



Thinking About Becoming a Haulier?

This short document is intended to give you an overview of the haulage industry, and act as a starting point to help you to decide whether this industry is right for you.



returnloads.net

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Returnloads.net has been around for well over a decade and in that time we have seen many new owner drivers come on to Returnloads.net and grow their businesses.

It isn't the right industry for everyone, you need patience and a willingness to provide a good service but it does provide a good living for most, and gives you the freedom to be your own boss.

Things you will need to consider

- Making contact with some of the main companies
- Where Returnloads.net fits into the industry
- Charging & rate schedules
- Vehicle types
- Fleet policy or Truck Insurances
- Route planning
- Sat Nav & Tracking
- Communication during the job
- Proof of Delivery (POD)
- Paperwork
- Invoicing
- Terms of payment
- Terms & conditions of carriage
- VAT registration
- Goods in Transit

What do we mean by the term owner driver or small haulier?

If you're considering starting a haulage business, then you're probably rather confused by the way it works, which isn't surprising, as it is a very large and complex industry.

The industry is **very diverse** and **fragmented**. If you were to ask a business in London whether they use haulage companies then you will get a very different response from asking the same question in say, Manchester or Glasgow as rates may vary and the demand for trucks may be very different.

This document mainly deals with the smaller haulage companies or owner drivers as they are known who own and operate just one truck, however, you may find yourself working for a variety of other transport & freight companies initially before you build up a client base of factories and manufacturers in your region on the UK.

Below we explain some of the terms used in the industry

Sameday Haulage – owner-drivers and companies will deliver goods on a direct delivery basis

Multi-drop – a phrase used to describe multiple deliveries within a radius of the first drop. This would normally be around five or six drops

If you ever come across a word or something you don't understand then be sure to check out our [Haulage Industry jargon Buster](#).

Where does [Returnloads.net](#) fit into the Haulage Industry

Every industry needs a focal point and a central portal.

The haulage industry is incredibly diverse and fragmented; furthermore, there is a huge amount of sub-contracting at every level. Returnloads.net provides the framework for the industry, bringing together the participants at every level (owner drivers, small and large haulage companies, national companies, freight forwarders, manufacturers and importers etc).

Our members use the website to [find loads](#), subcontract loads, [find vehicles](#), build up their contacts and service their customers. As an owner-driver, you'll receive notifications of relevant jobs via email. It is a 'trade only' site, open only to loaders, transport companies and operators of HGV vehicles.

Besides these features of the site, we also have a sophisticated system that offers members the chance to place [classified adverts](#) and to complete an online profile which will give them a seven page Returnloads.net micro website which can be independently found in searches on all internet browsers.

In practice, this means that as an owner-driver you can receive an online confirmation of every job you take on from another member; you can then send the POD and also raise your invoice if you wish. Subscriptions start from £29.50 a month and with over 90,000 loads every month available we lead the freight exchange market in terms of value for money and low cost membership. Visit [Returnloads.net](#) for more information.

Charging & Rate Schedules

Charges vary tremendously around the country, and it is virtually impossible to set a 'national' rate. *You will find the 'usual' rates in your area by asking around local owner-drivers and companies.* There are a number of ways that haulage contractors

price up their work, and these depend to some extent upon your location and customer-base.

- 1 **Price per job** - based on a one-way trip – You may price your loads based upon a fixed amount to different regions of the UK
- 2 **Price per mile** – You have a set price per mile figure and you charge this amount for all jobs from A –B
- 3 **Day Rate** – you charge a fixed fee for a day from 8am – 5.30pm for you and the truck and cap the mileage at the outset

With all of the above ways of charging you may want to consider finding a [return load](#) from Returnloads.net once you have tipped and this needs to be taken into consideration when you make up your tariff initially. Generally you would expect 2/3rds of the price you would normally charge for a return load rather than an outward bound load.

Also take into consideration toll fee's, ferry crossings etc. when working out prices as well as road sizes and road conditions. For example if you price a job from London to Leeds you can travel on the M1 most of the way and the mileage may be 250 miles but if you travel the same distance to a small town in Somerset it may take a lot longer on single track roads even though the mileage is the same.

Choosing the Correct Vehicle

You can now hire commercial vehicles both rigids and artics on a very competitive basis and it is worthwhile doing this in your first few months as an owner-driver, rather than purchasing a vehicle. This means that you can find which vehicle is going to be most suitable for your daily work. Contract hire often includes all maintenance (other than wear & tear), plus a replacement vehicle if yours is off the road for any reason.

