POLICY BRIEFING – CPA MEMBER SPRING SURVEY 2026

SPRING 2026

The UK's construction plant-hire sector is the backbone of the construction industry. Worth some £14bn to the UK economy, the sector employs over 191,500 people and adds £218 to the UK economy for every £100 directly generated by the plant-hire sector.

The sector is also the most capital intensive in the UK without exception at 26% (26p in the pound is re-invested into capital equipment). An average more than double that of renewables and advanced manufacturing and four times that of the general construction Industry. Without this level of investment, and more, growth simply is not possible.

The overwhelming majority of companies in the sector, over 3,000, are family run businesses. Almost 95% of our members are SMEs. From small operators to the largest ones in the country, family businesses have long been associated with construction plant.

Executive Summary

The message from the UK construction plant-hire sector is stark and clear. Business confidence in the policies and actions of the government is extremely low, with very clear warnings around the direction of travel. From the fallout of inheritance tax reform and Business Property Relief changes to the ongoing impact of higher energy costs, rising fuel costs, unrealistic net zero targets, higher employment costs; raising employer NI whilst lowering the threshold it is implemented and increasing the minimum wage. With the Employments Rights Act being rolled out moreover, businesses are operating in a hostile environment with poor pipelines of work and wider economic uncertainty.

KEY FINDINGS

- National Insurance contributions have had a real and lasting impact on plant-hire businesses – **66% said it had a negative impact.**
- Higher employment costs have changed hiring plans **– 46% are reducing hiring, 26% have a hiring freeze.**
- **Thirty-five percent** of respondents cite tax changes as having a significant impact on their investment confidence.
- **National Insurance contributions, wage increases and energy costs** are the top three pressures facing plant-hire companies.
- The business outlook compared to twelve months ago is **weaker or significantly weaker for 48% of businesses.**
- For the next twelve months, **42% are pessimistic on the wider business outlook, against 30% who are positive.**
- Business growth is an issue. **Thirty percent expect their business to shrink, against 18% who expect it to grow.**
- **Over 80%** of hire companies feel that government policy does not adequately support the sector's move towards net zero, with the remaining 20% unsure.

WORTH £14 BILLION TO THE UK ECONOMY

EMPLOYS OVER 191,500 PEOPLE

ADDS £218 TO THE UK ECONOMY

Introduction

This survey is the first in-depth research piece on the UK plant-hire sector and the current views of the Construction Plant-hire Association's membership. Undertaken across March and April, the survey provides an insight into how the CPA's members see the present state of the plant-hire sector and its wider economic outlook.

Over the course of the last 18 months, the government have taken a range of policy measures and actions which have had a real and lasting impact on CPA members. Changes to Business Property Relief (BPR) and inheritance tax, the increase in employer National Insurance and the National Minimum Wage have all added to the cost of doing business in the UK. This has undermined the cost base for many companies at a time when the wider economic environment was already fragile.

In addition, the freeze on Fuel Duty ends later this year – at a time when fuel costs continue to rise.

This survey builds on our previous in-depth report on Business Property Relief, providing an opportunity to see current investment and hiring intentions, and business confidence in the UK plant-hire sector.

The survey was caried out between 19th March and 17th April. The FTSE 100 rose from 10,159 points to 10,667 points in that time, oil was trading at $109.78 a barrel, to $90:97 a barrel across the same period.

