



# CTA Autumn Budget Representation 2022

September 2022

[www.ctauk.org](http://www.ctauk.org)

## Introduction

**Charities, community groups and volunteers are at the heart of their communities.** They often provide community-led, cost-effective, and innovative solutions to unmet needs and play an essential role in connecting people and communities and helping them to thrive. They tackle a range of issues including climate change, exclusion, isolation and loneliness and poverty, inequality and unemployment. Community Transport in particular is often the only means of transport for older or disabled people in a rural, urban or island context.<sup>1</sup>

**The Community Transport Association (CTA) is the voice of the UK's Community Transport sector.** We champion, connect, support and grow over 1,300 members across England, Scotland, Wales and Northern Ireland. Our members are local charities, community groups, social enterprises and other organisations which deliver accessible, inclusive and sustainable transport services on a not-for-profit basis and often rely on local volunteers using their own vehicles.<sup>2</sup>

**This Autumn Budget representation sets out the case for an immediate review and inflationary uplift of the Approved Mileage Allowance Payment for employees and volunteers** using their own vehicle in the course of their duties. Our representation is on behalf of a CTA-led coalition of 11 third sector organisations from England, Scotland, Wales and Northern Ireland which represent the voices of over 20.5 million volunteers across the UK, many of whom use their own vehicle in the course of their duties, including 1.7 million volunteers who are directly involved in transport-related volunteering.

## Summary

Record fuel prices and driving-related costs are putting charitable services at risk; placing unnecessary and intensifying burdens on staff and volunteers who drive their own vehicle in the course of their duties; and threatening to create a damaging crisis for volunteering across the UK.

**We are calling for the Approved Mileage Allowance Payment (AMAP) rate to be reviewed immediately and transparently to calculate a new rate which accurately reflects the real costs of motoring in 2022, protects charitable schemes and delivers a fair deal for volunteers.** An inflationary uplift is required to prevent further damage to people, communities and public services, and to mitigate the impact of inflation on employees and volunteers, as well as charities, community groups and other employers.

**The current AMAP is archaic, untenable and no longer fit for purpose.** The rate of 45p per mile for the first 10,000 miles, 25p per mile thereafter and 5p per passenger set in 2012 no longer covers the real costs of motoring in 2022 and represents unnecessary red tape.

---

<sup>1</sup> [www.ctauk.org/about-cta/what-is-community-transport](http://www.ctauk.org/about-cta/what-is-community-transport)

<sup>2</sup> [www.ctauk.org/about-cta](http://www.ctauk.org/about-cta)

## Our Proposal

Record fuel prices are damaging voluntary and third sector organisations across the UK. Many Community Transport operators and others are struggling to deliver essential services due to soaring inflation and ongoing challenges recruiting and retaining volunteers. We have widespread evidence from charities and community groups of drivers who can no longer afford to volunteer, exacerbating existing and acute shortages of drivers in many communities.

Our research with **Community Transport operators** suggests that:

- **98% rely on volunteer drivers**
- **65% report lower levels of volunteer recruitment/retention** in the last 6 months
- **32% have been forced to cut back services**
- **65% have been forced to increase prices/raise fares**<sup>3</sup>

High fuel prices are putting essential volunteer-run transport services at risk. Inflation threatens to make volunteering unaffordable for many. If some Community Transport and other charitable schemes cannot continue, it will mean:

- **Lower levels of COVID-19 and seasonal flu vaccinations** this winter, especially among the most at-risk groups
- **Higher levels of missed GP and hospital appointments**, worsening patient outcomes, extending NHS backlogs/waiting times and increasing costs for taxpayers
- **Intensified demand for already stretched statutory services** delivered by the public sector, from the NHS and social care to local authorities and Job Centres
- **Reduced autonomy and mobility for older and disabled people**, exacerbating existing injustices and inequalities
- **Fewer younger people with access to school, college, university or work**
- **Increased transport poverty and inequality** across the UK, especially in rural, remote and deprived communities

**This scenario is avoidable. An inflationary uplift to the current AMAP would ensure that employee and volunteer drivers are fairly reimbursed** for the full costs of driving their own vehicles in the course of their duties without the need to provide additional evidence of expenses or complete a self-assessment tax return and without the risk of affecting their tax obligations or benefit entitlements. An increase to the additional passenger rate could also be leveraged to encourage employees and volunteers to share transport more frequently.

