

Press release: Freight transport boss banned after using red diesel in his fleet

Scott McClung (47) was the sole director of SDS Logistics (Bonnybridge) Limited, a company registered as freight transport by road and based in Leslie Park, Denny, Stirlingshire.

After six years, however, the company ceased trading on 15 August 2016 when it was placed into liquidation, with an eventual deficiency to creditors of £1,860,934.

An investigation by the Insolvency Service following the liquidation found that between May 2014 and April 2017, SDS Logistics misused close to 1.7 million litres (approximately 1,688,648 litres) of rebated Gasoil, otherwise known as red diesel, in their road vehicles.

Gasoil is a rebated fuel, dyed red, for identification purposes. It can be used in registered agricultural or construction vehicles, such as tractors, excavators, cranes and some other non-road applications such as boats, and carries a significantly reduced tax levy compared to Derv, the white diesel fuel used in ordinary road vehicles.

But it is illegal to use red diesel in vehicles registered for and used on public roads.

SDS Logistics' misuse of the fuel was first detected when HMRC officials visited SDS Logistics' premises in April 2016 and found four vehicles had been misusing red diesel.

HM Revenue & Customs levied an excise duty of £790,456 and a penalty of £553,210 but SDS Logistics failed to pay, leading to its liquidation.

On 13 February 2018, Mr McClung gave a disqualification undertaking to the Insolvency Service, which was accepted by the Secretary of State, on 21 February 2018. The disqualification is from 14 March 2018 and is effective until 14 March 2027.

Robert Clarke, Investigations Group Leader at the Insolvency Service, said:

The substantial period of this disqualification reflects the fact this director put his financial interests above all else in taking advantage of this subsidised fuel. The majority of similar businesses pay the proper duty on the fuel they use, and carry that legitimate cost within their trading strategy.

This was a blatant disregard by a director to obtain an unfair competitive advantage.

Scott Andrew Walker McClung's date of birth is March 1970 and he resides in, Denny, Stirlingshire.

Scott Andrew Walker McClung was appointed as a director of SDS Logistics (Bonnybridge) Limited (Company Registration No. SC380133) from 8 November 2011 to 28 February 2014 and again from 31 March 2014 to the date of liquidation on 15 August 2016.

A disqualification order has the effect that without specific permission of a court, a person with a disqualification cannot:

- act as a director of a company
- take part, directly or indirectly, in the promotion, formation or management of a company or limited liability partnership
- be a receiver of a company's property

Disqualification undertakings are the administrative equivalent of a disqualification order but do not involve court proceedings.

Persons subject to a disqualification order are bound by a [range of other restrictions](#)

The Insolvency Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), administers the insolvency regime, and aims to deliver and promote a range of investigation and enforcement activities both civil and criminal in nature, to support fair and open markets. We do this by effectively enforcing the statutory company and insolvency regimes, maintaining public confidence in those regimes and reducing the harm caused to victims of fraudulent activity and to the business community, including dealing with the disqualification of directors in corporate failures.

BEIS' mission is to build a dynamic and competitive UK economy that works for all, in particular by creating the conditions for business success and promoting an open global economy. The Criminal Investigations and Prosecutions team contributes to this aim by taking action to deter fraud and to regulate the market. They investigate and prosecute a range of offences, primarily relating to personal or company insolvencies. The agency also authorises and regulates the insolvency profession, assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees, provides banking and investment services for bankruptcy and liquidation estate funds and advises ministers and other government departments on insolvency law and practice.

Further information about the work of the Insolvency Service, and how to complain about financial misconduct, is [available](#).

Red Diesel

Diesel used only in vehicles that are operated solely off-road or in machinery and attracts a lower rate of excise duty than diesel used on the road. Vehicles and machinery that are permitted to use rebated fuel include:

- Agricultural tractors, plant and machinery
- Mobile cranes
- Digging machines
- Snow ploughs
- Gritters
- Road rollers and surfacing vehicles

HMRC has compiled a full list of the [vehicles that can use red diesel](#).

HMRC officers have the power to:

- Examine any vehicle and its fuel
- Require the vehicle's owner or driver to open the fuel tank for inspection
- Require the vehicle's owner to produce documentation relating to the vehicle
- Enter and inspect any premises, apart from private houses, to inspect, test and sample fuel
- Ask anybody concerned with the sale, purchase or disposal of rebated fuel for their documentation

Vehicles found to be using rebated fuel illegally may be seized by the authorities. The vehicle's owner will then have to pay a fee for the vehicle's release, which would include a penalty for the offences, up to a £250 fine for each offence, along with an amount to cover the duty owed.