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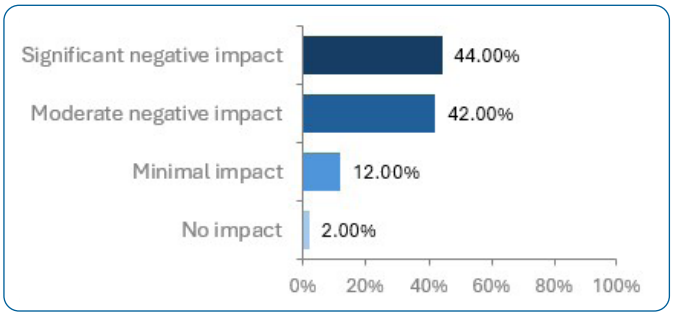
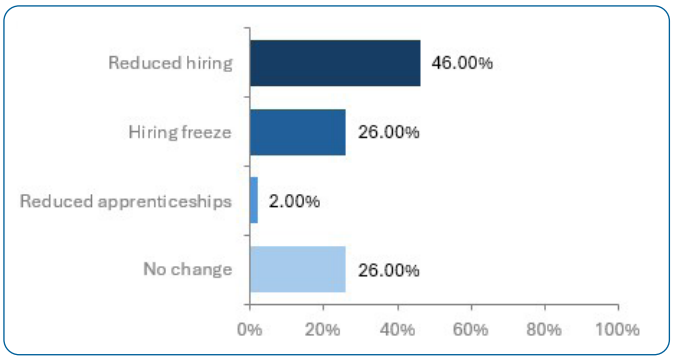
SECTION ONE – EMPLOYMENT COSTS

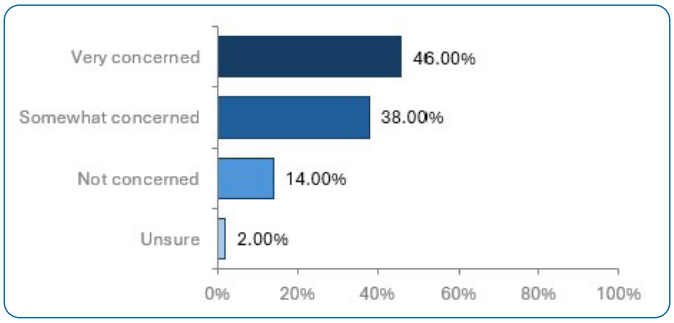
How have employer National Insurance contribution increases impacted your business?



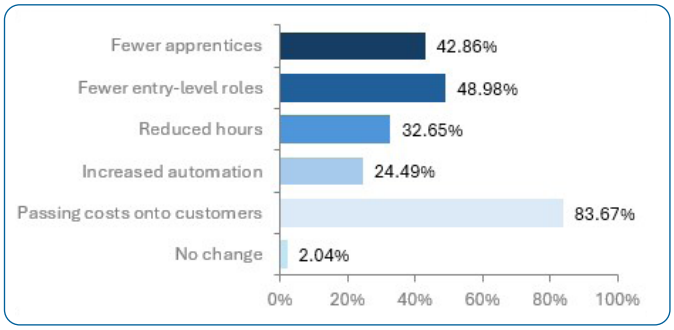
Have higher employment costs changed your hiring plans?



Are you concerned that the Employment Rights Act will make hiring more complex or costly?



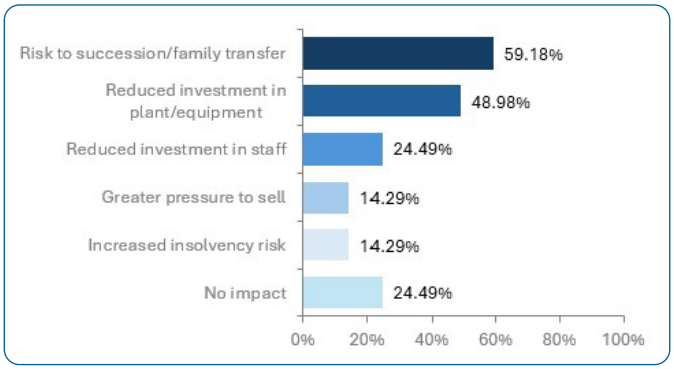
Do you expect employment cost increases to result in: (Tick all that apply)



