

Toolkit

Setting up a Volunteer Car Scheme
Volunteer Car Schemes 



This guidance will be useful for: people who want to set up a new volunteer car scheme.

For CTA’s latest coronavirus guidance for car schemes, see cta.uk.org/covid19-guidance/#community-car-schemes

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Introduction

CTA has worked closely with its members to develop a toolkit to help you set up and successfully sustain a volunteer car scheme. Before developing a volunteer care scheme we recommend that you first approach your nearest existing community transport operator who may be able to provide an immediate solution to transport needs in your community.

In situations where an identified need for community transport cannot be fulfilled by current operators, this toolkit will guide you through the initial steps to establishing a new volunteer car scheme.

What is a volunteer car scheme?

A volunteer car scheme is a system under which volunteer drivers provide car services to members of their community who have difficulty in accessing or using either their own vehicle or public transport. They help people to travel to essential services such as health appointments, shopping or social activities and represent a lifeline to so many people in so many different communities. They're a key part of the UK's community transport sector and can be run side by side with other community transport activities such as dial-a-ride, or as stand-alone organisations. Whatever context a community car scheme is run in, it will undoubtedly be an incredibly valued community service for those who need it the most.

Why should we consider a car scheme?

The following are some of the reasons organisations or communities might want to set up a new community car scheme:

- Ideal for rural locations with few public transport services.
- An affordable means of transport for low income households.
- Meeting specific transport needs (e.g. medical appointments).
- Provide door-to-door transport for those with limited mobility.
- Drivers can provide support by staying with passengers during appointments or shopping trips.
- A car scheme is a personalised form of transport that offers a unique, passenger centred, approach. This type of interaction is very important for combating social isolation and loneliness, particularly for our most vulnerable communities.

Getting Started

How is a volunteer car scheme set up?

To work effectively, a car scheme needs a strong steering group or leadership committee (chairperson, secretary and treasurer), and a coordinator who is responsible for fielding requests for trips, volunteer recruitment and coordination of journeys travelled.

Once the steering group and coordinator are in place, the scheme needs to set out a plan to recruit enough volunteers to operate effectively.

What key decisions does a car scheme need to make?

While policy can always be created or reviewed if an issue arises, there are a number of decisions that must be made at the outset. These include;

- Who is eligible to become a passenger/member of the scheme?
- What geographical area will the scheme serve and how will that area be defined (parish, region, local authority area or constituency)?
- What purposes are trips bookable for i.e. social outings, healthcare appointments, shopping etc.?
- What will be the scheme's operating hours for both the booking line and customer journeys?
- What is the timeframe in which passengers must book or cancel a trip?
- What fare structure will be adopted and how will additional expenses and costs, such as car parking charges, be dealt with?
- What will be the level of administrative fee deducted from the driver's fare to cover scheme running costs? Note that the availability of grants means that schemes may not need to be fully self-financed.
- What amount of 'waiting time' are driver's to accept before a passenger is required to book two separate trips (out and return)?

Formalities and resources involved in setting up a car scheme

Formalities: A car scheme can be set up with little formality. However, it is recommended that a 'terms of reference' is drafted and agreed by the steering group. This is a simple constitution outlining the main objectives of the scheme and how it will operate and should be drafted before the scheme operates. Everyone in the steering group should be involved in developing the terms of reference.

Resources: Your voluntary car scheme will need:

- Enough volunteer drivers with their own vehicles to provide a reliable service.
- A steering group, treasurer, chair, administrator or bookings coordinator.
- Publicity, for instance an information leaflet, advertisement in parish magazine, doctors' surgeries, local pubs, restaurants, shops or other community hubs.
- A booking/contact number for customers who wish to use the service.
- Receipt book so that each driver can give a receipt to customers for the fare of the trip and keep a record for the treasurer.
- Log-book in which each passenger journey is recorded and all passenger and driver details are recorded.
- Car scheme bank account.

What are the legal, tax and insurance considerations?

Legislation: provided that volunteer drivers are using their own vehicles for car scheme work, they are not to be treated as carrying passengers for hire and therefore there are no licensing requirements, or adverse insurance implications.

For the purpose of this section; a journey made by a vehicle, in the course of which one or more passengers are carried at separate fares, shall not be treated as made in the course of a business of carrying passengers if:

a) the fare or aggregate of the fares paid in respect of the journey does not exceed the amount of the running costs of the vehicle for the journey; and

b) the arrangements for the payment of fares by the passenger or passengers so carried were made before the journey began;

and for the purposes of point (a) above, the running costs of a vehicle for a journey shall be taken to include an appropriate amount in respect of depreciation and general wear.

Taxation: provided that volunteer drivers are not reimbursed at higher levels than HM Revenue & Custom's (HMRC's) approved mileage allowance payment (currently 45pence per mile) and do not drive more than the approved mileage allowance for that rate (currently 10,000 miles), then HMRC deems there is no taxable income and no tax issue for them. Therefore this should be treated as an upper reimbursement limit when setting up fixed standard fares, having deducted whatever level of administrative fee is decided upon. For further advice, take a look at: gov.uk/guidance/check-if-you-need-to-pay-tax-on-mileage-payments-as-a-volunteer-driver

Please note the permitted payment is the maximum a volunteer driver can receive. Any tips or gifts would be considered additional income and may be taxable. This should be discouraged and drivers instructed to refuse any additional gifts or tips.

