



TRANSITIONING FROM **RED DIESEL**

MEMBER GUIDANCE



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HM Revenue
& Customs



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FOREWORD



On April 1st 2022, our industry will face the first in a series of major changes that will affect our industry and environment forever.

The removal of the construction sector's entitlement to rebated fuel "Red Diesel" will impact us all and whilst many in the industry may believe this is little more than revenue raising by a post pandemic Government, we must look beyond the short term and consider the bigger picture.

The removal of Red Diesel entitlement should act as a driver for SPOA members and the entire industry to operate more efficiently and effectively, to consider alternative fuels, consider our impact on the environment and the future of our industry.

Is this the catalyst we need to raise our own pricing? The alternatively fuelled equipment of the very near future will cost more – anything between 15% to 200%. We need to act now, come together as an industry and future proof it for our future members.

Producing this document has been a pleasure and I thank my counterparts at HM Revenue and Customs for reviewing and approving the contents prior to circulation.

This guidance is intended to help you navigate the challenges ahead and will be updated as necessary. Your association is here to help, I would urge you to share this with your colleagues & customers and contact us with questions, feedback and any experience you have with alternative fuels that you would be happy to share with fellow members.

Callum Mackintosh | President

ARE YOU READY FOR RED DIESEL CHANGES?

During Budget 2020, the UK government announced that it would remove the entitlement to use red diesel (gas oil) and rebated biodiesel for many sectors and applications, as of 1st April 2022.

The move is intended to reduce the commercial use of red diesel, compelling a range of industries – including construction and leisure – to turn to other options such as unrebated white diesel or switch to cleaner alternatives

Changes to the rules around red diesel are part of the government's efforts to achieve the target of net zero carbon emissions by 2050. The UK is the first country to sign this ambition into law, and further regulatory changes can be expected in the months and years to come. Taxing most users at the standard rate for red diesel is intended to reflect the impact of the emissions they produce, while incentivising energy efficiency and the use of cleaner fuel alternatives. Indeed, red diesel accounts for around 15% of all diesel oil used in

the UK, and produces almost 14 million tonnes of CO₂ per year.*

Since the idea was first mentioned in 2018 the SPOA has been very active in engaging with HM Treasury. During 2020 and 2021 we requested HM Treasury delay the rebate removal, we proposed a structured plan out of fossil fuels for all industry and we proposed a fuel duty rebate on HVO. During 2021 your association has participated in working groups and collaborated with HMRC on consultation to develop workable industry guidance.

This guide provides an in-depth overview of the red diesel changes to help companies navigate the evolving landscape and understand whether or not the rule changes apply to them. For non-exempt businesses, the time is now to plan and adapt your fuel mix to ensure not only compliance, but also that your business can continue to run smoothly – read on for everything you need to know.

*HM Treasury, Reforms to the tax treatment of red diesel and other rebated fuels: consultation, July 2020. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/899174/Consultation_on_reforms_to_the_tax_treatment_of_red_diesel_and_other_rebated_fuels.pdf



WHAT IS RED DIESEL?

'Red Diesel' is a fuel that is currently used in off-road vehicles and machinery. It is used in a number of industries, most prominently construction, demolition, quarrying, mining and agriculture where users are entitled to a rebate on the tax or duty paid on the fuel purchased.

Red Diesel is the same as regular white diesel but with a red dye and chemical markers added to it to prevent its misuse in road vehicles.

Other rebated fuels are available in the form of Red HVO Green D+ and Red GTL, both of these are affected by the changes outlined in this document.



WHAT ARE THE FINANCIAL IMPLICATIONS OF THE RULE CHANGES?

Red Diesel (gas oil) attracts a rebate of 46.81 pence per litre (ppl), giving it an effective duty rate of 11.14ppl.

White Diesel (DERV) on the other hand, has no rebate, which means a duty rate of 57.95 ppl. Therefore, making a straight switch from red to white diesel would incur an additional expense of 46.81 pence per litre used. This results in five times as much duty as before.

This will have a significant impact on costs as well as cash flow for many businesses. This is why now is the time to consider fuel options and alternatives, as well as optimal fuel efficiency.