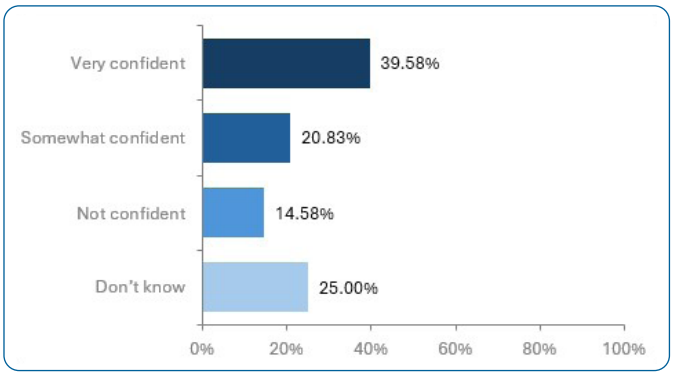
It is clear respondents have significant concerns about the impact policies are having on employment costs – especially around hiring plans, the Employment Rights Act, and what these extra costs mean - namely passing costs to customers, fewer apprentices and fewer entry level roles. The message is clear; these added employment costs have caused significant concerns for CPA members. The policies are anti-growth and send the wrong message to businesses looking to grow.

SECTION TWO – TAX CHANGES

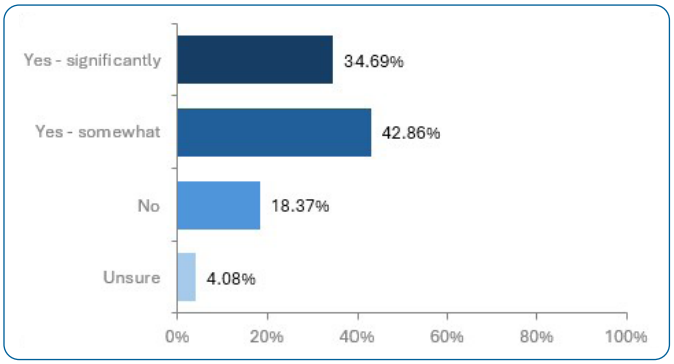
What impact do you expect Business Property Relief (BPR) changes to have?



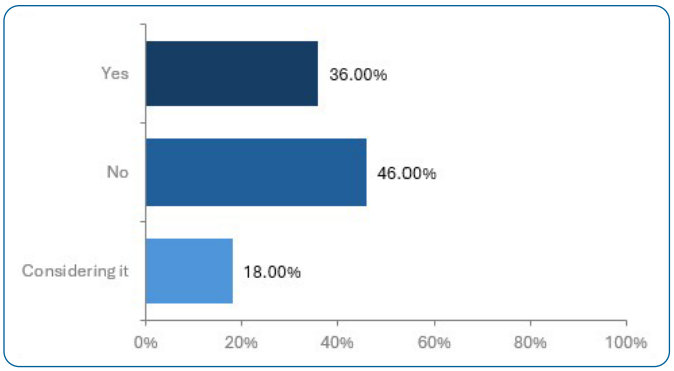
If BPR relief is reduced or removed, how confident are you that your business could be passed to the next generation?



Have recent tax changes reduced your investment confidence?



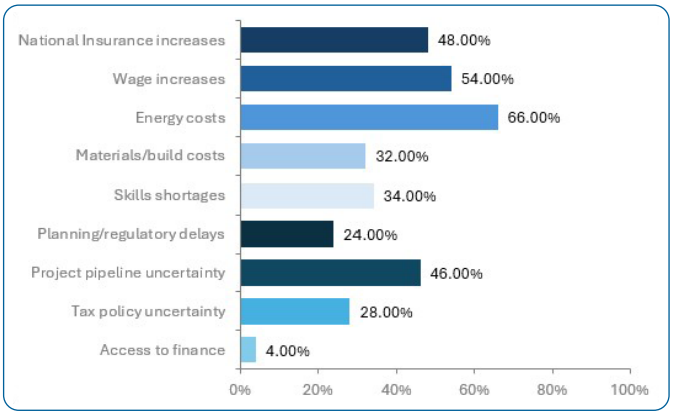
Have you considered selling, restructuring or downsizing your business due to tax or regulatory pressures?



