

REPORT TO: Executive Board Sub Committee
DATE: 25th July 2008
REPORTING OFFICER: Strategic Director – Health & Community
SUBJECT: Review of Volunteer Driver Mileage Rates
WARDS: All

1.0 PURPOSE OF REPORT

1.1 To set out the current position and the options to amend Volunteer Driver mileage rates.

2.0 RECOMMENDATIONS

2.1 It is recommended that:-

- (1) mileage rates for volunteer drivers be increased from 33.5p to 40p per mile, when driving in excess of 10,000 miles; and
- (2) the Strategic Director - Health & Community, in consultation with the Portfolio Holder for Health & Social Care, be authorised to review and amend the volunteer driver mileage rate and arrangements having regard to the actual costs of motoring.

3.0 SUPPORTING INFORMATION

3.1 Background and Current Position

3.1.1 The Volunteer Driver scheme is a long-running, person-centred service managed by Transport Co-ordination for Adult Social Care and Children's Services. Volunteer Drivers use their own vehicles, which are road safety checked by the Council. All Drivers are CRB checked and have undertaken Training.

3.1.2 There are 15 volunteer drivers, who drove 177,919 miles in 2007/08. The average number of miles per driver is 11,861.

3.1.3 Following an internal audit of operational practice of the volunteer driver scheme in 2006/7 and to ensure payments were in line with 'Volunteering England's' guidelines for tax-free mileage allowance payments, the mileage rate for all volunteers was reduced from 44.8p to 40p for the first 10,000 miles and 25p per mile thereafter.

3.1.4 In December 2007, the Council's volunteer mileage rate for driving above 10,000 miles was increased from the Inland Revenue approved mileage rate of 25p to 33.5p. The volunteer, if driving above 10,000 miles, should now declare payments made by the Council and their expenses to the Inland Revenue, who would then determine the volunteer's tax liability as summarised below:-

Summary volunteer driver rates	Inland Revenue approved rates	Council's volunteer mileage rates from Dec 2007	Tax payable to Inland Revenue
Up to 10,000 miles	40p	40p	No
Over 10,000 miles	25p	33.5p	Yes

3.1.5 Eleven volunteers stopped driving in 2007/08, 6 because of the rising cost of fuel/combined mileage rates and 5 for personal reasons.

3.1.6 Using information from the AA, the present rates of 40p for less than 10,000 miles and 33.5p above 10,000 miles, would allow the driver to recover their costs of motoring for a car costing under £10,000. However, if a volunteer drives a car costing more than £10,000 when new, the costs of motoring will not be recovered.

3.1.7 Any increase above these rates would lead to a "taxable profit" in the Inland Revenue's eyes with tax potentially being paid by the driver or the driver having to confirm their true cost of motoring.

3.2 Comparison of Halton's rates against Neighbouring Local Authorities.

3.2.1 The following table shows responses to an email survey conducted by Transport Co-ordination into the mileage rates paid by neighbouring Local Authorities to volunteer drivers. This reveals the proposed option 2 is in line with payment rates of neighbouring and other Local Authorities.

3.2.2 Several Authorities do not use volunteer drivers to transport service users.

3.3 Financial Options

The following options have been considered:-

3.3.1 Option 1

Continue paying all volunteers the present mileage rates of 40p up to 10,000 miles and 33.5p above 10,000 miles or revert to the Inland Revenue Mileage approved rate of 25p above 10,000 miles.

This could lead to a loss of volunteers but would reduce costs.

3.3.2 Option 2

Pay volunteers a flat mileage rate of 40p.

Volunteers would be more inclined to drive over 10,000 miles as their costs would be covered, although they would have to submit details of the income and all motoring expenses to the Inland Revenue. Volunteer Drivers will need to be advised of their obligations in respect of a tax with a letter issued, as for the APS service.

The cost would be an additional £5550 if 7 of the existing drivers continued to drive above 10,000 miles.

3.3.3 Option 3

Pay volunteers a rate above 40p per mile or a salary for driving their own car on a

2008/9	Volunteer Mileage rate if paid
Knowsley	Awaited
St Helens	<i>Do not use volunteers</i>
Liverpool	Awaited
Salford	Awaited
Vale Royal	44.29p
Lancashire	40p all mileage
Wirral	40p all mileage
Warrington	<i>Do not use volunteers</i>
Bolton	<i>Do not use volunteers</i>
Manchester City	<i>Do not use volunteers</i>
Wigan	<i>Do not use volunteers</i>
Cheshire CC	Awaited
Telford & Wrekin	38.5p all mileage
Carmarthenshire CC	40p all mileage
Suffolk County Council	39p all mileage
Essex County Council	40p first 10,000 miles then 20p per mile thereafter
Falkirk	40p all mileage
Perth & Kinross	38.1p all mileage

casual basis.

If volunteers received payments which attracted income tax, they might need to licence their cars as a private hire vehicle. They would have to declare all earnings as a self-employed person and could no longer claim that they were “volunteer” drivers.

3.3.4 Option 4

Employ volunteers as casual drivers using HBC fleet vehicles.

It may be necessary to purchase additional vehicles if the current fleet could not meet demand. The volunteer would become an employee of HBC. This would be at a considerable additional cost and, on a value for money basis, more costly than taxis.

3.3.5 Of the above, option 2 strikes the best balance between appropriate remuneration, retaining volunteers and ease of process.

3.3.6 In addition, the volunteer driver mileage rate will be subject to quarterly review, given that the current price of fuel will fluctuate. Benchmark information from the AA or Inland Revenue will be used to set the rate.

4.0 **POLICY IMPLICATIONS**

4.1 If the recommendations are accepted, any policies for volunteer drivers will need to be amended for Health & Community and Children’s and Young People’s Directorates.

4.2 Legally, it is important that rates are related to the actual costs of motoring as this safeguards volunteer status. The proposed delegated power to the Strategic Director is intended to be exercised on a quarterly basis having regard to benchmark information including that published by the AA and Inland Revenue.

5.0 **OTHER IMPLICATIONS**

5.1 Not applicable.

6.0 **IMPLICATIONS FOR THE COUNCIL’S PRIORITIES**

6.1 **Children & Young People in Halton**

Under the Every Child Matters agenda, transport facilities for children with disabilities must be provided to ensure that children stay safe.

6.2 **Employment, Learning & Skills in Halton**

A thriving volunteer service promotes community cohesion and provides meaningful activity and purpose for the volunteer.

6.3 A Healthy Halton

The proposal would promote a range of travel options and support Halton's Volunteering Strategy. The volunteers provide a very supportive service for some of the most vulnerable service users.

6.4 A Safer Halton

None.

6.5 Halton's Urban Renewal

The proposal would maintain the viability of the volunteer transport service.

7.0 RISK ANALYSIS

7.1 If rates are maintained at the existing levels there is a high risk that more volunteers will leave and more journeys will need to be made using taxis.

7.2 Contingency plans will be put in place to ensure continuity of service provision should further volunteer drivers leave and not be replaced by other volunteers.

8.0 EQUALITY & DIVERSITY ISSUES

8.1 Not applicable.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

9.1 There are no background papers under the meaning of the Act.