At the same time, the plant industry must also contend with a number of challenges including one-off costs in order to stay compliant. These may include the costs of removing or running down red diesel, purchasing additional tanks, vehicles or equipment, sourcing alternatives before the April deadline.

Furthermore, as both red and white diesel become yet more attractive targets for theft, the high number of vehicles and large stores of fuel at construction sites are coming under particular threat.

WHEN MIGHT TRACES OF RED DIESEL BE FOUND IN PLANT AND EQUIPMENT USED FOR CONSTRUCTION WORK?

For a short period of time after the rules change on 1st April 2022, businesses may find that traces of red diesel are still present in the fuel tanks of vehicles or machines on site as the fuel is used up before being replaced with white diesel. How long this will take will depend on the type of vehicle or machine, the size of its fuel tank, its rate of fuel consumption and how frequently it is used.

Businesses that currently use red diesel but will no longer be entitled to after 1st April should plan to run down the fuel in their vehicles and machines and use up existing stocks being held in storage by this date. Companies which have a large volume of rebated diesel already in reserve and are concerned that they

will not be able to use or dispose of it before 1st April 2022, should contact oils.
polycymail@hmrc.gov.uk.

HMRC acknowledge that due to the requirement to maintain minimum fuel stock levels for safety reasons and operational requirements, fuel which has had full duty paid may be put into and mixed with existing stocks of rebated fuel in the tank. This may mean there may be a red indicator in the tank beyond 1st April 2022.

Businesses will not be expected to flush out all traces of red diesel from storage tanks but should plan to empty and refill them with white diesel before putting fuel into their vehicles or machines after the rules change.

There is also a possibility that traces of red diesel may be found where plant and equipment is used for both entitled and non-entitled purposes (such as agriculture and construction work).



WHAT SHOULD A BUSINESS DO IF IT FINDS ANY RED DIESEL IN PLANT AND EQUIPMENT TO BE USED FOR CONSTRUCTION WORK AFTER 1ST APRIL 2022?

Businesses should always check what fuel is in the tank before starting operation.

This can usually be done from the ground at the tank sight glass/tube or at the water separator filter bowl. If red diesel is found, businesses should not use the plant or equipment until they have flushed the tank and refilled with the correct fuel and evidence should be kept to prove that this was done.

If the plant or equipment is hired in after 1st April 2022 and has been delivered with a full tank of Red Diesel then that tank may be used up so long as the machine was filled with fuel prior to 1st April 2022. This will obviously only cover the short term. If in any doubt, businesses should contact the hire company and inform them that the vehicle or machine contained the wrong fuel for the intended use when hired.

WHO IS RESPONSIBLE FOR ENSURING THAT RED DIESEL IS NO LONGER USED IN PLANT AND EQUIPMENT FOR CONSTRUCTION WORK?

Plant owners should read the HMRC guidance to confirm whether their plant and equipment is to be used for an entitled purpose or not. When being used for construction work from 1st April 2022, it will be illegal to use red diesel.

HIRE COMPANIES

Hire companies should make their customers aware that the fuel they are permitted to use depends on the sector the vehicle or machine will be used in. Hire companies should always ask what the vehicle or machine will be used for and, if it is unclear whether it is for an entitled purpose, then it should be fuelled with white diesel or similar duty paid fuel.

CONTRACTORS

Contractors should ensure that the plant and equipment they use on site is always filled with the correct fuel – if diesel, then it must be white diesel or similar duty paid fuel unless contracting on entitled works.

SUPPLIERS

Suppliers who are Registered Dealers in Controlled Oil (RDCOs) should make their customers aware of the rule changes and prevent them from purchasing more red diesel than can be used before then.

ENFORCEMENT: WHAT ACTION WILL HMRC TAKE IF THEY FIND RED DIESEL IN PLANT AND EQUIPMENT BEING USED FOR CONSTRUCTION WORK?

HMRC officers may carry out checks on any plant and equipment using diesel to confirm the correct fuel is being used. This should be done by test to check for the fiscal markers mentioned on page 19 and not just be done by colour of fuel alone.