Therefore, an increase to the AMAP rate would:

- **Protect vital charitable services at no cost to the Exchequer**

---

<sup>3</sup> [www.ctauk.org/amap-campaign](http://www.ctauk.org/amap-campaign)

- **Deliver a fair deal for volunteers** who were the backbone of the UK's extraordinary and emergency response to the COVID-19 pandemic
- **Keep volunteering accessible and affordable for all**, especially in the rural and deprived communities most severely impacted by high fuel prices and the cost of living crisis
- **Mitigate the impact of the cost of living crisis** on low-paid workers in key sectors of the economy, such as social care
- **Reduce the administrative and financial burden on employees and volunteers**
- **Deliver an effective tax cut** for some employees and volunteers who currently, or would in future, receive more than the AMAP rate
- **Avoid unnecessary new red tape** for charities and community groups and simplify the workings of the UK's tax system
- **Signal the UK Government's commitment to volunteers, the voluntary sector and Levelling Up**

## Rationale, effectiveness and benefits

Like much of the voluntary sector, the Community Transport sector is being damaged by the current AMAP rate. **Community Transport is always for a social purpose and never for a profit.** Our members utilise a wide range of transport modes – from minibuses and cars, to mopeds and bikes – to deliver a diversity of services – including dial-a-ride, electric car clubs, non-emergency transport for health and social care, 'wheels-to-work', group hire and bicycle or e-bike schemes – which support connectivity and sustainability by fulfilling unmet transport needs and bridging gaps in the provision of public transport. Our mission is accessible, inclusive and sustainable transport for all.

**A major function of Community Transport is delivering non-emergency patient transport to support access to health & social care services and sites.** Most operators are not funded by any health & social care body or partner to operate these essential services. **These schemes are often delivered by volunteers driving their own vehicles.**

Many older and disabled people rely on volunteer car schemes to attend GP surgeries and hospitals. They are a vital part of the health & social care system, helping patients to live happily, healthily and independently in their own communities and reducing the costs of missed appointments for the NHS and taxpayers.

The AMAP rate applies to both employees and volunteers. It is supposed to reflect overall vehicle running costs including fuel, servicing and depreciation. We understand that fuel constitutes around a third of total costs included in the rate. Employers, organisations, employees and volunteers welcome the administrative simplicity and certainty which it has largely created.

However, **large numbers of CTA members are reporting a negative impact on volunteers.** Long-standing Community Transport volunteer drivers are retiring early, reducing their hours or giving up altogether as a direct result of high fuel prices and insufficient AMAP payments. The 45p per mile rate for the first 10,000 miles no longer covers costs and the 25p per mile rate continues to fall well short

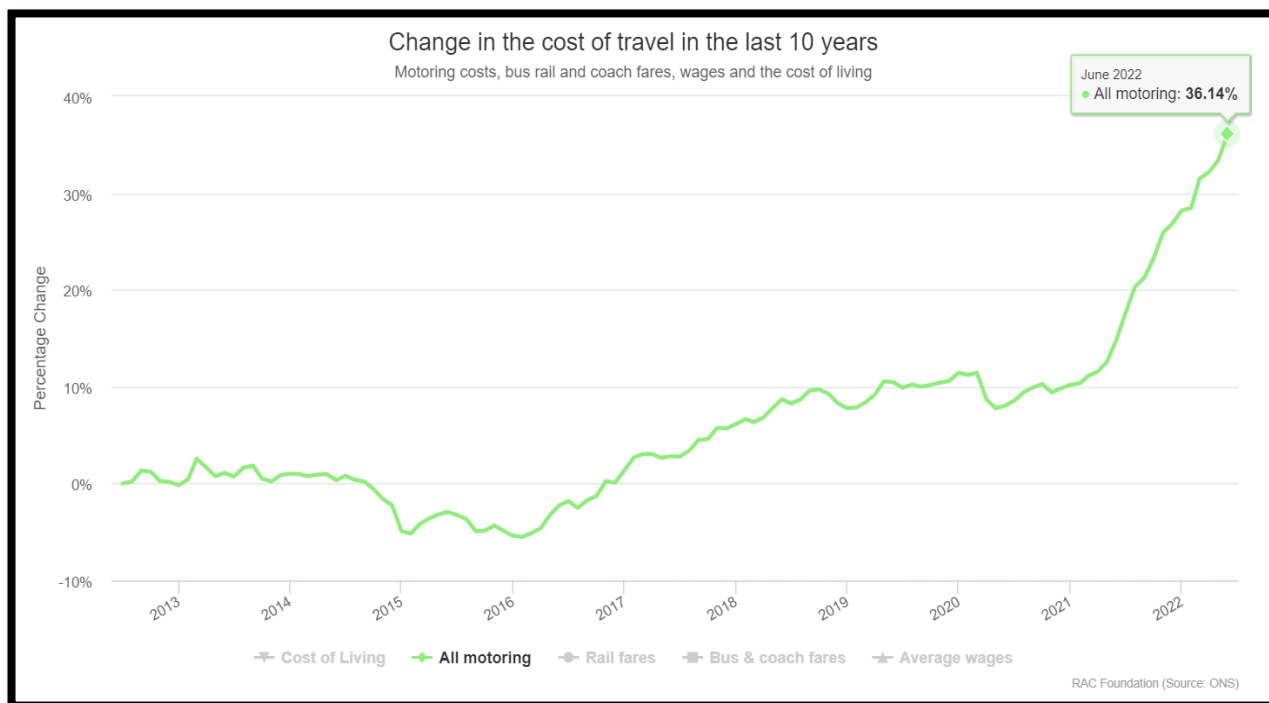
of what is required. This is a major factor behind lower levels of volunteer recruitment and retention over the last six months, which 65% of Community Transport operators have experienced. **No volunteer should be out of pocket for volunteering. Volunteering must be accessible and affordable for all.**

