

CONTRACTORS, PLANT AND TOOL HIRE

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15/03/2022

For the attention of your Managing Director / Operations Director / Finance Director

RE: CHANGES TO REBATED DIESEL FROM 1ST APRIL 2022 IN CONSTRUCTION

From the 1st April, the Government has removed the permission for plant and equipment used for construction purposes to use red (rebated) diesel.

We are therefore by law required to transfer all of our equipment onto WHITE DIESEL ONLY from 1st April 2022.

To help avoid any misunderstanding on fuel usage during this time, the following points should be noted:

(This guidance is based on information received from HMRC. For more information please see

<https://www.gov.uk/government/publications/changes-to-rebated-fuels-entitlement-from-1-april-2022>)

- From the 1st April, the Hirer **must comply** with the hire company's requirement on the type of fuel which can be used to fill/re-fill the machine during the hire period. *i.e. White Diesel Only*
- Any red diesel within the machine's fuel tank from 1st April, which had been filled **on or before 31st March** is allowed to be used.
- If the Hirer uses any fuel in the machine, other than that specified by the Owner, **the Hirer is liable for all remedial costs** in rectifying this. ***This is made explicit in clause 28(a) of the CPA's 2021 Model Conditions.***
- The Hirer may also be liable to HM Revenue and Customs for breaches of the new regulations concerning use of red diesel.

Please can you ensure that you inform **all** personnel regarding these changes to ensure that the correct fuel is put into any hired machinery to avoid additional costs involved with flushing out Diesel tanks and fuel lines to remove traces of rebated fuel and to reduce the chance of HMRC seizing the vehicle and issuing fines.

There are a few minor exemptions which can still use rebated (red) diesel, such as anyone using equipment for genuine agricultural (NOT new farm buildings as this is deemed as construction) or arboriculture purposes.

If you wish to hire machinery on a long term basis for these exempt applications we would need to be informed in advance and on completion of the hire, **you** would be required to drain and flush the fuel system of red diesel before returning the machinery to us. Simply running the fuel tank low of red diesel would not be compliant with the new regulations.

We thank you for your understanding in this matter.

Kind Regards

A handwritten signature in blue ink that reads "Stephen Dent".

Stephen Dent

Joint Managing Director