If they find traces of red diesel in the fuel supply of a vehicle or machine that is not entitled to use it, they may ask the business to provide evidence to demonstrate that any rebated fuel in the vehicle or machine was put in before the rules changed and is still being used up.

In this situation, HMRC has confirmed it will take a pragmatic approach to enforcement and consider the steps taken to switch to using fully duty-paid diesel.

Where rebated fuel is used in a vehicle or machine that is not entitled to use it, HMRC can seize the vehicle or machine and issue a £250 civil penalty under section 9 of the Finance Act 1994. HMRC may also apply a penalty up to 100% of the duty that has been evaded depending on the offence.

WHAT EVIDENCE DO BUSINESSES NEED TO PROVIDE TO SHOW THAT PLANT AND EQUIPMENT WAS FILLED CORRECTLY WITH WHITE DIESEL?

Businesses should ensure they have the following documents in the event that HMRC has to assess whether plant or equipment was filled with the correct fuel:

- ➔ Receipts or invoices for the purchase of fuel
- ➔ Contracts for the hire of plant or equipment
- ➔ Run plans
- ➔ Time sheets of drivers/operators



WHAT HAPPENS IF PLANT AND EQUIPMENT IS RUNNING CONTINUOUSLY (E.G. POWER GENERATION) WHERE THE TANKS CANNOT BE FLUSHED OUT OR A MINIMUM LEVEL OF FUEL MUST BE MAINTAINED FOR SAFETY REASONS?

Businesses will need to show that they have been refilling with the correct fuel since the rules changed, e.g. by showing receipts for the purchase of white diesel.

Businesses may use up rebated fuel held in storage tanks for the purposes of emergency back-up power generation (where a generator is used to provide continuity of power in the event of power failure) after the rules change.

You can only use rebated fuel stock obtained before 10th June 2021 for back-up power purposes. Any rebated fuel purchased after that date for this purpose and not used by 31st March 2022, will require a licence to use and the duty difference will need to be paid.

ALTERNATIVE FUELS: HVO GREEN D+

What is Green D + HVO?

A member of the paraffinic fuel family, HVO is a drop-in liquid fuel alternative produced from vegetable fats and oils, such as cooking oil.

HVO has an improved burn efficiency and reduced carbon emissions count, resulting in a significant decrease in harmful emissions, including greenhouse gases. Here, hydrogen – rather than methanol – is used as a catalyst, making HVO more clean-burning and ensuring a longer shelf life than regular biodiesel. The HVO supply chain is currently being developed to ensure consistent high-quality and ethical supply, and expanded to support anticipated growth in demand – increasing its potential for global adoption as part of the future fuel pathway.

HVO Green D+ is a renewable diesel replacement made to EN15940 standard. Available as both “RED” rebated fuel for entitled sectors such as agriculture, forestry, aquaculture and also “WHITE” undyed for road use and construction sectors. It is the lowest emission diesel replacement fuel available. GD+ is made entirely from waste and is defined as renewable and sustainable (RED11), whilst being highly refined. You can use Green D+ in any diesel engine without requiring any changes to the engine.

HVO Green D+ contains a specifically designed performance additive, which includes deposit control compounds, lubricity improves and other surface-active agents to ensure cleanliness and optimum combustion throughout the fuel system. Through minimising NOX it allows the additive to promote passive regeneration of the DPF system. Choosing to switch to HVO Green D+ could be a great selling point especially for those whose clients really do care about emissions.

ALTERNATIVE FUELS: HVO GREEN D+

What Can HVO be made from?

FIRSTLY

HVO can be made from animal fat from food industry waste.

SECONDLY

Fish fat from processing waste.

THIRDLY

Residues from vegetable oil processing
Used Cooking Oil.

