

Use of Red Diesel on Construction Sites post 31 March 2022

Information for CPA Member Customers - Template

Note: This template has been produced by the Construction Plant-hire Association (CPA) for use by Members to inform their customers and clients on the new changes of red (rebated) diesel use within the construction sector. Your dedicated version of this template as below should be marked for the attention of your customer's Managing Director, Operations Director or Finance Director as appropriate.

Dear

Commencing 1st April 2022, the UK Government has removed the permission for plant and equipment used for construction purposes to use red (rebated) diesel. However, allowance is being made for a short transition period. To help avoid any misunderstanding on fuel usage during this time, the following points should be noted:

- Plant hire companies can fill/re-fill their machinery with red diesel up to and including the 31st March;
- 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;
- 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;
- 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 2021 Model Conditions;
- The hirer may also be liable to HM Revenue and Customs (HMRC) for breaches of the new regulations concerning use of red diesel;
- The Hirer should run down stocks of red diesel on any construction site **before 31st March**. Your fuel supplier can help advise on this;
- If there is any uncertainty on the Hirer's obligations in connection with red diesel usage during the period leading up to the fuel switchover, and immediately afterwards, then they should contact the HMRC for specific advice using the email address – reddieselentitlement@hmrc.gov.uk.

Note: This guidance is based on information received from the HMRC. For the latest information, please see: <https://www.gov.uk/government/publications/changes-to-rebated-fuels-entitlement-from-1-april-2022>.

Please ensure that this template is forwarded on to all interested parties within your organisation.

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