Insurance: A driver's private car insurance will cover all normal risks. When drivers are enrolled they should be asked who their insurer is, confirm that the company has been told about the voluntary driving and ensure their car has a current MOT and is suitable for car scheme use.

It is also essential that you make sure you are insured against any claims that can be brought against your organisation or its trustees. You should consider the following:

- Public Liability (essential)
- Employer's Liability
- Personal accident
- Buildings
- Contents
- Fidelity guarantee
- Money
- Directors and Officers liability

CTA offers **CTA Insurance**, a bespoke and discounted insurance offering available to CTA members as one of our member benefits. CTA Insurance is run in partnership with Endsleigh Insurance Brokers, a household name and one of the UK's leading and most trusted insurance brokers. As our partner for CTA Insurance, Endsleigh bring their expertise and experience to our members, providing excellent service and coverage for community transport providers across the UK.

For more information on CTA Insurance, take a look at ctauk.org/cta-insurance/.

The people involved in running a car scheme

Who can run the service?

To effectively run a community car scheme, you'll need:

- Enough volunteer drivers with their own vehicles to provide a reliable service.
- A steering group, for instance chairperson, treasurer, administrator/booking coordinator

Who can be a voluntary driver?

Anyone who holds a valid driving license and is fit and well, has the potential to become a car scheme voluntary driver. The vehicle they use must have a valid MOT and car insurance and be suitable for car scheme work. It is then down to the steering group of the car scheme to determine what further suitability checks are needed, for example criminal checks.

What checks should the scheme make before approving a driver for volunteering?

All drivers should complete a Driver's Registration Form. This needs to include the driver's name and contact details as well as information about their availability, type of car and preferred type of work. In addition regular checks need to be made to the driver's license and whether they have any medical condition, or take any medication that may affect their ability to drive or assist passengers.

The driver should also sign that they agree to notify you of any change to their medical condition or endorsements on their license that may affect their suitability to drive for you. You may also wish to ask for character references and where the driver will be having contact with children and/or vulnerable adults it will be necessary to undertake a CRB check. Some organizations choose to observe the driving of their volunteers and provide additional training.

You should also make sure checks concerning the car(s) the driver intends to use in their volunteering. You need to satisfy yourself that:

- The car is suitable for the carriage of your passengers.
- The car has a current MOT certificate (if applicable).
- The driver performs regular walk around checks and maintenance on the car.
- Appropriate insurance is in place.

It is advisable to retain copies of volunteer drivers' licenses and insurance.

What costs will be incurred?

How much will this service cost?

The driver can be reimbursed for the running costs of their vehicle. HMRC have established an Approved Mileage Allowance Payment (AMAP) rate of 45 pence per mile for the first 10,000 miles then 25 pence for every mile thereafter. In addition the driver can receive a further 5 pence per mile per passenger when the passengers are carried as part of their volunteering.

The total received, however, must not exceed the running costs of the vehicle. Alternatively it is possible for the driver to keep records of actual motoring expenses and to claim their actual volunteer costs. This method, however, is a lot more work for the driver.

It is not advisable to pay the driver more than AMAP because any payment over this amount would be considered to be profit and thereby subject to tax. It may also invalidate the driver's insurance and take the car's operation outside car sharing and into private hire legislation.

How much can we charge for using the scheme?

The fares set for the passengers should not exceed the vehicle running cost for that journey. This suggests that fares would not exceed the mileage rate set by HMRC, at 45 pence per mile. You can, however, include the driver's dead mileage. This is when a vehicle operates without carrying or accepting passengers on board, such as on route to collect a passenger.

Consideration will need to be made for dealing with situations where two or more passengers travel together so that the total of the fares paid do not exceed the vehicle running costs. Adding an administration charge to the mileage rate is not recommended. If you do need to charge passengers a sum to cover administration then a flat rate booking fee, separate from the recommended 45 pence per mile rate, would be better.

If your organisation is VAT registered VAT will be chargeable on fares to car schemes passengers. In this case it may be worth considering setting up the driver as the final recipient of all fares. [You can find more information about VAT here.](#)

Is it better for the passengers to pay the driver or make payment direct to the organisation?

This will depend upon what works best for your organisation and passengers. Whether the driver is collecting fares, or if the organisation is billing passengers, receipts must always be given. If the organisation is VAT registered and they invoice the passengers to travel then the invoice must include VAT. VAT would not be applicable where the organisation acts solely as a contact point to match passenger to driver and the driver takes complete responsibility for the expenses paid to them by the passenger.

Please note: CTA recommends that you speak to relevant professional advisors who can help with legal and accounting issues when setting up a volunteer car scheme. You may encounter some complex VAT issues.

More information

Setting up a volunteer car scheme is something that will certainly have an important impact on your community. All over the UK, volunteer car schemes are making sure that people can get to the places they want and need to be, providing such an important life line to so many.

If you have any questions, or need any more information when it comes to setting up your scheme, you can get in touch with the CTA advice team by emailing advice@ctauk.org.