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## **NATIONAL JOINT COUNCIL FOR LOCAL AUTHORITY FIRE AND RESCUE SERVICES**

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**To: Chief Fire Officers  
Chief Executives/Clerks to Fire Authorities  
Chairs of Fire Authorities  
Directors of Human Resources at Fire Authorities**

**Members of the National Joint Council**

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27 January 2009

### **CIRCULAR NJC/1/09**

Dear Sir/Madam

#### **Car allowances: VAT Reduction**

1. The Chancellor of the Exchequer announced recently that VAT was to be reduced from 17.5% to 15% with effect from the 1 December 2008.
2. As a result, the amount of VAT per mile in the petrol element of the NJC Car Allowances has been amended. The new figures are shown on page 2, underlined in bold type.
3. This change has no effect upon car allowance rates paid to individuals which therefore remain unchanged
4. Any new rates agreed with effect from 1 April 2009 will automatically take account of the new VAT rate, which the Chancellor has announced will run until 31 December 2009, at which point a further circular will be issued to reflect any changes announced by the Government as applicable.

## CAR ALLOWANCES APPLICABLE FROM 1 April 2008

	451- 999cc	1000- 1199cc	1200- 1450cc
<b>Essential Users</b>			
Lump sum per annum	£753	£849	£1,095
Per mile up to 8500 miles	34.0p	36.9p	45.8p
Per mile over 8500 miles	13.3p	13.6p	15.8p
<b>Casual Users</b>			
Per mile up to 8500 miles	42.9p	46.9p	58.7p
Per mile over 8500 miles	13.3p	13.6p	15.8p
<b>1 April 2008 figures:</b>			
Amount of VAT per mile in petrol element	1.374p	1.460p	1.592p
<b>From 1 December 2008 figures:</b>			
Amount of VAT per mile in petrol element	<u>1.203p</u>	<u>1.278p</u>	<u>1.395p</u>

5. Please ensure that all interested parties in your fire authorities (i.e. Finance departments) are aware of the new VAT reduction figures.
6. For reference, please note that the previous circular detailing car allowances was NJC/4/08.

Yours faithfully  
**SARAH MESSENGER**  
**MATT WRACK**  
Joint Secretaries