

JOINT NEGOTIATING COUNCIL FOR THE EDUCATION AND LIBRARY BOARDS

22 December 2009

**To:- Chief Executives
Council Members
MSO/TUSO**


Joint Negotiating Council Circular No. 179 Car Allowances - Change to VAT w.e.f. 1 December 2008

The Joint Secretaries of the Joint Negotiating Council have noted the announcement by the Chancellor of the Exchequer that VAT is to return to 17.5% w.e.f. 1 January 2010.

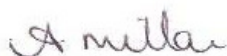
The amount of VAT per mile in the petrol element has been amended and the new figures, applicable to current NJC mileage rates until 31 March 2010, are shown below, underlined in bold. The rates which had been agreed w.e.f. 1 April 2009 remain unchanged.

Essential Users	451 - 999cc	1000 - 1199cc	1200 - 1450cc
Lump sum per annum	£795	£906	£1,170
Per mile first 8,500	33.6p	37.1p	46.4p
Per mile after 8,500	11.7p	12.2p	14.2p
Petrol element	07.433p	08.207p	08.953p
Amount of VAT per mile in petrol element	01.107p	01.222p	01.333p
Casual Users			
Per mile first 8,500	42.9p	47.7p	60.1p
Per mile after 8,500	11.7p	12.2p	14.2p
Petrol element	07.433p	08.207p	08.953p
Amount of VAT per mile in petrol element	01.107p	01.222p	01.333p

These allowances are based on a price of 103.52p per litre (470.6p per gallon) for unleaded petrol.



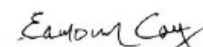
Management Side Secretary
J Curran



Trade Union Side Secretary
A Millar



Trade Union Side Secretary
L Kerr



Trade Union Side Secretary
E Coy



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Council Secretary:

Philip Robinson

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National Employers for Local Government Services

To: **Chief Executives in England, Wales & N Ireland**
(with copies enclosed for HR Director and Finance Director)
Members of the National Employers' Organisation
Provincial Employers' Secretaries
Local Authority Associations' Secretaries

25 November 2008

Dear Chief Executive,

NJC CAR ALLOWANCES 2008/09 **CHANGE TO VAT: 1 DECEMBER 2008**

The Chancellor of the Exchequer announced yesterday in the Pre-Budget Report that VAT is to be reduced from 17.5% to 15% with effect from 1 December 2008.

As a result, the amount of VAT per mile in the petrol element of the NJC Car Allowances has been amended. The new figures – applicable to the current NJC mileage rates until 31 March 2009 - are shown below, underlined in bold type.

The NJC Car Allowance rates to take effect on 1 April 2009 will automatically take account of this new VAT rate, which the Chancellor announced will run until 31 December 2009, at which point a further circular will be issued to reflect any changes announced by the Government.

	451 - 999cc	1000 - 1199cc	1200 - 1450cc
Essential Users			
Lump sum per annum	£753	£849	£1,095
per mile first 8,500	34.0p	36.9p	45.8p
per mile after 8,500	13.3p	13.6p	15.8p
Petrol Element	9.227p	9.804p	10.695p
Amount of VAT per mile in petrol element	<u>1.203p</u>	<u>1.278p</u>	<u>1.395p</u>
Casual Users			
per mile first 8,500	42.9p	46.9p	58.7p
per mile after 8,500	13.3p	13.6p	15.8p
Petrol Element	9.227p	9.804p	10.695p
Amount of VAT per mile in petrol element	<u>1.203p</u>	<u>1.278p</u>	<u>1.395p</u>

Yours sincerely,

Harry Honor
for Employers' Secretary