



Title of Report:	Purchase of Additional Marine Fuel Supply Tanks to comply with HMRC Legislation
Committee Report Submitted To:	Environmental Services Committee
Date of Meeting:	8th June 2021
For Decision or For Information	For Decision

Linkage to Council Strategy (2021-25)	
Strategic Theme	Improvement and Innovation
Outcome	A Sustainable, Accessible Environment
Lead Officer	Head of Capital Works, Energy & Infrastructure

Budgetary Considerations	
Cost of Proposal	£40,000.00
Included in Current Year Estimates	No
Capital/Revenue	
Code	
Staffing Costs	

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.0 Purpose of Report

The purpose of this report is to seek Council approval to purchase additional fuel storage and supply equipment for its two Harbour and Marina refuelling locations at Portrush Harbour and Ballycastle Harbour.

2.0 Background

Council currently operates refuelling facilities at Ballycastle Harbour, Portrush Harbour and Coleraine Marina. Under current regulations, supplying red diesel is permitted for both commercial and leisure craft. Council purchase fuel and charge a levy per litre when resold and profits generated from the 3 facilities combined, total between £5-7K per annum. The facilities provide essential supplies to a variety of marine craft navigating around the North Coast. They are equally important to attracting visiting craft to the area and encouraging them to stay overnight after refuelling.

Below is a table showing historic fuel sales at the 3 sites.

	2020-2021			2019-2020		
	Total ltrs	Commercial	Leisure	Total ltrs	Commercial	Leisure
BC	33398	29134	5038	51391	36703	14688
PR	12664	9165	3499	22347	15938	6409
CM	806	0	806	1961	0	1961

Change to legislation.

It was announced in March 2021, as part of the UK budget plans, that NI leisure vessels would no longer be able to use red diesel for propulsion. There was a judgement in 2018, that the current scheme the UK operated in relation to fuel duty and the sale of red diesel for pleasure craft was illegal and breached the EU legislation. Since then, the UK system continued and it was expected that post Brexit, it would be exempt from EU legislation. In March 2021, HMRC announced that the mainland UK would continue with the sale of red for leisure vessels however, NI protocol means that NI has to follow the Rep. of Ireland and must now sell white diesel to leisure craft. Commercial craft are still permitted to purchase red diesel.

The UK government has recently announced to delay the implementation of the prohibition on red diesel used for propulsion of Private Pleasure Craft in NI until 1 October 2021.

To comply with the change in legislation, Council will have to choose one of the 3 options below.

3.0 Proposal Options

Option 1. Continue to only sell Red Diesel – Only legal for sale to commercial vessels. - No fuel would be available for leisure craft.

Option 2. Change our current fuel berths to White Diesel only – remove/sell existing contents, cleanse tanks and fill and sell white.- No red diesel available to service commercial craft.

Option 3. Install additional fuel berths at both Portrush and Ballycastle sites and change the current equipment at Coleraine Marina to White diesel only. Equipment costs for Ballycastle and Portrush Harbours, including installation, are approximately £20,000 per site (Total £40,000). This would provide both white and red diesel options at Ballycastle and Portrush. Coleraine Marina has limited commercial craft and thus transferring the supply to white diesel would be appropriate.

4.0 Recommendation

It is recommended that the Members approve option 3 to purchase additional equipment and maintain essential marine fuel supply services in the Causeway Coastal area.

Note

Option 1 and option 2 are not considered to be viable as either will significantly impact commercial or leisure customer base.