We know some volunteers will be able to absorb higher costs associated with volunteering, but many others will not. This will exacerbate existing inequalities in who can afford to volunteer and leave the most vulnerable communities underserved.

Since the AMAP was last changed more than a decade ago, the overall cost of motoring in the UK has increased by more than 36%, according to the RAC Foundation (see chart below).<sup>4</sup> Data from the Office for National Statistics illustrates personal transport costs have risen by 34% since 2012 (see table below).<sup>5</sup>

While the increasing cost of fuel has been significant and widely acknowledge, other costs associated with owning, running and maintaining a private vehicle as an employee or volunteer, and which contribute to calculating the AMAP rate, have also increased at similar or even higher rates as the cost of labour, equipment and parts continues to increase across the UK.

Therefore, it is clear that **the current AMAP rate set in 2012 is now archaic and no longer reflects the real costs of motoring in 2022.** It is vital that the current AMAP rate is reviewed immediately and transparently to calculate a new rate which accurately reflects the real costs of motoring in 2022, protects charitable schemes and delivers a fair deal for volunteers.



<sup>4</sup> [www.racfoundation.org/data/cost-of-transport-index](http://www.racfoundation.org/data/cost-of-transport-index)

<sup>5</sup> [www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation](http://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation)

Item	2012 Price	June 2022 Price	Percentage Increase in Price
<b>07.1 Purchase of vehicles</b>	<b>101.5</b>	<b>122.8</b>	<b>21%</b>
07.1.1A New cars	97.6	126.9	30%
07.1.1B Second hand cars	108.8	117.4	8%
07.1.2/3 Motorcycles and bicycles	95.9	127.3	33%
<b>07.2 Operation of personal transport equipment</b>	<b>106.8</b>	<b>143.0</b>	<b>34%</b>
07.2.1 Spare parts and accessories	99.0	122.9	24%
07.2.2 Fuels and lubricants	122.5	166.2	36%
07.2.3 Maintenance and repairs	94.1	122.3	30%
07.2.4 Other services	95.3	138.8	46%

## Administrative and compliance issues

We have been informed by HM Treasury that employers can instead agree to reimburse the actual cost incurred, without an Income Tax or National Insurance charge arising, where employees or volunteers can provide evidence of the expenditure. We also understand that employees or volunteers who are reimbursed less than the AMAP rate can claim tax relief on the shortfall.

However, this is not widely applied or understood across the voluntary sector. It is inconsistent with HMRC's guidance which specifies that the way it will be calculated if a driver has made a profit is to use the AMAP rate as a guide.<sup>6</sup>

Moreover, this additional **red tape represents a significant administrative and financial burden on employees and volunteers and can act as a powerful disincentive to volunteering** for people who own their own vehicle and want to help the most vulnerable in their local community.

If there is no increase in the AMAP, given fuel prices are expected to remain at record levels, we are likely to see increasing numbers of employers and organisations who can afford to do so increasing the rates they reimburse employee and volunteer drivers beyond the current rate to cover their costs.

**An increase in the AMAP would simplify this process for organisations, employers, employees and volunteers**, prevent a surge in new compliance and processing work for HM Revenue and Customs and represent an effective tax cut for some employees and volunteers who currently – or would in future – receive more than the current AMAP rate.

<sup>6</sup> [www.gov.uk/guidance/check-if-you-need-to-pay-tax-on-mileage-payments-as-a-volunteer-driver](http://www.gov.uk/guidance/check-if-you-need-to-pay-tax-on-mileage-payments-as-a-volunteer-driver)

## Revenue implications

**There are no revenue implications for the Exchequer. This is a zero-cost proposal for the Autumn Budget which is, therefore, highly deliverable, practical and realistic.**

However, we recognise that an increase in the AMAP rate is likely to create additional costs for other organisations. Many employers and charities who reimburse their employees or volunteers for driving their own vehicles in the course of their duties are likely to consider increasing the rates they pay to match a new, elevated rate. Many charitable organisations are therefore likely to require increased financial support from their funders to help meet these costs. We would want to see corresponding uplifts in grants and contracts from local authorities and other funders, to ensure that voluntary organisations can continue to deliver vital public services.

