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

**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**

15 July 2010

CIRCULAR NJC/06/10

Dear Sir/Madam

Car allowances: VAT Increase (4 January 2011)

1. The Chancellor of the Exchequer announced in the Budget that VAT is to be increased from 17.5% to 20% with effect from 4 January 2011.
2. As a result, the amount of VAT per mile in the petrol element of the NJC Car Allowances will change. The new figures, applicable to the current NJC mileage rates until 31 March 2011, are shown on page 2, underlined in bold type.
3. Any new rates agreed with effect from 1 April 2011 will automatically take account of the new VAT rate.
4. Please ensure that all interested parties in your fire authorities (i.e Finance departments) are aware of the new VAT increase figures applicable from the 4 January 2011.
5. For reference, please note that the previous circular detailing car allowances is NJC/3/10.

Yours faithfully
SARAH MESSENGER
MATT WRACK
Joint Secretaries

CAR ALLOWANCES APPLICABLE FROM 1 April 2010

1. The following revised allowances (Part E, paragraph 6 of the 6th Edition of the Scheme of Conditions of Service) apply with effect from 1st April 2010:

	451- 999cc	1000- 1199cc	1200- 1450cc
Essential Users			
Lump sum per annum	£846	£963	£1,239
Per mile up to 8500 miles	36.9p	40.9p	50.5p
Per mile over 8500 miles	13.7p	14.4p	16.4p
Casual Users			
Per mile up to 8500 miles	46.9p	52.2p	65.0p
Per mile over 8500 miles	13.7p	14.4p	16.4p
1 April 2010 figures:			
Amount of VAT per mile in petrol element	1.400p	1.543p	1.681p
From 4 January 2011 figures:			
Amount of VAT per mile in petrol element	<u>1.567p</u>	<u>1.727p</u>	<u>1.881p</u>

2. Authorities are reminded that while, under the terms of Section E paragraph 6, the allowance payable shall be in accordance with such grading as the fire authority may approve, where an essential user who is conditioned to the flexible duty system actually uses a vehicle with an engine capacity in excess of 1199cc then the allowance payable shall be for the category 1200 to 1450cc.