Serious offences may result in the issue of an unlimited fine to the operator and a prison sentence of up to two years.

Media enquiries for this press release – 020 7637 6498 or 020 7596 6187

You can also follow the Insolvency Service on:

[News story: Near miss with track workers at Primrose Hill](#)

Image from forward facing CCTV showing the incident. Note: the bright spots are light reflections (image courtesy of West Midland Trains)

Around 00:40 hrs on 11 March 2018, a group of track workers narrowly avoided

being struck by the 22:14 hrs Birmingham New Street to London Euston passenger service. The incident took place between South Hampstead station and Primrose Hill tunnels on one of the lines into London Euston station.

The train was approaching along the up fast line at around 49 mph (79 km/h) when the driver saw a group of track workers, sounded the train's warning horn and applied the train's brakes. The track workers, who believed that they were working on the up slow line, heard shouted warnings from other workers, heard the sound of the train's warning horn and saw the headlights of the approaching train. They immediately began to get out of the way and removed two trolleys that they had placed on the track. The track workers and trolleys were clear of the approaching train around two seconds before it passed.

One person injured their knee as they moved out of the way of the approaching train. Several of the people involved in the near miss, and several people who saw it, were very distressed.

Our investigation will determine the sequence of events. It will also include consideration of:

- how the intended work was planned and authorised, including the adequacy of the geographic information provided for those on site
- how the work was implemented on site and the way safe work procedures were applied
- the competence management of those involved in the planning, authorisation and implementation of the system of work
- any relevant underlying cultural or management factors

Our investigation is independent of any investigation by the railway industry or by the industry's regulator, the [Office of Rail and Road](#).

We will publish our findings, including any recommendations to improve safety, at the conclusion of our investigation. This report will be available on our website.

You can [subscribe](#) to automated emails notifying you when we publish our reports.

[News story: New measure for fairer recording of primary school performance](#)

Assessments to measure the progress pupils make from the very start of primary school are, following an open procurement exercise, set to be

designed and delivered by the National Foundation for Educational Research (NFER), the School Standards Minister Nick Gibb announced today.

The assessments will ensure that schools are recognised for getting the best outcomes for their pupils and that teachers receive credit for their hard work during the initial years of education.

The Reception Baseline Assessment will be administered as a twenty-minute, teacher-recorded assessment of children's communication, language, literacy and early mathematics skills. It will cover material that many children will already be familiar with and pupils will not have to prepare for it, either at home or in school. It will replace the statutory tests which pupils have faced at the end of Key Stage 1, freeing up teacher time and resources so they can focus on what really matters in the classroom.

The activity-based assessment will enable better, fairer measures of primary school performance by capturing the progress teachers help pupils to make from the first weeks of reception all the way through to the end of year 6. Current progress measures are based on data from the end of Key Stage 1, which means they do not give schools credit for the crucial work they do with pupils in reception, year 1 and year 2.

Assessments form a fundamental part of a child's education and many teachers already routinely assess children when they start the reception year to inform their teaching and identify where extra support is needed.

Today's announcement is part of wider plans to create an excellent primary assessment system and will build on the progress already being made in schools across England, with 1.9 million more children in good or outstanding schools than in 2010.

School Standards Minister Nick Gibb said:

A good primary education lays the foundations for success at secondary school and beyond, so it is right that we help make sure every child reaches their potential from the moment they start their education.

This quick, simple assessment will us help to capture the progress that children make throughout primary school and provides a fairer measure for school accountability. I would encourage teachers and headteachers to work with us through the trials and pilot to make sure we get the assessment and measures right.

Academic standards are rising thanks to the hard work of teachers and our reforms. Our young readers are among the best in the world, the proportion of primary pupils reaching the expected standards in reading, writing and maths is up 8 percentage points and the attainment gap has narrowed by 10.5% since 2011.

Ahead of the assessment being rolled out to all schools by the end of 2020,

the NFER will, subject to final contracts, work closely with teachers across the country to ensure the check is age-appropriate for reception year pupils. It will not be used to judge, label or track individual pupils.

