



GENERAL ELECTION 2024

Construction Plant-hire Association

Priorities for the incoming government

Introduction

Without the plant-hire industry, the UK's construction sector cannot function. Contractors and sub-contractors hire most construction equipment. Very few contractors own their own plant. CPA members operate and represent all the different types of construction equipment available. From small diggers and handheld tools, to tower cranes and large-scale construction equipment. Without their expertise, knowledge and investment in such equipment, the construction sector would be vastly inefficient and ineffective in its delivery and ability to deliver for clients – both public and private.

The plant-hire industry also invests heavily in the workforce of the future. The sector is responsible for a vast array of apprenticeships within the industry and is a leader in the recruitment of young people and those looking for a major career change. Offering long-term roles with the ability to train, progress and build a sustainable career, the plant-hire industry is playing its role in making construction a more attractive industry to have a career in.

If we are to maintain and grow the UK plant-hire sector and ensure it remains a key part of the wider construction eco-system, then these are our core priorities for the next government.

Reinforce business investment & future house building programmes

- Establish a credible timetable for the extension of the Full Expensing Allowance to every aspect of the construction plant-hire industry. When 'fiscal conditions allow' is too vague and undermines confidence in business investment decisions
- Reforms to the planning system must be realistic and proportionate. Learning from past failures at both central and local levels are important if we are to build the future homes we need

Decarbonisation of Construction plant

- Have one single government department responsible for decarbonisation of construction plant. Current policies and roles are split between at least three government departments
- Temporarily reintroduce the rebate for Hydrogenated Vegetable Oil (HVO) to the construction industry for at least the next two years
- Develop a trial scrapperage scheme for NRMM (Non-Road Mobile Machinery) businesses operating in Freeport zones, with a view to widening the scheme on a national basis
- Publish the Low Carbon Fuels Strategy as soon as possible and develop a road map for the decarbonisation of NRMM

Supporting the construction industry

- The position of construction minister must be solely dedicated to the sector and not split amongst a range of different ministerial responsibilities across different industrial sectors
- The current approach by the police on abnormal loads and embargo times are having an adverse effect on the efficient movement of construction plant – especially mobile cranes. Some companies are facing an existential threat. The next government must get the Home Office and Department for Transport to work with the industry and police chief constables to outline concerns and ensure the current lack of flexibility amongst police forces, is addressed
- Build on current work with the construction industry to grow the domestic skills base, improving both apprenticeship funding and retention rates amongst apprentices, while also making the industry an attractive career option for people already in the workforce. Realism is needed in recruiting from overseas, with the Migration Advisory Committee working with the construction sector in addressing current skills gaps

The creation of Great British Railways must be a key legislative part of the King’s Speech, helping provide certainty for planning and business investment in the rail plant sector

- The legislative impasse on the creation of Great British Railways (GBR) must be resolved as soon as possible. A growing rail plant and rail maintenance industry is at the heart of a successful rail sector. The current delays have undermined progress, with the supply of future work bank visibility fragile

Core priorities in detail

Reinforce business investment & future house building programmes

Establish a credible timetable for the extension of the Full Expensing Allowance to every aspect of the construction plant-hire industry. When ‘fiscal conditions allow’ is too vague and undermines confidence in business investment decisions

- Following the Budget late last year and the announcement that the Full Expensing Allowance would be extended to the rental and hire industries, progress has been put on hold while we wait for the fiscal conditions to improve, allowing the policy to be implemented. To date, no definition has been provided towards what these conditions are. While we understand that public finances remain fragile and the wider economic outlook uncertain, CPA members need a timetable for action to plan their investments if they are to take advantage of the allowance. The current position undermines confidence and trust that Full Expensing will ever become a reality for the hire industry.

Reforms to the planning system must be realistic and proportionate. Learning from past failures at both central and local levels are important if we are to build the future homes we need

- Reform of the planning system has been high on the political agenda for all main parties in recent years – with all too little delivery in practice. The next government must learn from past failures to address this issue and make sure that we build enough homes for the future. This means working at both a national and local level to maintain a balance between the needs of existing communities, while also overcoming the housing shortage.

Decarbonisation of Construction plant

Have one single government department responsible for decarbonisation of construction plant. Current policies and roles are split between at least three government departments

- While cross departmental cooperation is vital to good governance and policy development, we need to see one single department take responsibility for NRMM decarbonisation. All too often in recent years, we have seen duplication of effort, with mixed signals and no one

single source of contact the industry can work with. For simple and effective communication, consistency and collaboration between government and industry, the next government must provide clarity on who is taking the lead between the Department for Transport, Department for Business and Trade, and Department for Net-Zero.

Temporarily reintroduce the rebate for Hydrogenated Vegetable Oil (HVO) to the construction industry for at least the next two years

- The rebate for Hydrogenated Vegetable Oil (HVO) and all other types of biodiesels operated by construction plant users, should be temporarily reintroduced to the construction sector, helping companies offset the price rises HVO (and biodiesel) users have witnessed. This will provide some incentive to companies in moving away from diesel powered construction plant. Losing the rebate in 2022 pushed up costs on a fuel which is already limited in supply due to the costs involved in its production and the need for identifying and developing sustainable sources. With more and more plant-hire companies looking to move away from diesel, a temporary reintroduction of the rebate for HVO / biodiesels will help alleviate some of these costs at minimal outlay to the Treasury and encourage more firms to make the move away from diesel and utilise alternative fuels.

