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BRIEFING FORM

SUBMITTED TO: Transportation Standing Committee

MANAGER'S APPROVAL:

A handwritten signature in black ink, appearing to read "Dilip Singh".

DATE OF MEETING: April 13, 2011

SUBJECT: Reimbursement for Work-Related Bicycle Trips

ORIGIN

At the January 27, 2011 meeting of the Transportation Standing Committee a request was made for a report on the implementation of travel expenses for HRM employees who travel by bicycle for business purposes.

RECOMMENDATION/ DECISION REQUIRED

No decision is required as this report is for information only. It is recommended, however, that this report be forwarded to the Sustainability Standing Committee for their consideration.

BACKGROUND

Appendix A of the Employment Expense Reimbursement Policy specifies that employees will be reimbursed for travel by personal automobile or may use chits to travel by taxi. No mention is made of travel by transit or bicycle.

HRM's SmartTrip program strives to support employees who make the choice to commute to work by means other than personal auto. The SmartCar program is intended to be one of those supports by providing a pooled vehicle that can be used for HRM business so that the employee does not feel obligated to bring a personal vehicle to work. Supporting the use of personal bicycle to make certain work-related trips may further this objective.

HRM Staff is also exploring the possibility of creating a workplace bike-share. Like the SmartCars, an employee may reserve a bicycle to make a work-related trip. Bicycles can be

particularly effective in traveling to locations within the Regional Centre (Dalhousie, SMU, Halifax Port Authority, Dockyard, Spring Garden Road offices) from Duke Tower, City Hall, the Ferry Terminal as well as Alderney Gate and the Eric Spicer Building (via ferry). Funding for implementing bike-share is available in the current approved budget. A similar bike-share was established by Capital Health District last year, employing four bikes, primarily for travel between its QEII and VG sites.

ALTERNATIVES AND ASSOCIATED RISKS

The attached background report on Workplace Mileage Rates for Bicycle and Walking was completed as a student research assignment and looks at current practice in this area. While reimbursement for cycling trips is not common, it has been done. If HRM were to consider including this in its policy, a per-trip flat rate of \$2.00 might be appropriate based the cited examples and on typical trip lengths appropriate for bicycling. A flat rate is beneficial as it deters the use of bicycle for longer trips where a bicycle may not be time-effective.

The risk of encouraging bicycle use for work-related trips through reimbursement is that employees may choose to use a bicycle for a trip where it is not time-effective or that traveling by bicycle may result in their appearance being inappropriate to represent HRM in meetings. Providing managers with the ability to set guidelines for staff on when a bicycle can be used and for what trips will go a long way to addressing this concern.

Before any changes to the Employee Expense Reimbursement Policy related to bicycle trips is considered, staff would have to investigate some issues, including risk, more thoroughly.

IMPACT/BENEFITS

It is not expected that bicycle trips will ever become a large part of work-related travel, even if employees are provided with bicycles and/or reimbursed for using their own bikes. Nevertheless, the need to shift trip-making to more sustainable modes is fundamental to HRM's Regional Plan and HRM has an opportunity to show leadership in making its workplace trips more sustainable.

COMMUNICATION ISSUES/OPPORTUNITIES

Not applicable at this time.

ATTACHMENTS

Workplace Mileage Rate for Bicycle and Walking

KEY STAFF CONTACTS:

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Workplace Mileage Rates for Bicycle and Walking

Caroline King, Student Analyst
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June 24, 2010

Mileage Rate on Cycling and Walking:

Employer based trip reduction initiatives are working to reduce the portion of trips made by SOV, which is measurable by reduction in vehicle miles traveled. One method of doing this is through paying a mileage rate to employees as an incentive to ride their bike or walk to meetings.

To purchase a stable and reliable bike that can be used to travel an average distance, such as a commute to work, can be very expensive. Also, bicycles that are used on a regular basis require maintenance. Although the cost of owning a bike is not as high as that of a car, there are still costs associated. If employers reimburse employees for the use of their personal vehicle for business use during work hours, then they should consider introducing a mileage rate for cycling.