Benefits of HVO GreenD+:

There are whole host of benefits of using a renewable diesel replacement;

- ➔ Upto 90% reduction in Co2
- ➔ Upto 30% reduction in nox
- ➔ Upto 86% reduction in particulate matter
- ➔ Reduces noise levels
- ➔ Local air quality improved immediately through switching
- ➔ Can remove fossil fuels from construction sites
- ➔ Fuel efficiency improvement – The fuel burns more cleanly and more thoroughly
- ➔ Does not contain FAME (Fatty Acid Metyl Ester)

OEM Approval: HVO Green D+ is approved for use by the following

- Scania
- Volvo
- DAF
- MAN
- Mercedes Benz
- Renault
- Iveco
- Caterpillar
- John Deere
- Hitachi
- JCB
- *This list is growing steadily as manufacturers finalise their trials*

WHY IS ENTITLEMENT TO REBATED HVO BEING REMOVED TOO?

HVO is a hydrocarbon per the Hydrocarbon Oil Duties act 1979, classified as a heavy oil it attracts the same duty rate as diesel. We believe there is a great opportunity for the Government to offer a rebate on HVO Green D+, incentivising industry to adopt this low emission interim fuel.

1 Diesel machine has the same CO2e emissions as 10 GREEN D+ machines



VS





ALTERNATIVE FUELS: SHELL GTL (GAS-TO-LIQUID)

What is Shell GTL?

Shell Gas-to-Liquid technology converts natural gas into a paraffinic fuel, creating an OEM approved cleaner-burning alternative liquid fuel for both on- and off-road applications.

This helps to reduce local emissions of pollutants, including nitrogen oxide and particulate matter, to improve air quality while also decreasing noise and odour pollution. What's more, this drop-in solution helps to improve 'cold starts', reduce clogged filters and offers a long shelf life – ideal for back-up power generators and final fill pre-winter – without any modifications to vehicles or engines or investment in additional infrastructure. Gas to Liquid "GTL" Fuel is part of the family of fuels called "paraffinic fuels".

The European Standardisation body CEN published the final specification for paraffinic fuels, EN-15940, in mid-2016, paving the way for legislators and manufacturers to specifically refer to these alternative fuels in legislation and handbooks. GTL is a direct drop in replacement to Diesel.

It is estimated that there is currently sufficient global supply of GTL fuels to meet around 30% of the UK's entire national diesel demand, or the total diesel demand of any of the Scandinavian countries

OEM Approval: Shell GTL is approved for use by the following

- | | |
|---|---------------|
| ● Scania | ● Cummins |
| ● Volvo | ● Caterpillar |
| ● DAF | ● John Deere |
| ● MAN | ● Hitachi |
| ● <i>This list is growing steadily as manufacturers finalise their trials</i> | |

Benefits of Shell GTL: There are whole host of benefits of using GTL as a diesel replacement;

- ➔ Upto 37% reduction in nox
- ➔ Upto 25% reduction in particulate matter
- ➔ Reduces noise levels 3-5dB
- ➔ Drop in fuel – Can be used as a direct replacement for conventional diesel fuels without the need for modifications to engines
- ➔ Better safety, handling and storage characteristics due to a higher flash point
- ➔ Readily biodegradable, is not detectable in soil 51 days after being introduced
- ➔ Better starting performance in cold conditions due to higher cetane number
- ➔ Fuel efficiency improvement – The fuel burns more cleanly and more thoroughly



LOSS PREVENTION AND FUEL MANAGEMENT

One of the **biggest** concerns to the Plant Industry is an increase in fuel theft.

The UK government committed to putting extra police on the streets in the 2020 Budget to combat fuel theft but besides the naivety of that commitment, policing is devolved in Scotland and so the SPOA members are rightly even more concerned about fuel theft as it has not been addressed by either government to any satisfactory standard.

Here we'll explore some of the fuel management options along with deterrents currently available on the market.

Businesses should review security both on site and at your depot/yard, consider additional CCTV, fuel tank alarms, secure fencing of your fuel storage within your compound or site. Do all you can to mitigate theft and restrict access.

