



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Policy and Strategy Committee

HEAVY OIL FUEL DUTY

Report of the Chief Fire Officer

Agenda No:

Date: 14 November 2008

Purpose of Report:

To seek the approval of Members to the sending of a letter to the Parliamentary Under Secretary of State responsible for Fire and Rescue Services, Mr Sadiq Khan MP, in respect of fuel oil duty.

CONTACT OFFICER

Name : Neil Timms
Head of Finance and Resources

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1. BACKGROUND

At its meeting on 25 July 2008 the Finance and Resources Committee requested that the Policy and Strategy Committee send a letter to the Parliamentary Under Secretary responsible for Fire and Rescue Services to request his assistance in lobbying Her Majesty's Revenue and Customs for a change in regulation regarding fuel duty.

2. REPORT

- 2.1 The Finance and Resources Committee in their scrutiny of revenue budget performance have noticed that the rising cost of fuel is having detrimental effect with current levels of overspend indicating a possible shortfall of up to £70,000. The issue of taxation on fuel was raised and it was pointed out by Officers, that the most inequitable element of taxation is that which relates to duty on fuel that is being consumed whilst appliances are pumping as opposed to driving. This is particularly apparent when attending flooding incidents and using the high volume pumping appliances.
- 2.2 Initially the Head of Finance and Resources wrote to Her Majesty's Revenue and Customs (Oils Policy Department) to ensure that there was nothing in current regulations of concessions that would allow duty free fuel to be used or duty to be refunded. A reply was received on 26 August 2008 confirming that there are no current exemptions.
- 2.3 Copies of these letters are attached to this report as Appendices A and B.
- 2.4 A letter has subsequently been drafted as requested by the Finance and Resources Committee and it is suggested that if approved this should be sent out in the name of the Fire and Rescue Authority and signed by the Chair. A copy of the draft is attached as Appendix C.

3. FINANCIAL IMPLICATIONS

This report has been instigated by the Finance and Resources Committee as a result of their scrutiny of the revenue budget monitoring reports. Clearly there is a substantial impact on the budget as a result of the recent increases in the price of fuel and some of this could be offset if the Government were to take a more reasonable view of the application of fuel duty rebates or exemptions.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no implications for either human resources or learning and development arising from this report.

5. EQUALITY IMPACT ASSESSMENT

An initial equality impact assessment has not been carried out on this issue.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

Price increases on key commodities will always present a risk to the Authority. However, working balances and contingency sums are held to mitigate these risks. This report deals with the matter of fuel duty and the equity of its application to fire appliances rather than any specific area of risk.

9. RECOMMENDATIONS

That Members approve the sending of the attached letter to the Parliamentary Under Secretary of State.

10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

Frank Swann
CHIEF FIRE OFFICER

Appendix A



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Tel: 0115 967 5828

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Email: neil.timms@notts-fire.gov.uk

PA Email: jo.cooper@notts-fire.gov.uk

HM Revenue and Customs
Oils Policy
3rd Floor, Ralli Quays West
3 Stanley Street
Salford
Manchester M60 9LA

Your Ref:
Our Ref: **NT/JC**
Please Ask For: **Neil Timms**
Direct Line/Ext: **294**
Date: **20 August 2008**

Dear Sirs,

Re: Heavy Oil Fuel Duty

As you are no doubt aware Nottinghamshire and Rescue Service operate a number of heavy vehicles in the provision of a range of fire and rescue services to the public.

Amongst these vehicles are a number of pumping appliances and the recent increases in the price of road fuel have caused the Service to look carefully at fuel consumption.

What is clear is that it is difficult to compare pumping appliances with each other using traditional measures such as MPG simply because of the amount of diesel fuel used whilst stationary and pumping.

It occurred to me that if the Service is using a significant amount of fuel to drive its pumps then it should not, in principle at least, being paying road fuel duty for this fuel. I have looked at the HMRC website and whilst there are a number of exceptions to road fuel duty, surprisingly fire engines are not listed. I can fully understand why all emergency services vehicles are not exempted but where a fire engine uses so much fuel pumping it seems that some form of rebate or exception is justified.

The problem with a fire engine is that it is simply impossible to have more than one fuel tank and similarly impossible to have more than one engine. The vehicle would simply not be able to carry the range of equipment required to execute rescues if the available space were to be taken up with additional tanks and engines.