The Department for Education has also confirmed today that:

- When the baseline is fully established, Key Stage 1 assessments will become non-statutory for first and infant schools and, at the same time, they will become non-statutory for all-through primaries;
- From 2027, reception to Key Stage 2 progress measures will be published for all-through primary schools, but not for those with a different age range;
- First and infant schools will continue not to have progress measures published. These schools will continue to be responsible for demonstrating the progress their pupils have made to Ofsted and those with an interest in school performance; and
- Middle and junior schools will be in a similar position to first and infant schools with responsibility for evidencing progress based on their own assessment information.

Carole Willis, Chief Executive of NFER said:

We are pleased to have been selected as DfE's preferred supplier for the new Reception Baseline Assessment. As a not-for-profit organisation, we are committed to projects that will improve education and outcomes for children and young people, such as our recent work on teacher recruitment and retention, and our work on social mobility.

NFER has been developing robust assessments for over 70 years, for use by teachers, schools and government agencies. Our experience in producing a Reception Baseline Assessment in 2015 demonstrated that it is possible to undertake a robust assessment of children's language, literacy and numeracy skills at this age. Reception children enjoy taking our assessment – which involves using resources such as counting teddy bears, plastic shapes and picture sequencing cards, reflecting familiar classroom practice.

This new assessment is intended to be a cohort level measure, rather than an individual pupil measure. Introducing such a measure at the start of reception allows the huge contribution that schools make to children's progress in the first three years of school to be properly recognised.

The introduction of the reception baseline assessment, which is supported, in principle, by the National Association of Headteachers and the Association of School and College Leaders, follows an extensive public consultation and is part of wider changes to the primary assessment system which focus on pupil progress, mastering literacy and numeracy, and scrapping unnecessary workload for teachers. Following the consultation, the government confirmed it would:

- Improve the early years foundation stage profile, including revising the early learning goals to better prepare children for year 1 and reviewing the assessment guidance and process to reduce teacher workload and allow teachers to use their professional judgments;
 - Remove some of the wider burdens on teachers, including making Key Stage 1 tests and assessments non-statutory from 2023 and remove the requirement for schools to submit teacher assessment data to the government for reading and maths at the end of Key Stage 2, as these subjects are already assessed through statutory tests, from 2018-19;
 - Introduce a [multiplication tables check](#) to aid children's fluency in mathematics from 2019-20; and
 - Improve teacher assessment of English writing by giving teachers greater scope to use their professional judgement when assessing pupils at the end of Key Stages 1 and 2 from the current academic year (2017-18).
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Consultation outcome: Environmental permitting: amending flood risk exclusions and exemptions

Updated: Summary of responses added.

We want to know what you think about our plans to amend the exemptions and exclusions for flood risk activities in the environmental permitting regulations.

Environmental permitting makes sure that any work completed does not increase flood risk, damage flood defences, or harm the environment, fisheries, or wildlife.

The majority of these adjustments will allow more flexibility for individuals and businesses.

News story: Smart energy systems: new funding and events

Opportunities to be made available to businesses and researchers through the energy revolution challenge fund.

[UK Research and Innovation](#) – through Innovate UK and the [Engineering and Physical Sciences Research Council](#) (EPSRC) – has announced a new fund for research and industry to develop future smart energy systems and prove their use at scale.

The energy revolution challenge will bring together academia with industry to develop and demonstrate new approaches to provide cleaner, cheaper energy. This includes linking low-carbon power, heating and transport systems with energy storage and advanced IT to create intelligent, local energy systems and services.

It is part of the [Industrial Strategy Challenge Fund](#).

The first opportunities and where to find out more

The first funding opportunities through this challenge will make up to £41.5 million available for:

- ground-breaking, localised energy system demonstrators. We will be looking to fund projects across the UK
- projects that develop novel concepts that could revolutionise local energy provision

Full details of the competitions will be announced shortly. Businesses that want to find out more in the meantime can go to one of the briefing events:

Details of further activity with the fund will also be announced shortly.

More about the challenge

The Industrial Strategy Challenge Fund will make sure that research and innovation is at the heart of government's [Industrial Strategy](#). This sets out 4 grand challenges in industries in which the UK is determined to pioneer progress.

The energy revolution falls under the clean growth challenge, which will support the UK to be a world leader in low-carbon technologies, systems and services.