

CENTRAL MANAGEMENT BRANCH



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Your reference: DALO 36A/4/14
Our reference: SUB/297/2015

14 April 2015

Paul Carlisle
Clerk to the Committee for Regional Development
Committee Office
Room 254
Parliament Buildings
BELFAST
BT4 3XX

Dear Paul

COMMUNITY TRANSPORT ISSUES – FUEL DUTY REBATE

Thank you for your letter dated 27 March 2015 following the committee meeting which took place on 25 March 2015.

You had stated that the Members of the Committee had noted correspondence from Ballymoney Borough Council, and had asked that the Minister reply directly to the Council, copying your office into the response.

Please note that Councillor John Finlay, Ballymoney Borough Council, had initially written to Minister Kennedy regarding the withdrawal of the fuel duty rebate for certain bus routes on 16 March 2015 but subsequently withdrew his request on 18 March 2015 stating that he was going to write to Mark H Durkan, Minister for Environment on the matter.

Please find attached a copy of the correspondence that as requested has issued.

The content of this letter is fully disclosable under FOI.

I trust that this clarifies the position.

Yours sincerely

[signed]

ALAN DOHERTY
Departmental Assembly Liaison Officer

Councillor John Finlay
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Date: 14 April 2015

John,

Thank you for your letter dated 16 March 2015 regarding the withdrawal of the fuel duty rebate for certain bus routes.

Logan's Executive Travel was one of number of private transport operators on the Departments Fuel Duty Rebate scheme (FDR).

FDR was a discretionary grant paid under Section 14 of the Finance Act (Northern Ireland) 1966, as amended, to enable operators of bus services to defray customs or excise duty charged on fuel used in operating any bus service. The level of rebate was 43.21pence per litre, when the scheme ceased.

You will be aware from my statement of 3 March 2015 that my Department is facing £60m of pressures for 2015-16 and that the scale of reduction required to meet this cannot be delivered without an impact on core services.

My Department's consultation document on the proposed 2015-16 budget issued on 27 November 2014 set out the implications of the proposed reductions to its funding in 2015-16 including the cessation of the Fuel Duty Rebate scheme.

Unfortunately due to the level of reduction in my budget for 2015-16 all areas of my Department, including public transport, will be affected. Reluctantly the decision was made to cease the FDR scheme from April 2015 as one of a number of measures to ensure that the Department lives within its means.

I would stress that this was not a decision that was taken lightly and does not promote my view and wish to provide a public transport network that all in Northern Ireland deserve. However, due to the challenging financial environment we are facing into, it was deemed necessary to end this long established scheme.

I am aware that my response is unlikely to be of any comfort to Logan's and your constituents and would re-emphasise this is not a situation I would want but is symptomatic of the difficult financial position we all now face.

I trust this information is helpful and thank you for your interest in public transport.

A handwritten signature in black ink that reads "Danny Kennedy". The signature is written in a cursive style with a long, sweeping tail that loops back under the name.

DANNY KENNEDY MLA

Minister for Regional Development