

# Proposed extension of the rural fuel rebate scheme: Call for information

**1.1** The Government is inviting remote rural service stations in the following county council or local authority areas (Scotland, England and Wales) or local government districts (Northern Ireland) to submit data on petrol and diesel prices in the last quarter of 2012:

- Cornwall
- Cumbria
- Devon
- Herefordshire
- North Yorkshire
- Northumberland
- Gwynedd
- Isle of Anglesey
- Monmouthshire
- Powys
- Aberdeenshire
- Angus
- Argyll and Bute
- Dumfries and Galloway
- Highland
- Moray
- Perth and Kinross
- Scottish Borders
- South Ayrshire
- Antrim
- Armagh
- Ballymena
- Ballymoney
- Banbridge
- Coleraine

- Cookstown
- Dungannon
- Down
- Fermanagh
- Larne
- Limavady
- Magherafelt
- Moyle
- Newry and Mourne
- Omagh
- Strabane

**1.2** The extension will only apply to areas with similar cost characteristics to the islands within the current pilot scheme. We are therefore most interested in identifying areas where prices were consistently at or above the average levels given in the table below. Areas where prices were consistently below these levels are extremely unlikely to be included in the extension.

|                   | October 2012 | November 2012 | December 2012 |
|-------------------|--------------|---------------|---------------|
| Ordinary unleaded | 144 ppl      | 138 ppl       | 139 ppl       |
| Diesel            | 148.5 ppl    | 148 ppl       | 145.5 ppl     |

**1.3** The Government requests the following specific information:

- ordinary unleaded and diesel pump price data from October, November and December 2012, entered in the attached spreadsheet in the format requested;
- copies of business records dating from the time period in question to enable verification of the pump price data; these can be in any format; and
- company name and address, including post code.

The spreadsheet and business records should be submitted electronically to [rhmtruralfuelrebate@hmtreasury.gsi.gov.uk](mailto:rhmtruralfuelrebate@hmtreasury.gsi.gov.uk) by 4 September 2013. We reserve the right to discount responses if data is not formatted and submitted as set out above, or for any other reason related to our ability to analyse the data provided.

## Q&A

### How will my data be used?

The data provided through this call for information will only be used to support Government's work in developing the extension to the rural fuel rebate scheme. The data will be used to improve the Government's understanding of typical prices across remote rural areas, and hence to determine which areas should be included in the proposed extension. Although the call for information requests data from individual sites to build the evidence base on prices in remote

rural areas, the final extension proposal will be based on geographical areas, not on individual sites.

### **Why is the call for information restricted to particular counties?**

The current rural fuel rebate recognises that pump prices in remote areas of the country are particularly high when compared with the UK average, due to the cost of transporting and distributing fuel in the isolated communities. Any extension of the scheme would look to provide support to remote areas of the UK that experience high pump prices for similar reasons. The call for information is therefore restricted to counties in which the costs of transporting fuel are likely to be significantly higher than the UK average, and in which a low population density means that the fixed costs of running a service station are spread across a small number of customers.

### **My prices were below those given in the table above – is it still worth me submitting data?**

Not all areas within the counties listed will experience the high prices typical of the island areas within the current scheme. If your average prices over the months in question are lower than those given in the table it is unlikely that your area would fall within the extension, so you may wish to avoid the work involved in submitting data.

### **Further questions?**

**1.4** If you have any further queries about the call for information, please email [rhmruralfuelrebate@hmtreasury.gsi.gov.uk](mailto:rhmruralfuelrebate@hmtreasury.gsi.gov.uk). This call for information and the spreadsheet pro forma are available online at <http://www.gov.uk/government/publications/rural-fuel-rebate-pilot-scheme-extension-call-for-information>.

### **Background: Current rural fuel rebate scheme**

**1.5** The current rebate scheme allows retailers of road fuel within the Inner and Outer Hebrides, the Northern Isles, the Islands of the Clyde and the Isles of Scilly to register with HM Revenue & Customs (HMRC) to claim back five pence per litre (ppl) relief on unleaded petrol and diesel for retail sale within the eligible areas.

**1.6** Retailers of road fuel within the areas concerned can register with HMRC to claim five ppl relief on fuel purchased on or after 1 January 2012 for onward retail sale in the Inner and Outer Hebrides, the Northern Isles, the Islands of the Clyde and the Isles of Scilly.

**1.7** Retailers can make claims on a monthly basis and have 60 days following registration to reduce the cost of every litre of road fuel sold by the equivalent amount of the relief claimed. This is so that all consumers in the areas concerned benefit from the reduction in fuel duty. The 60 day period during which retailers are not required to pass on the relief is designed to help avoid initial cash flow problems.

**1.8** To enact the current scheme the Government needed EU agreement. This is because any discount on the standard rate of fuel duty requires a derogation from the EU Energy Tax Directive. We will also need European clearance for the extension of the scheme.

**1.9** Further information on the current rebate scheme can be found on the HMRC website: <http://www.hmrc.gov.uk/briefs/excise-duty/brief4011.htm>.