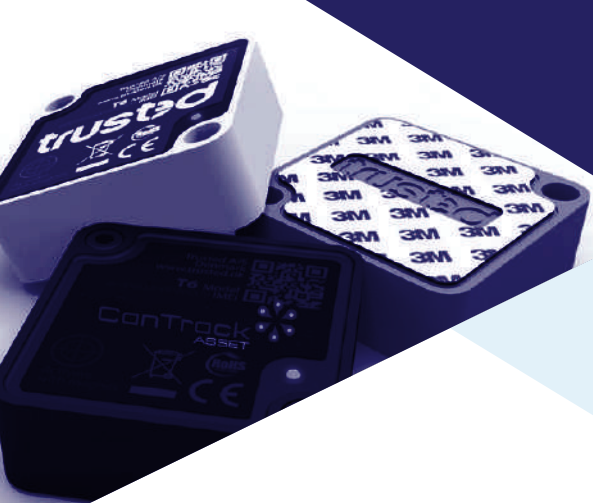
May a dye or chemical marker be added to fuel?

Businesses are permitted to add dye or chemical markers to fuel as long as the dye or chemical markers do not:

- ➔ Contain any of the prescribed Government markers listed in Regulation 3 of the Hydrocarbon Oil (Marking) Regulations 2002, namely;
 - N-Ethyl-N-[2-(1-isobutoxyethoxy)ethyl]-4-(phenylazo)aniline together with CI Solvent Yellow 124
 - “coumarin” meaning 1:2 benzopyron
 - “quinizarin” meaning 1,4-dihydroxyanthraquinone

- ➔ test positive for any of the prescribed markers
- ➔ affect or impede HMRC's ability to test for the prescribed fuel markers.

Red diesel contains a chemical marker which HMRC will look for when testing diesel. Companies planning to add dye to their fuel, for example to act as a deterrent against theft, should give careful consideration to the colour they intend to use as HMRC officers are likely to test any visibly coloured fuel to determine its contents.



LOSS PREVENTION AND FUEL MANAGEMENT

What dyes are available?

Datatag™ VENOM – A fuel additive which includes a DNA marker for tracing fuel theft.

DieselDye – DieselDye creates an instant visual deterrent against internal misuse and theft

Tracking

Award winning GPS tracking provider **CanTrack** offer a sealed for life tracking unit which can be fitted discretely inside fuel bowers and site tanks.

CanTrack ASSET features a light sensor and movement sensor, this can be set to alert you to things like the bowser door being opened out of hours. The unit can be hidden almost anywhere and can assist in recovery of entire site tanks which have been hiab'd away.

Other trackers are available.



FUEL TANK TELEMETRY AND DISPENSING

Italian manufacturer **PIUSI** has launched a range of innovative equipment to help you both control and record fuel usage.

PIUSI B.SMART APP – Based on Bluetooth technology the B.SMART app is for drivers and a cloud for managers. From the app automatically connect to the fuel bowser to allow delivery of fuel.

PIUSI B.SMART MCBOX – This is the new advanced model of the MCBOX fuel monitoring system; the electronic control panel that allows you to control any type of AC/DC pump, litre-counter, nozzle and fuel level switches. Add this to any bowser and connect to the MCBOX with the app above to dispense.

B.SMART Tank Watchdog – This is the perfect add on for a complete and updated control of the stock. Adding the level indicator OCIO, the system allows you to monitor the fluid level in your tanks in real time and gives alarms in case of low levels.

PIUSI PW MOBILE – The PW Mobile allows you to connect to your bowser via the 4G network when no onsite wifi is available, great for remote areas you can obtain all fuel transactions easily.

- Through using these you could:
- Verify Supplies of fuel to authorised users
- Manage your fuel and sites
- Get fuel use information in real time, order refills on time
- Measure fuel tank activity out of hours, set alarms for level change



GUIDANCE

SELF DRIVE PLANT HIRERS

All plant hired into the construction sector should be supplied with White Diesel. At point of hire your hire desk should ask if the machine will be used in industries entitled to Red Diesel Rebate and explain the “cleaning” charge at the end of the hire if they use Red Diesel.

For hirers entitled to use Red Diesel they should be encouraged to return the machine without having filled it up with fuel.

