



Sent by email

Friday 20<sup>th</sup> December 2024

The Rt Hon Sir Keir Starmer KCB KC MP  
Prime Minister  
10 Downing Street  
SW1A 2AA

Dear Prime Minister

### **The impact of Business Property Relief on family businesses in the plant-hire sector**

I would like to take this opportunity to highlight to you the very real concerns family businesses in the plant-hire sector have, towards the changes announced in the recent Budget around Business Property Relief (BPR) and Inheritance Tax.

As the CEO of the Construction Plant-hire Association (CPA), our 1,900 members are the backbone of the construction industry, worth some £14bn to the economy, supporting over 190,000 jobs.<sup>1</sup> The vast majority of these companies are family run businesses.

Our members have a key role to play in building the 1.5m new homes, that is a priority for your government and a key pillar of your Plan for Change. They are also set to play their role in the 150 new infrastructure projects that you have announced. The schools and hospitals of the future, not to mention renewable energy infrastructure will only be built with the equipment our members provide.

In your appearance at the Liaison Committee meeting, you stood by your pledge to make the UK the country with the highest sustained growth in the G7 group of countries, by 2029. We share that vision.

However, your pledge to get Britain building again can only be delivered through renewed investment in new equipment, technologies, innovations, and people.

The October Budget failed us on each of these levels. Our members remain excluded from being able to take advantage of the Full Expensing Allowance. Meanwhile, the rise in NI is a tax on jobs and will deter companies from taking on more people, and will slow increases in wages at a time when we need to increase the construction skills base.

Looking ahead, the proposed changes to BPR as part of wider Inheritance Tax reform, will have a massive and detrimental impact on SMEs (20% of SMEs work in construction) and family run businesses – the backbone of construction plant-hire, and the wider business communities throughout the UK.

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<sup>1</sup> Oxford Economics / CPA The economic impact of the UK plant hire sector – November 2024

In recent times, my members have had to deal with the impact of the COVID pandemic, rising inflation and interest rates, rising fuel prices, political instability and economic uncertainty. They now have to deal with the fallout from the changes to BPR.

As an association, we have already had to deal with queries from concerned family businesses on what these changes mean, how can they continue to operate in line with these plans. To be clear, these are well established, in some cases, large family run businesses with an exceptional reputation for delivery and customer service. In the words of one senior executive 'I question what is the point of continuing'.

These changes will result in companies deferring investment and hiring decisions, expansion plans will be called into question, with prolonged uncertainty and instability at a time when businesses can ill-afford it. Attached with this letter is a full briefing which outlines in more detail, the full impact.

In line with your government's commitment to co-design policy with business, we call on you to reassess what these changes will mean in practice and reality, with a full consultation with businesses affected. We share the same vision of a growing and stable economy, built on sustainable business practices working in each region of the UK.

In their current guise, your proposals will fatally undermine the very companies that are meant to be the foundation of this work, risking a lasting and damaging impact on the wider UK economy.

Yours sincerely

A handwritten signature in black ink, reading "Steven Mulholland". The signature is written in a cursive style with a large initial 'S'.

Steven Mulholland,  
Chief Executive

Construction Plant-hire Association