



# THE SCOTTISH PLANT OWNERS ASSOCIATION

Established 1950

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Sent by Email to [rishi.sunak.mp@parliament.uk](mailto:rishi.sunak.mp@parliament.uk); [CEU.enquiries@hmtreasury.gov.uk](mailto:CEU.enquiries@hmtreasury.gov.uk)

Dear Mr Sunak

I am writing to you again in my role as the President of the Scottish Plant Owners Association. The SPOA is a trade association whose members are all interested in the business of owning and hiring plant used in the UK construction industry. There are more than 250 member businesses/organisations (<https://www.spoa.org.uk/>).

I refer to my letter to you dated 9 March regarding the same subject – cutting the rebate on red diesel.

It is with dismay and great disappointment that the UK Government has failed to listen or consult with the Construction Industry, which the SPOA members play a key part of, on red diesel. The only positive we can take from this is you will now enter a proper consultative approach with industry experts including the SPOA before the expiry of the two year period deadline for the rebate to be removed.

Following your announcement we would add the following points, in addition to those raised in my previous letter dated 9 March:

- Why should the Construction Industry be treated differently from other industries like Farming, Fishing and Rail? You said Farmers would be exempt from these cuts, can the Government confirm if it is only Farmers (food producers) or if that exemption applies to Agriculture, Horticulture and Forestry?
- What is the cost impact on the infrastructure projects you have released, which the UK Government pay for. Those on fixed price contracts cannot be expected to hold their current contracted prices? – are you simply robbing Peter to pay Paul in an attempted to get some “green credentials”?
- How will the Government stop those involved in Farming putting their machines on to construction sites and gaining a competitive advantage? Are you aware of the cross over between Farming and the Plant Hire Industry in the UK?
- We are also unsure if you are aware of where greener technology is currently at in the Plant Hire Industry. The greener technology above 2.5T machines is in the form of Stage V diesel engines which have reduced emissions however they still require diesel. It will be some time before batteries or hydrogen can power a 40T machine.
- We also presume that this cut will eventually remove the red dye from diesel thus increasing the likelihood of diesel theft from construction sites. To add to this point how will companies stop those on site taking white diesel from construction sites – this will be a further additional cost?
- Does the Government anticipate the construction sector to use White Diesel or Red Diesel which is charged at the appropriate tax rate by the supplier?

On behalf of the Scottish Plant Owners Association please can you clearly send a reply back to us outlining when you will be consulting the relevant industry bodies including the SPOA. This consultation should happen before the summer the Construction Industry needs a period of stability following years of Brexit uncertainty.

Should you believe a discussion with me would be helpful please do not hesitate to contact me on 07738 500 555.

Kind regards

Mark Anderson

President of the Scottish Plant Owners Association

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