Hire companies should always complete a post-hire inspection when plant

and equipment is returned to them which should note what fuel was in the equipment. This should be carried out before it is collected from site, where Red Diesel is found a subsequent “cleaning” charge should be negotiated.

It is recommended that Red Diesel removed from an off hired machine should be pumped out from the machine and appropriately filtered and stored for reuse in entitled sectors, consideration of its reuse should be made when calculating your “cleaning” charges.

Members should also note the amended clause 12(e)* in the SPOA terms and conditions of hire

**12(e) Other Costs - If using duty rebated fuel (like Red Diesel) the Hirer shall drain the tank of such fuel at the end of the Period of Hire and, if there is failure to do so, the cost of the Owner draining the tank and replenishing with duty paid fuel shall be charged to the Hirer at the minimum rate of one hours labour plus fuel used/replenished.*

OPERATED PLANT HIRERS

At point of hire your hire desk should ask if the machine will be used on a project entitled to Red Diesel Rebate and explain the “cleaning” charge at the end of the hire if they supply Red Diesel for use in your machine.

It is recommended that Red Diesel removed from an off hired machine should be pumped out from the machine and appropriately filtered and stored for reuse in entitled sectors, consideration of its reuse should/ could be made when calculating your “cleaning” charges.

CONTRACTORS & SUB CONTRACTORS

Moving to White Diesel will have a significant impact on cashflow particularly where large volumes of fuel are consumed and not paid for by the client until the next stage payment.

Use this time to re-confirm or adjust your payment terms with your clients and credit terms with your fuel suppliers as cash flow will become increasingly important.

Consider your one-off costs in order to stay compliant. These may include the costs of removing or running down red diesel, purchasing additional tanks, security, deterrents, vehicles or equipment, sourcing alternatives before the 1st April 2022 deadline.

PLANT DEPOTS

Businesses will not be permitted to use Red Diesel in plant depots or yards, this applies to forklifts, shunters etc.



REMOVING THE GREY AREAS:

You will be able to use rebated fuel in vehicles and machines used for accepted purposes if you're in any of the following sectors or situations:

- ➔ **Ditch Clearing & Drainage:** You can use rebated fuel for ditch clearing and drainage only if it is done solely for the benefit of land used for agriculture, horticulture or forestry.
- ➔ **Fish Farms:** You can continue to use red diesel for all existing permitted purposes.
- ➔ **Snow Clearing & Gritting:** You can use rebated fuel in an agricultural vehicle as defined in Schedule 21 [section 27(1)] to spread grit on a public road to deal with snow and ice, to get to and from the place that needs gritting, and to collect the gritting equipment and material.
- ➔ **Dual Tanks:** HMRC **DO NOT** permit any 'dual tank' fuel system that allows a vehicle/machine to swap between rebated and unrebated fuel.

In some jurisdictions or countries, using marked fuel will still be legal in some of the sectors (including machines and appliances) that will no longer be allowed to use rebated fuel in the UK from 1st April 2022. If you refuel and use your vehicle (including machines or appliances) in a jurisdiction or country where using marked fuel in that vehicle is allowed, you can use up the remaining fuel in the machine when you return to the UK. - An example of this scenario would be Hiring a machine onto a job in Dublin, Ireland and it returns back to your depot in Scotland. You will need to retain receipts or other documents to show that you have not refilled your vehicle (including machines or appliances) unlawfully in the UK. You will not need to flush the tank of your vehicle on your return to the UK.

➔ **Forestry & Agricultural:**

You can use Red Diesel for creating and managing forest roads and stacking areas, these are key to the management of a successful commercial forest. In the view of *HMRC ref: excise notice 75 para 8.23* * "forestry – the science and art of forming and cultivating forests and the management of growing timber" & the meaning of purposes relating to forestry "Forestry is the upkeep and management of forests including the growing and harvesting of timber."

