

Griffon Road
Quarry Hill Ind Est
Ilkeston
Derbyshire
DE7 4RF

Tel: 0345 337 0000
Fax: 0345 337 8080
Email: enquiries@ward.com
Web: ward.com

Chancellor of the Exchequer
House of Commons
London SW1A 0AA

Sent via email: rishi.sunak.mp@parliament.uk

10th May 2022

Dear Chancellor of the Exchequer,

RE: Request for explanation on lack of support for business affected by the removal of rebated fuel allowance

On 17th March 2022, I wrote to you requesting a 12 month postponement to changes being introduced to the taxation on rebated fuel, commonly referred to as 'red diesel'.

This letter was sent on behalf of my own organisation and representing many organisations in the metal recycling, waste management, construction and demolition sector. As businesses that were acknowledged by your government during the pandemic as providing 'essential services', we will now be significantly disadvantaged by this additional fuel surcharge against a backdrop of political and economic uncertainty, spiralling energy costs and the ongoing situation in the Ukraine.

We proposed to you that the changes UK Government is making changes to the taxation of red diesel, or rebated fuel, should be postponed for at least 12 months, to offset the challenges faced by businesses, however you have chosen not to include any reference to this in the Spring 2020 Budget Statement.

From 1st April 2022, it is no longer be permitted to use rebated red diesel in most types of plant, machinery, and construction equipment. Instead, all equipment must use diesel or biofuels, on which the full rate of duty has been paid.

The planned changes were, when originally announced, forecast to cost our business 70% more in operational costs with red diesel priced at 64.65 pence per litre (ppl) in December 2021, while white diesel was priced 109.91 ppl.

At the time of writing, red diesel has itself increased to 96.92 ppl, white diesel is now running at 177.3ppl and continuing to rise, as well as experiencing supply shortages.

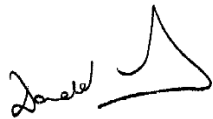
For most of the metal recycling and construction sectors, we are completely reliant on diesel for our processing equipment, plant and machinery and lack of viable alternatives means no suitable alternatives are currently available.

Also requested in the original note was a phased approach to mitigate the impacts to business.

We believe that neither of these requests have been addressed, despite raising concerns that the implementation would be disastrous for many waste and resource operators, construction and demolition businesses and result in unintended consequences impacting the environment, the wider economy and employment levels.

Can you provide an explanation for the lack of support for businesses and what your plans are to help those affected?

Your sincerely,

A handwritten signature in black ink, appearing to read 'Donald Ward', with a stylized flourish at the end.

Donald Ward
Operations Director

Donald Ward Ltd t/a WARD