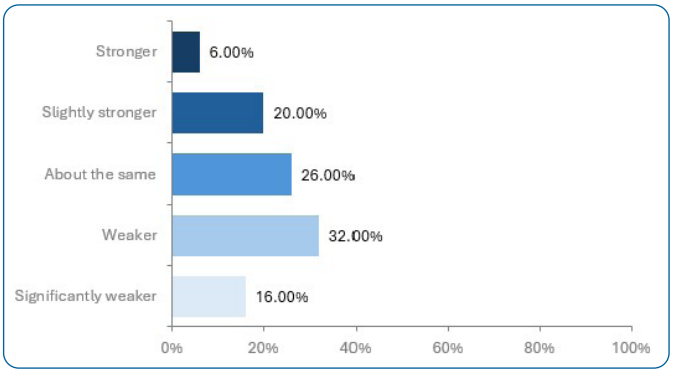
The impact of changes to inheritance tax and BPR continue to be felt by family businesses in the plant-hire sector. Since the change in policy was first announced in the November Budget of 2024, the message from members has been clear – these reforms will have a very real impact on investment in new equipment, the risk to succession and transfer of the business, and increased risk of insolvency. This is even clearer in terms of wider investment confidence. Over 76% of respondents believe the tax changes have reduced their confidence to invest.

SECTION THREE – BUSINESS ENVIRONMENT AND TRADING CONDITIONS

Which three pressures are currently hitting your business hardest?

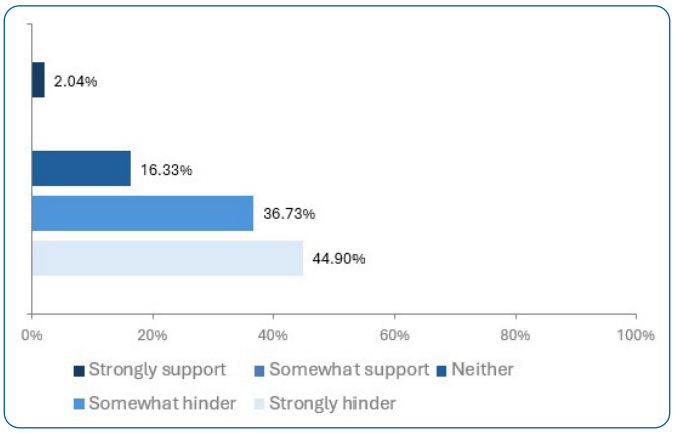


How does your current business outlook compare to 12 months ago?

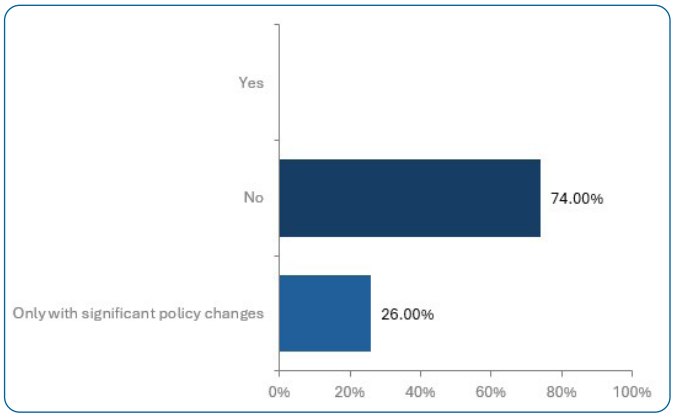


As respondents have highlighted, there are a wide range of pressures impacting on their business – with added costs and through wage bills and rising energy costs, through to project pipeline uncertainty and tax policy uncertainty. This is reflected in the current business outlook when compared to 12 months ago – with over half of respondents believing the outlook is weaker or significantly weaker one year on.

Do you believe current policy conditions support or hinder construction SMEs?

