



Newmarket Plant Hire Ltd

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Dear valued customer,

As you may be aware commencing 1st April 2022, the UK government will have removed the permission for plant equipment used for construction purposes to use Red (rebated) diesel. As part of the change an allowance has been made as we all transition into the new rules. To help avoid misunderstanding on fuel usage during this transitional period, the following points must be noted:

- Plant hire companies can fill/refill machinery with red diesel up to and including 31st March 2022
- Any red diesel within the machines fuel tank from 1st April 2022, which has been filled on or before 31st March 2022, is allowed to be used.
- From 1st April 2022, the hirer must comply with the hire companies' requirement on the type of fuel which can be used to fill/refill the machine during the hire period, in this case white diesel/Derv
- If the hirer uses any fuel in the machine, other than that specified by the owner, the hirer will be liable for all remedial costs in rectifying the incorrect fuel usage. This is made explicit in clause 28(a) of the CPA 2021 model conditions as shown below:

28. FUEL, OIL AND POWER

(a) Fuel, fuel additives or power shall when supplied by the Hirer and where instructed or specified by the Owner, be of a grade and type specified. The Hirer shall be solely responsible for all damages, losses, costs and expenses incurred by the Owner if the Hirer fails to supply, maintain, or use the wrong / contaminated fuel, fuel additive or power rating.

Fuel, fuel additives or power when supplied by the Owner, to be charged at an agreed cost.

- The hirer may also be liable to HM Revenue & customs (HMRC) for breaches of the new regulations concerning the use of red diesel.
- The hirer should run down stocks of red diesel on all construction sites prior to 31st March 2022. Your fuel provider will be able to advise further if required.
- If there is any uncertainty on the hirers obligations in connection with red diesel usage during the period leading up to the fuel switchover and immediately afterwards, they should contact the HMRC for specific advice using the email address rediesellentitlement@hmrc.gov.uk

PLANT & TOOL HIRE TO THE CONSTRUCTION INDUSTRY



Directors: C.N.Jarvis (CEO) A.J.Tarrant (Managing)
Registered Office: Depot Road, Newmarket, Suffolk CB8 0AL | Registered in England No. 02189826
Member of Construction Plant-hire Association | Member of Hire Association of Europe

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- Due to the volatility of the wholesale price of fuels and the switch to white diesel we have no option but to revise our company pricing policy on fuel. Effective from 1st April 2022, fuel will now be recharged on return (off Hire) at our cost plus 20% to all our customers, this will be reviewed daily whilst the prices continue to be volatile and unpredictable. Updated prices will only affect equipment that has been hired from 1st April 2022 and supplied with white diesel.
- All existing hires that commenced prior to the 1st April will be charged at the appropriate rate for the fuel originally supplied and subsequently used in the fuel tank (red diesel)
- At point of return/collection each piece of equipment will be assessed for increases of red diesel particles and evidence taken and retained by NPH as evidence of incorrect fuel usage.
- NPH will act within the law and responsibly to our customers. Machines will be filled with white diesel at commencement of the hire and must be returned with white diesel if refuelled on site.
Where fuel tanks require filling on return from hire, NPH will refuel with white diesel and the quantity will be charged to the hirer. It must be noted that any machine that is returned from hire having been filled with red diesel on site, will require draining and refilling with white diesel. The cost of this will be charged to the customer and will include Labour costs (minimum charge 1 hour) @£56ph, disposal costs of the red diesel and a full tank refill of white diesel at the prevailing rate at the time of refill.
- If a machine is quarantined on site due to a suspected breach of the new tax laws, our customer remains responsible for the machine's safety from a damage or, loss perspective, and be liable for any charges levied from government bodies. Hire Charges will continue at full rate until such time that the machine is able to be collected or is returned to NPH.

Andrew Burrows – Operations Manager

Newmarket Plant Hire Ltd