This will be dependent on who is doing the work and what that work entails. If, for example, the forester (or contractor working for them) does this work as a necessary part of their forestry operation, that would be an accepted forestry activity. If a roadbuilding/civils business does this work to create the road before any forestry takes place, that would be considered construction work which is a non-forestry activity

If you are contracted or otherwise engaged to carry out forestry work:

- You **CAN** use Red Diesel to drive to and from the forest in Excepted Vehicles

- You **CAN** use Red Diesel to carry the materials or equipment in Excepted Vehicles that you need to do the forestry work
- You **CAN** use Red Diesel to remove any produce on waste resulting from the contracted work
- You **CAN** use Red Diesel to transport road planning's, crusher run and other material for the repair of unsealed tracks – *Excise notice 75 para 9 "movement of forestry inputs"*
- You **CANNOT** use Red Diesel for the construction of buildings or other structures used for purposes relating to agriculture, horticulture or forestry.
- You **CANNOT** use rebated fuel if you not directly involved in the forestry activity. Examples include:
 - Delivering materials or equipment that a forester has leased or purchased from you
 - A haulier employed to transport goods or equipment to or from a forest.

*Excise notice 75 will be replaced or updated for April 2022



WHAT VEHICLE (including any machines or appliances) CAN USE REBATED FUEL FOR ACCEPTED USES

Agricultural vehicles - an agricultural vehicle is a:

- tractor
- single seat, light vehicle (less than 1,000 kilograms), designed and constructed mainly for off-road use
- vehicle licensed only for use between different parts of land for purposes relating to:
 - agriculture
 - horticulture
 - forestry
- vehicle constructed and adapted, with built-in or permanently attached handling and processing equipment, to be used for purposes relating to agriculture, horticulture, fish farming or forestry

Special vehicles - A special vehicle is a vehicle designed, constructed and used as set out in Part 4 of Schedule 1 to the Vehicle Excise and Registration Act 1994, but without any weight restriction. Special vehicles include:

- digging machines
- mobile cranes
- mobile pumping vehicles
- work trucks
- road rollers

Other machines, appliances and unlicensed vehicles include:

- machines or appliances that are not a vehicle or vessel
- non-road mobile machinery



IMPACT ON TRAINING

With the current shortage in plant operators across Scotland and the rest of the British Isles it is more important now than ever that the construction industry encourages new entrants into the plant sector to create the operators of the future and reduce as many of the potential barriers within their career path as possible.

Every company who invests in their employees or individuals who develop their own plant operator qualifications will unfortunately be effected through the increase in training course costs.

Training providers are also losing entitlement to Red Diesel Rebate and will be required to deliver all plant training using White Diesel. Initial estimations are that this will result in a 4-6% increase onto the overall cost of any plant operator course.

CHECKLIST: BUSINESSES SHOULD TAKE ACTION NOW TO PREPARE FOR THIS CHANGE FROM 1ST APRIL 2022

- ☐ Brief your staff on the new legislation
- ☐ Assess existing stocks of red diesel and develop a plan for running them down
- ☐ Identify all plant and equipment you own, hire, lease or use that currently uses red diesel
- ☐ Determine a schedule for moving to white diesel
- ☐ Review existing contracts with both clients and suppliers for any potential price implications from the loss of entitlement
- ☐ Discuss with your clients the cost implications of plant and equipment using white diesel from 1st April 2022
- ☐ Confirm your payment terms to your clients and customers as cash flow will become increasingly important
- ☐ Talk to your diesel supplier to check your credit terms going forward
- ☐ Review your security both on site and at your depot/yard, do all you can to mitigate the theft risk
- ☐ Keep all records of fuel purchase and use organised
- ☐ Update your Terms and Conditions
- ☐ Put stickers on or near fuel tanks on plant and machinery, reminding users to put white diesel (or equivalent) into fuel tanks from 1st April. See page opposite.
- ☐ A downloadable version of this guidance can be found on the SPOA website or by scanning the QR Code on page 30.

GUIDANCE STICKERS

Stickers should be put on or near fuel tanks on plant and machinery and on fuel bowzers and tanks.

Use the stickers to remind users to put white diesel (or equivalent) into fuel tanks from 1st April. We've produced artwork for stickers for you to use on your machines and bowzers.



Scan the QR Code to download the sticker artwork.



NOTES



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