There is a further exception where the vehicle is effectively a mobile pump but I think it would be difficult to claim this for a Fire Appliance which, whilst essentially a pump on wheels, carries both water and foam to incidents.

I realise therefore that it is unlikely that a Fire appliance can be exempted from fuel duty even for time spent pumping, unless there is some other exemption that can be applied. Nevertheless it is the view of the Fire and Rescue Authority that paying duty on fire pumps is unfair and the elected Members wish to make an approach to Ministers in order that they might consider a change in regulation.

Before resorting to this course I thought it sensible to approach yourselves to see if there is any existing exemption that can be applied to fire appliances.

I would be grateful if you could consider the above and let me have your views.

Yours faithfully,

A handwritten signature in cursive script, appearing to read 'Neil Timms', written in black ink.

Neil Timms
Head of Finance and Resources



Mr N Timms
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Bestwood Lodge
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NG5 8PD

Oils Policy
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Salford M60 9LA

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Email john.loughney@hmrc.gsi.gov.uk

Date 26 August 2008
Our Ref AA/2008/0500/JAL
Your Ref NT/JC

www.hmrc.gov.uk

Dear Mr Timms

Heavy Oil Fuel Duty

Thank you for your letter of 20 August.

With regard to the point raised in the penultimate paragraph of your letter I confirm that there is no existing exemption that can be applied to your pumping appliances.

As you say, one of the requirements for a vehicle to qualify in the Mobile pumping vehicles excepted vehicle category is that it does not carry the material to be pumped on the public road. Some fire service vehicles qualify in the Mobile cranes excepted vehicle category but they are not of course those used for pumping.

I have not responded to your other points in the assumption that you will make further representations regarding a change in the regulations.

Yours sincerely,

A handwritten signature in dark ink, appearing to be "JL", followed by a horizontal line.

John Loughney.

Information is available in large print, audio tape and Braille formats.
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Appendix C



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Chair of the Nottinghamshire & City of Nottingham
Fire & Rescue Authority
County Hall, West Bridgford
Nottingham NG2 7QP
email: cll.darrell.pulk@nottscc.gov.uk

Mr Sadiq Khan MP
Parliamentary Under Secretary of State
Communities and Local Government
Eland House
Bressenden Place
London SW1E 5DU

Your Ref:
Our Ref:
Please Ask For: **Cllr. Darrell Pulk**
Direct Line/Ext: **0115 967 5828**
Date: **17 November 2008**

Dear Sir,

The recent rises in the price of road fuels have caused the service to look again at ways to reduce the consumption of such fuel and arrangements to secure improved value for money. Already this year the fuel budget is overspent by £30,000 which has caused us to look very closely at how this is managed.

In doing so it came to the attention of officers that Fire Appliances use a tremendous amount of fuel whilst pumping rather than travelling. This is particularly evident during protracted pumping operations such as flood relief which are, as I am sure you are aware, becoming more regular. High volume pumping appliances supplied via New Dimensions also use large amounts of fuel whilst pumping which is in fact their primary role. This makes any comparisons of fuel consumption between appliances quite difficult.

The problem the service faces is that all of its fuel whether used for travelling or pumping is subject to road fuel duty and there is no exemption that applies even though clearly the exemptions that are available for plant could be applied to fire appliances.

A letter was written to Her Majesty's Revenue and Customs service to confirm that current exemptions, as they are presently worded, cannot be applied to fire appliances and a copy of that correspondence is attached for your information.

I am sure that you will appreciate that a fire appliance whilst a large and heavy vehicle is fairly compact in terms of the stowage arrangements and every inch of available space is filled with fire fighting or rescue equipment. It would not be possible therefore to have a separate engine or fuel tank to run the pumps which seems to be the requirement of the current regulations in order to be exempt from duty.

I am writing to you in the hope that you might make representations to your colleagues at the HMRC regarding this matter. An ideal outcome would of course be that all fire fighting appliances would be exempt from fuel duty however if only a concession regarding pumping hours could be achieved I am sure that it would be welcomed by the Service.

Yours sincerely,

A handwritten signature in black ink that reads 'Darrell Pulk'.

Councillor Darrell Pulk