**It is therefore essential that the Autumn Budget delivers – and supports devolved and local government to deliver – adequate, fair and sustainable funding which keeps pace with inflation, contributes to core operating costs and sets flexible conditions for the voluntary sector** through reforms to grant-making and service commissioning.

Nevertheless, we believe that it is important that employers and organisations are empowered to make the best decisions for them, their employees or volunteers and their customers, communities or users. They should be empowered to do so in the context of their own budgetary constraints without incurring additional administrative or bureaucratic burdens. A change in the AMAP rate would be a powerful signal from UK Government and, as a widely recognised benchmark, would influence the practices and policies of large numbers of voluntary sector organisations and employers.

An increase in the AMAP rate does not create a new obligation, but would give those employers and organisations who are willing and able to exercise it an additional flexibility to respond to and mitigate the impact of record and rising fuel prices.

## Macroeconomic implications

**The voluntary sector and volunteer drivers play an important role in the UK economy, creating jobs, supporting access to education, employment and training and tackling poverty and inequality.**

Research by Volunteer Scotland suggests that 12% of formal volunteers in Scotland help to transport people or things, which is the equivalent of 140,763 Scottish adults giving 12.5 million hours of help in with an annual economic value of £187.8 million. This represents £0.5 million of economic activity every single day.<sup>7</sup>

For the UK as a whole, there is a lack of specific and equivalent data. Utilising the Scottish data, we can estimate that **transport-related volunteering alone may involve around 1.72 million people across the UK and contributes £2.3 billion to the UK economy every year, which is equivalent to £6.3 million every day.**

---

<sup>7</sup> [www.volunteerscotland.net/media/254583/guidance - calculating the economic value of your volunteers.pdf](http://www.volunteerscotland.net/media/254583/guidance_-_calculating_the_economic_value_of_your_volunteers.pdf)

## Our coalition

**CTA's Autumn Budget Representation is supported by eleven voluntary sector organisations across England, Scotland, Wales and Northern Ireland** collectively representing the voices of over 20.4 million volunteers across the UK, many of whom use their own vehicle in the course of their duties, including 1.7 million volunteers who are directly involved in transport-related volunteering:

- Community Transport Association
- Communities 1st
- National Association for Voluntary and Community Action (NAVCA)
- National Council for Voluntary Organisations (NCVO)
- Royal Voluntary Service
- Scottish Council for Voluntary Organisations (SCVO)
- Scottish Volunteering Forum
- Volunteering Matters
- Volunteer Now
- Volunteer Scotland
- Wales Council for Voluntary Action (WCVA)<sup>8</sup>

## Testimonials

### **Jim Freeborough, Voluntary Action Rutland (East Midlands, England)**

"Like other Community Transport schemes we are in danger of volunteers withdrawing their services, many of which are of pensionable age the high cost of fuel will be too expensive for them. This will have a catastrophic impact on clients that are on low income and unable to use public transport. They will be unable to afford alternative travel to their medical appointments due to higher costs."

### **Annette McKenzie, Gairloch Community Car Scheme (Highland, Scotland)**

"The fuel price crisis is a major concern for our rural community and our users. Our local scheme relies on volunteer drivers. Local petrol prices at the pump nearly £2 per litre. Volunteer recruitment is down significantly and we're struggle to get younger drivers. Some existing older drivers are reducing their volunteer hours or stepping down."

### **Chatteris, Doddington, Benwick & Manea Community Car Scheme (Cambridgeshire, England)**

"I fear [Community Transport] schemes will close in the near future. [An AMAP uplift] needs to be done urgently as I do think I am on the point of losing a third of my drivers shortly, and I believe many others are in the same position."

---

<sup>8</sup> [www.ctauk.org/amap-campaign](http://www.ctauk.org/amap-campaign)



**Brian Groves, Newry and Mourne Community Transport (Newry, Mourne and Down, Northern Ireland)**

“Volunteer drivers have been forced to turn down long journeys because the expense cannot cover the costs. It is costing our volunteers money to drive because of how the government has set the mileage, it no longer covers volunteer expenses.”

## Further information

For further information, or to discuss any of this Autumn Budget Representation, please contact:

- **Noeleen Lynch, Director for Northern Ireland:** [noeleen.lynch@ctauk.org](mailto:noeleen.lynch@ctauk.org)
- **David Kelly, Director for Scotland:** [david.kelly@ctauk.org](mailto:david.kelly@ctauk.org)
- **Josiah Deakin, Policy and Research Officer:** [josiah.deakin@ctauk.org](mailto:josiah.deakin@ctauk.org)