How Cycling Mileage Rates Have Been Introduced:

The University of Edinburgh:

Currently the University reimburses staff for the use of their privately owned bicycle to travel for work use. The University requires the date, reason, starting point, places visited, and the mileage that the employee wishes to claim for the trip. The current rate at the University for cycling mileage is 20p/ mile.

The University of Lancaster:

The University is committed to reducing environmental impacts from their staff and student's commute to and from school. They have created a travel plan that includes a reimbursement program for travel for business during work hours, and commuter travel to and from work. The university places an emphasis on the use of cycling as a sustainable method of travel. For an individual to be eligible to use the bicycle mileage program they must sign an agreement explaining the program, proper safety, and in case of injury. The university will pay out mileage at a rate of 20p/mile. There is a limit of 25 miles per trip that the university will reimburse.

HMRC (UK):

HM Revenue and Customs allows for mileage rates of up to 20p/ mile for cycling trips. Actual mileage rates for cycling are about 10-12p/mile giving employees some incentive to use their bikes for business trips. This method gives incentive to employees who are biking and is more economical for businesses than paying almost double for employee use of personal vehicles.

ACT Canada:

ACT Canada focuses on decreasing/ eliminating the practice of paying mileage on employee personal vehicle use for business during work hours. The method in which ACT Canada suggests to encourage employees to use more sustainable methods of transportation for their commute to and from work is to own company fleet cars (similar to our smart car program) so that if employees are required to go to a meeting, etc but didn't drive their vehicle to work, they will have access to a shared car.

To encourage walking and cycling in the place of car use they recommend the use of incentives. When an employee has walked/ cycled a certain number of km than they are eligible for a prize, etc. Another method is allowing someone who bikes/walks to work to arrive 10 minutes later than everyone else. Currently there is no system in place where employers actually pay out mileage to employees who use active transportation, other incentive programs are in place.

Winnipeg, Health in Common:

The company "Health in Common" based out of Winnipeg offer a flat cycling rate of \$6.00 for when employees walk or bike to meetings. The practice of paying a flat cycling rate per day to employees who frequently use cycling is a more common practice in North America.

Mansfield District Council:

Mansfield District allows for 9p/ mile for employees who walk/cycle. This allowance was determined by using the lowest mileage rate for car. 9p/ mile is almost 4 times less than the per mile payment for an average car user. The mileage varies throughout the different levels of council, some pay as much or even more per mile than they would mileage on a car others pay on a day per day basis.

Conclusion on Cycling Mileage Rates:

The introduction of cycling mileage rates as an incentive to encourage employees to make more active choices when it comes to transportation in their professional lives has been relatively successful throughout areas in the UK, particularly with universities.

When introducing a cycling mileage program it is important that the rate is comparable to that of using a car and that the cyclist feels that they are being rewarded for their choice. Supplying employees with proper bicycle facilities and implementing programs such as the Guaranteed Ride Home will help to eliminate any insecurity about traveling without a personal vehicle.

Increasing bicycle mileage rate will benefit the employer. When employees ride their bikes to scheduled meetings that they normally would have traveled to in their personal vehicle they are saving the company money. Often the city can be very congested and it takes a long time to travel a short distance in a car, where riding a bike is much faster. Cycling is good exercise and promoting it amongst employees will encourage healthier lifestyles and more focused workers. Riding a bike is safe, quiet, clean and an excellent tool for promoting the company's commitment to sustainable development.

The method of paying a flat rate per day to employees who frequently cycle to and from meetings could be easily transferable to an incentive to walk or use other forms of active transportation to meetings. There are very few, if any, businesses that pay out mileage for walking however it would be fairly easy to implement a flat rate per day system. Businesses could offer the same incentive to those who walk as those who bike to meetings.

Works Cited

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