Insurance

The insurance requirements for the industry are complex, and we strongly recommend that you contact a good quality Insurance broker. When you speak to any Insurer, they will ask you exactly what type of work you intend to do – this will affect which Haulage Insurance policy is right for you. There are a substantial number of 'grey' areas, not least because the insurance companies themselves do not have any agreed common standards and regularly change their terminology.

Goods in Transit

('GIT') to a *minimum* value of £1,300 per tonne RHA terms. In addition, it is very advisable to have: • **Public Liability** to a minimum of £1,000,000 (especially if your organisation is not a limited company) • **Employers Liability** insurance (note: this is required if you are a Limited company and whenever you have a 'Duty of Care' to an employee, whether they are regular full/part time or an occasional worker) In broad terms, insurers class your risk according to whether the work is: (I) a planned / regular delivery (ii) an unplanned, 'panic' delivery It is worth noting that what you *may* consider to be a '*planned*' (i.e., pre-booked) delivery to an unknown or irregular location would normally still be classed as an *unplanned* delivery by insurers.

How is 'haulier' defined by the insurance industry?

A HGV vehicle from 7.5 tons to 44 tons who will carry goods for 3rd party clients for payment.

CMR v. GIT

CMR is a specific type of goods in transit policy, mainly used by freight forwarders. There are two types of CMR – international & domestic UK. As an example of how it applies, a full trailer load from Hamburg to Tilbury could be covered by international CMR, but the onwards delivery of part of this load from Tilbury to Glasgow would need to be separately covered by either domestic CMR or a GIT All Risks policy, RHA terms. Note that a standard All Risks GIT policy may not cover you adequately for a continental delivery (as the maximum insurance for this is set by European law at £8/kg). If you are doing a delivery to the European mainland, the onus for insuring the goods fully should either be with the freight forwarder (under their 'Marine Policy') or with the owner of the goods.

Sub-contracting

If you are sub-contracting deliveries, you should declare this to your Insurer as they will often have a special clause covering this.

Route planning

Planning your route is important – there are a number of websites which will help you with this. Remember that the company who you are working for may only pay you for the shortest route, which may not necessarily be the quickest! On

Returnloads.net you can view a map view of a potential journey which shows you the mileage and distance of the load.

Communication during the job

To be a good owner driver you must communicate at all stages of a job, and be flexible to adapt to changes in circumstances. If you are sub-contracting for another company, you must remember that you are 'carrying' their reputation. They will expect regular updates, especially when the consignment is collected and delivered. Most importantly, if there is a problem such as a breakdown or traffic jams let them know ASAP.

Proof of Delivery (POD)

A vital piece of evidence that you must collect to show that you have successfully delivered your consignment. It should have the recipient's name clearly printed and signed. Some companies will not pay you without hard copy of this document! You should also phone through the POD info immediately to the company that you are working for.

Paperwork

Multi-part delivery dockets are the traditional way of despatching consignments. Check with the company that you are working for to ensure what they will accept.

Invoicing

You should try and raise your invoice as soon as possible after completion of the job, and send your POD with it. Don't expect that you will be paid immediately for a job which has taken you three weeks to invoice!

Terms of payment

Agree this as soon as you accept a job, before you collect the consignment – it's no good arguing about it afterwards. Typically, you should expect to be paid on a *30 days net basis* – this generally means that you will be paid at the end of the month following your invoice date ie., an invoice dated 14th September would be due for payment on 31st October. Some companies will pay on a 7 day basis or by credit card – check first.

VAT registration

There are numerous websites dedicated to this subject and other small business matters. You may also consider the joining the 'flat rate' scheme which is especially suitable for smaller businesses. Visit <http://www.hmrc.gov.uk/startingup> for more information.

Terms & conditions

You will need a set of "T & C's" to trade with which can be found on-line. You must send your customers these conditions prior to starting to trade and always refer to them on your documentation and quotes. Your Terms & Conditions should cover what happens in the eventuality of damage or loss to a consignment and late delivery, besides the usual trading conditions.

We hope that this short guide has been helpful and given you a reason to join the haulage industry. There is a wealth of information on the web about general issues which affect small businesses and potential owner drivers and is often a great source of 'self-help'. If you would like to join us, please visit the website at Returnloads.net where you will find more specific information about subscriptions and the way we work. You can also call us on **0333 006 3288 local call rates from 9.00am to 5.30pm Monday to Friday**



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