Develop a trial scrappage scheme for NRMM businesses operating in Freeport zones, with a view to widening the scheme on a national basis

- As part of the move to decarbonise the UK's NRMM construction equipment fleet, the next government should look to begin the process of exploring how a scrappage scheme for NRMM might work. Our members recognise the need for decarbonisation and the move to net zero. As an example, the 2009 /2010 automotive scrappage scheme helped boost UK automotive manufacturing, taking older, more polluting cars off the road, with newer, cleaner ones, replacing them. Working with manufacturers and dealers involved in the scheme provided a degree of confidence for the automotive sector.
- The opportunity to develop a scrappage scheme should be done on a trial basis, aimed at those plant-hire owners and importers engaged in the numerous Freeports being developed across the UK. This is an ideal opportunity to explore how such a scheme can work on a wider national basis, and one the next government should take if it is serious in working with CPA members in meeting the net zero targets set for 2050.

Publish the Low Carbon Fuels Strategy as soon as possible and develop a road map for the decarbonisation of NRMM

- It has been over two years since the Department for Transport launched a consultation on low carbon fuels and calls for an idea on how a roadmap and strategy could be developed. The CPA was one of several high-profile member organisation from the construction sector who responded. While some progress and announcements have been made since then, no actual strategy has been published, despite repeated calls to do so.
- The policy landscape has changed, with a consultation on NRMM decarbonisation taking place earlier this year. The need for action is even more pressing. Failure to develop a strategy and work with manufacturers and the rental industry will undermine progress and government intentions towards our industry.

Supporting the construction industry

The position of construction minister must be solely dedicated to the sector and not split amongst a range of different ministerial responsibilities across different industrial sectors

- The role of construction minister is one part of a much wider list of current ministerial responsibilities. If we are to build the homes of the future, develop our infrastructure and

support the construction industry, the role of construction minister must be much better defined and not part of a wider ministerial remit. This will provide clarity and greater focus to the role and help give the industry confidence that the government is taking construction seriously.

The current approach by the police on abnormal loads and embargo times are having an adverse effect on the efficient movement of construction plant – especially mobile cranes. Some companies are facing an existential threat. The next government must get the Home Office and Department for Transport to work with the industry and police chief constables to outline concerns and ensure the current lack of flexibility amongst police forces, is addressed

- Action from the Home Office and Department for Transport to overcome the very real and growing concerns of the construction industry around abnormal loads and embargo times, is needed as a matter of urgency to address the impact police actions are having on CPA members. Over the course of the last twelve months, the industry has increasingly seen an inflexible and inconsistent approach from major police forces across the country, towards the movement of construction plant and the enforcement of embargo times. This is now having a very real impact on the operational efficiency and competitiveness of many of our members, through increased operational costs and delay in the delivery of equipment and is also impacting construction project completion times. For some companies, it is starting to become a very real threat to their viability as a business.
- We urge the next government to work with the industry and each of the Chief Constables to discuss this issue as a matter of urgency, to understand the concerns of the construction sector, while also addressing the motivations of the police and their current approach.

Build on current work with the construction industry to grow the domestic skills base, improving both apprenticeship funding and retention rates amongst apprentices, while also making the industry an attractive career option for people already in the workforce. Realism is needed in recruiting from overseas, with the Migration Advisory Committee working with the construction sector in addressing current skills gaps

- The next government must continue the progress made in growing and sustaining the UK construction skills base. This means reinforcing the existing messages about construction as a long-term career choice, and working with the sector, training course providers, colleges, and key industry stakeholders in addressing and identifying where there are gaps and ensuring future skills needs and delivery can be addressed. For too long, initiatives and reforms have been announced with little thought to the immediate impact it has on what companies are already doing and who they are engaging with. Committing to future funding and improving retention rates is vital.
- While the sector is committed to boosting the domestic skills base, we need realism from the Home Office and the role of the Migration Advisory Committee towards recruitment from overseas and where the industry recruits from when addressing shortages. Lack of access to workers extends construction timescales, adds to costs and impacts on the competitiveness and profit margins of a sector that remains economically fragile.

The creation of Great British Railways must be a key legislative part of the King's Speech, helping provide certainty for planning and business investment in the rail plant sector

- The rail plant industry has long awaited the creation of Great British Railways (GBR), and the actions of the Williams Rail Review since the report was published in 2021. The new government as part of the King's Speech, must overcome this delay and set in action the measures needed to ensure GBR becomes a reality. This includes clarity from both the

Treasury and the Department for Transport on their role and how it will encompass and improve existing models of operation. The rail plant sector is at the core of a safe and efficient railway, with its work on the maintenance and infrastructure of the UK's rail network, at the heart of what it does. Despite its key role, the sector remains fragile, with recent well-known, high-profile businesses unable to continue.

- It is essential this key part of our rail support network is allowed to grow and develop. The next government must work via the Department for Transport, Network Rail, and train operators as GBR is created, in ensuring future work pipelines are visible, balanced and cost effective. Future rail blockades must be implemented to the benefit of both the passenger and those maintaining the tracks, and that future plans are proportionate and realistic.

About the CPA

The Construction Plant-hire Association (CPA) represents over 1,900 companies who collectively, are responsible for 85% of the construction plant hired in the UK. As a sector, the plant-hire industry is worth approximately £5bn to the UK economy, with the UK the largest plant-rental sector in Europe.

The CPA acts as the leading trade association for the plant-hire industry, working with our members, stakeholders, and the wider construction sector, as the principal point of contact for all issues relating to the use of construction plant