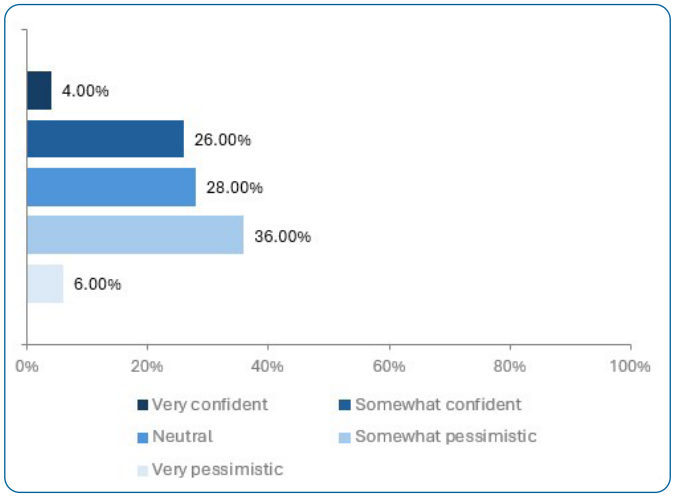


Do you believe the Government's housing and infrastructure targets are achievable under current conditions?

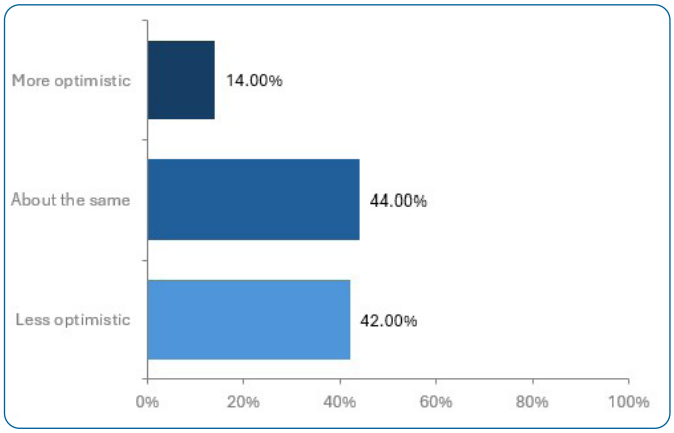


The survey shows a damning assessment of the current operating environment, with just 2% believing the government's policy conditions support construction SMEs, overwhelmingly, over 80% believe they hinder or strongly hinder construction SMEs. Not one respondent believes the government's housing or infrastructure targets are achievable presently – three quarters believe they will be missed, only a quarter believe they can happen but only if there is a significant change in policy direction. This includes a reversal of changes to Fuel Duty which is due to come into effect this Autumn, alongside a range of targeted policies to support businesses struggling with raising fuel costs. The government has yet to announce any support measures – this lack of action is having a real and significant impact.

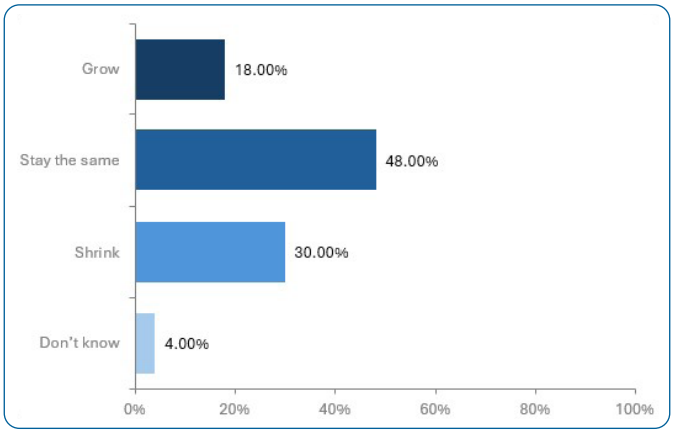
How confident are you about your business outlook over the next 12 months?



Compared to 12 months ago, are you more or less optimistic?



