.

The project is promoting cycling as an alternative mode of transport, instead of private car commuting. This contributes to the reduction of CO2 emissions, and more sustainable means of transport.

**Privacy and Data Protection impacts:**

No data protection impacts identified.

## **5 Recommendations**

The Contracts and Property Committee is requested to approve the Direct Award of a contract for the provision of a salary sacrifice scheme administrator for a cycle to work scheme to the supplier listed below.

Cycle Solutions (Cycle to Work) Limited  
Companies House Number: 05860892

## Appendix A - Community Benefits Outcomes

Threshold 1 (£50,000)	Threshold 2 (£100,000)	Threshold 3 (£250,000)	Threshold 4 (£500,000)
2 x Career Event	3 x Career Event	4 x Career Event	5 x Career Event
1 x Workplace Visit	1 x Workplace Visit	1 x Workplace Visit	1 x Workplace Visit
1 x Supply Chain Briefings	1 x Supply Chain Briefings	1 x Supply Chain Briefings	1 x Supply Chain Briefings
1 x Supply Chain Initiatives	1 x Supply Chain Initiatives	1 x Supply Chain Initiatives	1 x Supply Chain Initiatives
1 x Community Engagement - Financial Support - [min. of £1,000]	1 x Community Engagement - Financial Support - [min. of £1,000]	1 x Community Engagement - Financial Support - [min. of £1,000]	1 x Community Engagement - Financial Support - [min. of £1,000]
2 x Community Engagement - Non-Financial Support - [min. of 5 hrs.]	2 x Community Engagement - Non-Financial Support - [min. of 5 hrs.]	2 x Community Engagement - Non-Financial Support - [min. of 5 hrs.]	2 x Community Engagement - Non-Financial Support - [min. of 5 hrs.]