

Informal Car Clubs

Car clubs do not have to be arranged through a formal group. It is possible to set up a car club arrangement with friends, neighbours or colleagues, either using cars already owned by members of the group or by purchasing a car together. One of the main benefits of an informal club is its flexibility. It can be shaped to match the members requirements. It is important to achieve a balance between maintaining this flexibility whilst also having a working structure that is effective and equitable.

There are several things that you need to think about when setting up a car club:

Membership

- You will need members with a mixture of trip requirements to minimise overlapping demand for use of the car
- Booking could be managed in a number of different ways:
 - allocate time slots on a regular basis: ask prospective members to identify when they would need access to the car and set up a simple weekly rota.
 - operate on a first come first served basis, using a simple booking system.
 - a combination of the above.
- It gives a more secure footing to have members who can give at least one year commitment to the club; it is also helpful to have an existing level of trust between members.
- Establish clear ground rules; a written agreement is not essential but may save disputes in the long run.
- Establish at the outset what will happen if the car club is disbanded, e.g. who can sell the car (if it is jointly owned) and under what conditions, and how any remaining money in the club will be divided

Vehicles

Decisions need to be made on

- whether to use vehicle(s) already owned by members or purchase a car together
- a location for each vehicle - unless it is to be kept at various members' houses at different times during the week.
- arrangement for access to keys
- carrying out tasks such as buying fuel, cleaning and maintenance of the vehicle.

Finances

- It can be simpler for the car club to have its own bank or building society account so that all financial transactions are clearly recorded. The account should be set up as a non-profit making club NOT a business.
- The annual running costs of your car(s) can be calculated using the leaflet 'Your Car Costs' or the spreadsheet 'Add up your Travel Costs', both available from the Carplus office or website.

- Each driver in the club should contribute to the vehicle's full operating costs, with no member making a profit. Payment could be
 - by the mile and/or by the hour
 - an agreed monthly amount - possibly in proportion to how often the car is at each members' disposal.

Insurance

A car club can operate using normal insurance, so long as no profit is made by the keeper or any of the owners, and you inform the insurance company. You may find it more difficult to cover more than one vehicle.

Some points to consider when looking for insurance are:

- **Insuring in the name of the club**
 - Using the club's name can cause less hassle for a single individual - however it will probably be more expensive and harder to get.
 - You will need to give an address for the club
 - You will be more likely to succeed with a broker who is used to dealing with company insurance or with community organisations.
- **Insuring in one person's name with additional named drivers**
 - The norm seems to be 4 or 5, but some clubs have covered up to 12 members
- **If applying for any driver cover:**
 - Specify the minimum age of the drivers (e.g. over 25)
 - State that only drivers with clean licences will drive the vehicle (if this is true)
- **Insuring for business use**
 - Sometimes limited business use can be added at no extra price.
 - Full business use for all drivers may be possible at extra cost
- If you want comprehensive insurance cover, check out that it covers all drivers
- Most insurance policies will state that the vehicle must not be used for hire or reward. Check out with your insurance broker that it is okay for drivers to pay for hours used and/or mileage to cover the costs incurred in running the club, but stress that no profit is made.
- It is worth considering paying extra for no-claims bonus protection, particularly if the policy is in one driver's name

Contact Carplus for details of insurance brokers that other informal car clubs have used.

Further information

Smart Moves Ltd '*Guidance notes on running an informal car club*' Downloadable free of charge from www.carplus.org.uk/carclubs/informal.htm or available from Carplus T 0113 234 9299

Streets Alive! '*Sharing a car with neighbours & friends*' www.streetsalive.net T 0117 922 5708

Carplus information sheets '*Case Study: Rusty Car Pool*' and '*Car club insurance*'