



Rialtas na hÉireann  
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# Spending Review 2021 – An Examination of the Cycle to Work Scheme

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# Spending Review 2021 – Overview, Aims & Objectives



## Overview

- The Cycle to Work scheme is a tax incentive scheme to increase cycling to work. It exempts bike and equipment provided by employers from benefit-in-kind taxation.
- Introduced in Budget 2009, the scheme's primary aims are to promote active travel and its associated health benefits, reduce urban congestion, and reduce greenhouse gas emissions associated with car travel.

## Aims and Objectives

- The aim of the paper was to review the rationale, efficiency and effectiveness of the scheme. Although the scheme is generally perceived to be successful, it has not previously been formally evaluated.

# Spending Review 2021 – Key Findings



## Key Policy Relevant Findings (1)

- The motivation for the scheme remains compelling and aligns with recent Government commitments and emerging policy evidence.
- The simplicity of the current model, while limiting the administrative burden of implementing the scheme, also limits oversight and data availability, thus restricting evaluation. In particular, there are no figures available for scheme cost or uptake, limiting the assessment of efficiency and effectiveness.
- Evidence of impact is both limited and inconclusive. Deadweight and use for non-commuting purposes may be factors. The current rationale and model exclude potential benefits from non-employees and non-commuting journeys.
- In general, individuals on higher incomes stand to benefit more from the scheme than those on lower incomes, although anomalies have existed, particularly prior to the introduction of USC. No data regarding the distribution of participant income is available, but survey data suggests that at least some individuals in receipt of lower incomes do participate in the scheme.

# Spending Review 2021 – Key Findings



## Key Policy Relevant Findings (2)

- Survey data indicates that safety concerns, confidence in cycling skills and attitudinal factors are more common barriers than cost.
- The scheme rationale should be fully re-examined to allow for careful consideration of the complete range of actions that the State may undertake to support active travel, and in particular exploring how combinations of measures may work in tandem to generate the greatest possible impact.
- If the current scheme model is retained, the inclusion of a question regarding participation in the CSO National Travel Survey could be used to estimate scheme uptake and to compare the travel behaviour of participants and non-participants.