

21 September 2026

**Rt Hon John Healey MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ**

CC: The Rt Hon Heidi Alexander MP, Secretary of State for Transport

**RE: Implementing the new Approved Mileage Allowance Payment rate –
Delivering a fair deal for all volunteer drivers**

Dear Chancellor,

We are a coalition of ten voluntary sector organisations, led by the Community Transport Association (CTA), and advocating for the UK's over 1.7 million transport-related volunteers.

We warmly welcomed HM Treasury's decision in May to increase the tax-free Approved Mileage Allowance Payment (AMAP) rate for cars and vans to 55p per mile for the first 10,000 miles. However, we believe action is now required to ensure it can be more widely implemented for all volunteer drivers. We urge you to ensure the uplift is fully funded for voluntary sector organisations – either through a clear mechanism for direct funding or through uplifts to existing and future central, devolved and local government contracts and grants.

For local charities and community groups, the AMAP rate is an essential tool, enabling them to fairly and straightforwardly reimburse devoted volunteers who use their own vehicles to deliver lifeline services in every postcode, like transporting older and disabled people to hospital appointments or delivering emergency food parcels to families in poverty.

The new AMAP rate better reflects the real costs of motoring and volunteering in 2026 after years of inflationary pressures and significant fuel price shocks. It is already supporting some voluntary organisations to recruit and retain more volunteer drivers. However, many local charities and community groups simply cannot afford to

implement the new AMAP rate; others could not even afford the previous rate of 45p per mile, because it has not been, and is still not, fully funded.

Voluntary organisations' budgets, contracts and grant awards for 2026/27 were finalised before the uplift was announced and agreed on the basis of the previous rate. Some organisations are locked into longer-term contracts with no inflationary uplifts or review of actual delivery costs. As a result, volunteer drivers up and down the country who go the extra mile for their neighbours, and strengthen our communities by keeping them connected in tough times, continue to be left out of pocket.

We therefore urge you to ensure that your Autumn Budget gives local charities and community groups the resources they need to implement the new AMAP rate and deliver a fair deal for all volunteer drivers. This could be achieved directly via a new nationally administered funding mechanism or indirectly by ensuring all devolved administrations, departments, agencies and public bodies have the resources they need to fully fund the new AMAP rate and are directed to pass this on to the voluntary organisations they contract and support as soon as possible.

Going forward, all existing and future central, devolved and local government contracts and grants should reflect the new AMAP rate of 55p per mile to fully cover the costs of implementation by voluntary sector partners. The Autumn Budget must ensure all devolved administrations, departments, agencies and public bodies have the resources they need to fully fund the new AMAP rate and are directed to do so as soon as possible.

At a time when local charities and community groups face unprecedented pressure from stubbornly high inflation and rising demand for services, we urge you to guarantee fair funding for the UK's voluntary sector which protects their vital work, implements the new AMAP rate and delivers a fair deal for all volunteer drivers.

We are copying this correspondence to the Secretary of State for Transport given her responsibilities and her Department's interest in this matter.

Yours sincerely,

Dr Victoria Armstrong, CEO, Community Transport Association (CTA)

Stephen Craker, Chief Executive, Communities 1st

Maddy Desforges OBE, CEO, National Association for Voluntary and Community Action, (NAVCA)

Anna Fowlie, CEO, Scottish Council for Voluntary Organisations (SCVO)

Denise Hayward, Chief Executive Officer, Volunteer Now

Sarah Murray, Health and Community Operations Manager, Royal Voluntary Service

The Revd Canon Nick Ralph, Good Neighbours Network (GNN) and Executive Director, Council for Social Responsibility (CSR)

Jennifer Reston, Chair, Scottish Volunteering Forum

Alan Stevenson, Chief Executive, Volunteer Scotland