

Red Diesel - No longer a bargain!

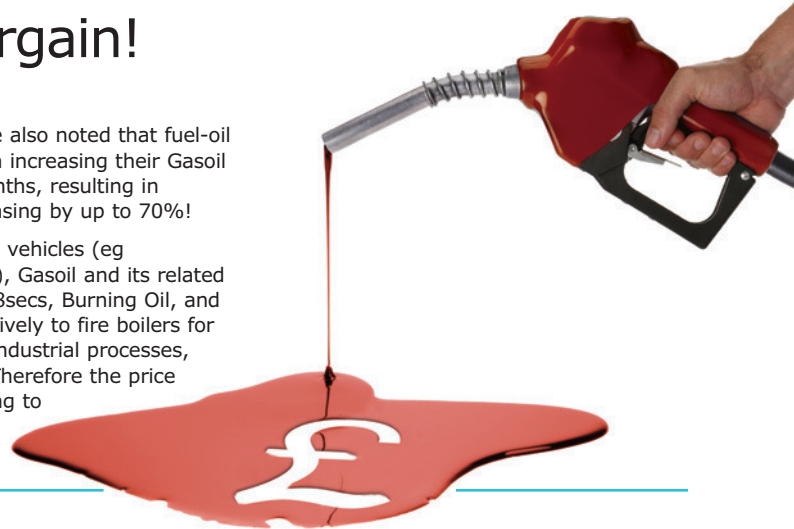
FUEL: KEN ROGERS

For some time, Red-diesel (a.k.a. Tractor Diesel, Gas-oil, 35 Secs oil, etc) has been perceived as a relatively low cost fuel, especially compared to road diesels or gas.

However, recent increases in world oil markets have seen the price increase quite dramatically. In the UK, this is particularly felt because of the lower rate of duty compared to road vehicle fuels. Including duties, wholesale price of Gasoil has risen by over 60% in the last 12 months, compared to the 20% increase in road fuels in the

same period. We have also noted that fuel-oil distributors have been increasing their Gasoil margins in recent months, resulting in delivered prices increasing by up to 70%!

In addition to off-road vehicles (eg Contractors Plant etc.), Gasoil and its related products (Kerosene 28secs, Burning Oil, and MFO) are used extensively to fire boilers for building heating and industrial processes, and fuel generators. Therefore the price increases are beginning to have a major impact on process costs.



Less taxing car tax

FLEET: PAUL MIERS AND IAN KERSHAW

The Budgets 2006 and 2007 contained the details for company car tax up until 2009-10. Effective 6th April 2008, there will be a new lower band of 10% tax (current lower threshold is 15%) for cars with carbon dioxide emissions of 120g per kilometre or less.

As from April, the lower threshold of 15% is effective at emissions of 135g/km CO₂, down from the current level of 140g/km. The thresholds for 2009-10 have been frozen at the 2008-09 levels.

There are now 420 car derivatives at or under the 120g/km level. 77% of these are diesel variants and so would attract the 3% premium on the company car tax scale to take it to 13% (the normal discounts to the scale benefit, such as for hybrid cars, are not applicable to the new 10% band).

After many years, it seems, of ever escalating company car tax, there are now options devised at encouraging better environmental car selections with significant tax benefits for both the employer and the employee.

A typical company car - Ford Mondeo 1.8TDCi diesel - with a P11D price of £18,000 would cost a higher rate tax payer £1,440 in tax a

year whereas a Toyota Aygo 1.0 VVTi with a P11D price of £8,660 would cost a lower rate tax payer as little £191 in tax a year.

Obviously these cars are not interchangeable in terms of status or fit for purpose and you would perhaps not want a sales manager covering 30,000 business miles a year in the Aygo! But it does however start to raise the possibility of adding currently ineligible employees to the company car scheme by way of salary sacrifice or flexible benefits.

Equally for those employees who are 'perk' company cars beneficiaries and who are willing to trade down to these lower specification cars, there is the opportunity for a three way gain - company saves money, employee saves money and the environment gains.

10% band provides for salary sacrifice opportunity and good environmental choice

Increased charges for "non-secure" card transactions are here!

BANKING: STEVE WHITLAM AND PAUL DAVIDSON

Visa have again raised the premium charged for non-secure "Customer Not Present" transactions (CNP, in the jargon). These could easily affect payments taken by Internet, mail order or telephone.

The charge increase is a minimum of 1p per debit card transaction and 0.5% by value for credit cards. This reflects a move to a 'stick' rather than 'carrot' approach to persuade affected merchants to update their security arrangements.



Not every card type or transaction will be impacted. A possible investment in extra security may be beneficial as part of a wider review of such costs.



Do you regularly accept card payments of £10 or less?

BANKING: STEVE WHITLAM AND PAUL DAVIDSON

Countless cards are being process-proven at the moment. Mastercard "PayPass" and Visa "PayWave" have been successfully trialed near various London transport hubs and in selected other retailers in the capital. From there the hope is to take it to merchants and consumers elsewhere in the city and, ultimately, the whole of the UK.

The aim is to simplify and speed up transaction times so that payment for low value transactions is as swift as cash. The purchasers will wave a card over a reader, with no need to put in a PIN.

To start accepting PayWave payments, London retailers should contact their acquiring bank who will take you through the steps involved in becoming an enabled merchant.