Over the next 12 months, do you expect your business to:

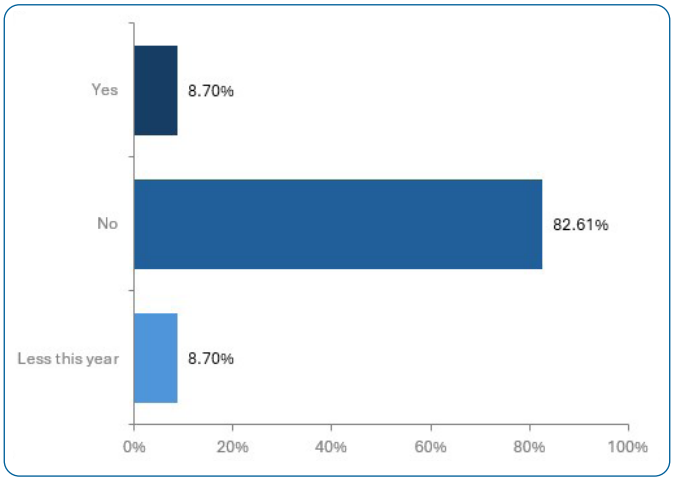


These charts show the scale and challenge facing businesses in the plant-hire sector, with just 30% confident or very confident about their business outlook over the next twelve months, as opposed to 42% who are somewhat or very pessimistic. This shows in optimism amongst companies, with just 14 % more optimistic compared to this time last year, and 44% are about the same, and 42% are less optimistic.

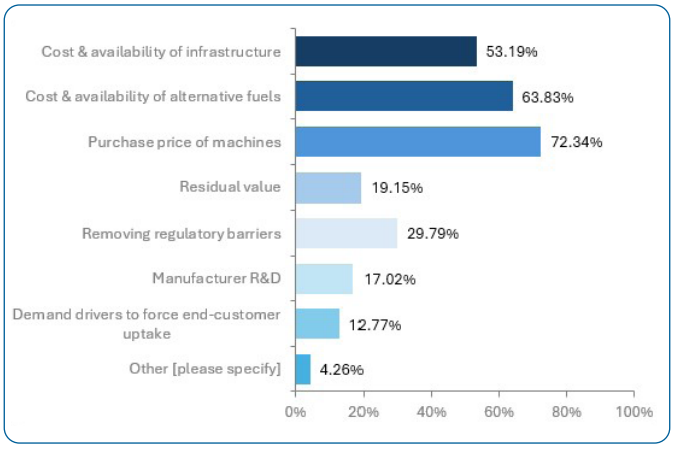
In terms of growth prospects for businesses, just under 20% expect their businesses to grow, with 30% expecting the business to shrink in the next year. While encouragingly, just under half (48%) expect the business to at least, stay the same, four % do not know what direction their business is likely to go.

SECTION FOUR – NET ZERO AND SUSTAINABILITY

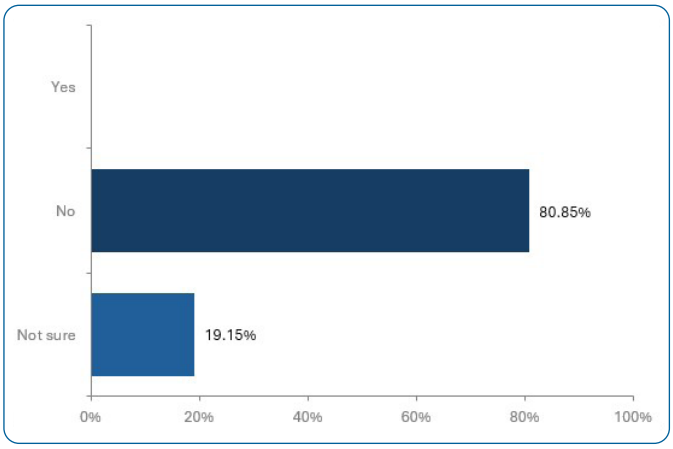
Are customers hiring low-emission and non-diesel equipment more often, compared to last year?



What should government most urgently focus on if they want to improve uptake of low-emission and non-diesel plant?



Do you feel government policy adequately supports construction and plant's transition to net zero?



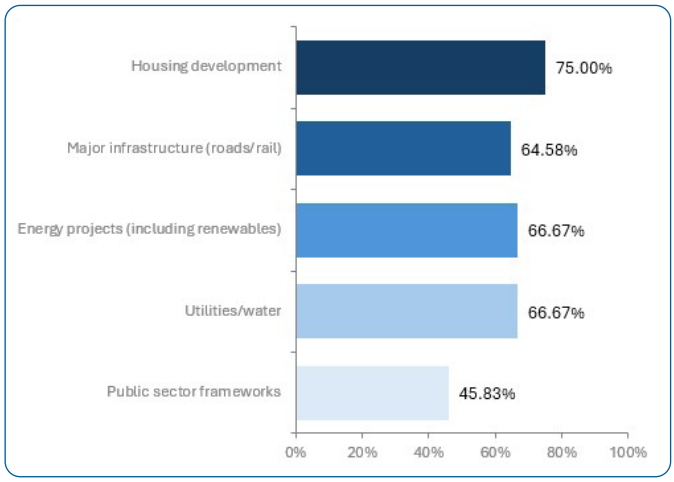
The lack of realism and relatability in current government policy and aspirations is reflected in these responses. An overwhelming 80% of respondents feel that government policy does not adequately support a transition to net zero in this sector, with the remaining 20% unsure. Not a single respondent said that current government policy provides adequate support.

Customer uptake of low-carbon equipment is currently stagnant, with 83% seeing no change this year, and an exact split between the number of businesses seeing an increase or decrease in adoption rates. The 3 areas members believe the government should most urgently focus on, if the uptake of low-emission and non-diesel plant is to be improved, are; the purchase price of machines (72%), the cost and availability of alternative fuels (64%), and the cost & availability of supporting infrastructure (53%).

Response rates for removing regulatory barriers, residual value and manufacturer R&D were still significant, suggesting that action is still required in these areas but perhaps not as urgently. Interestingly, demand drivers and forced customer adoption was the least popular focus area. This aligns with CPAs overall view that while demand drivers may eventually be needed, they will not resolve the overwhelming operational and financial risks that members are facing today. Also, the lack of demand is largely due to the high cost of using this equipment, which is heavily influenced by those other factors such as purchase prices, alternative fuel prices and infrastructure requirements.

SECTION FIVE – WHERE PLANT IS SUPPLIED AND GOVERNMENT ACTION TO HELP COMPANIES

Where are you currently supplying plant/services to?



The spread of where plant is being supplied to, suggests a reasonable balance between housing developments and wider infrastructure projects such as road and rail, energy projects, utilities, and water. Over the coming months, it will be interesting to see how this changes moving forwards as planning reforms come into scope albeit, the wider economic backdrop remains at best, weak.

What single policy change would most help your business thrive?

When asked what one change government could enact to help their businesses thrive, a set of common themes emerge. Respondents want the government to stop adding to the cost of doing business, concentrate on construction as a driver of jobs and growth through greater investment in infrastructure, and back up rhetoric with action on reducing regulation and wider delays in planning.

SECTION SIX – CONCLUSION AND APPENDIX

Conclusion

The first full economic survey of our members provides a detailed analysis of business sentiment, confidence and the wider economic outlook. It does not make for good reading for those in government. Our message over the course of the last eighteen months has been clear – stop adding to the cost of doing business by rolling out damaging policies that disincentivise investment, reduce hiring and damage growth.

The figures from our members back this up in clear and stark terms. The challenge for government is to heed these warning before the very real damage they are already doing to construction, becomes terminal.

*Appendix 1: Glenigan Statistics

2025 V 2024
ALL SECTORS:

- **20% decline** in project starts.
- **32% drop** in main Contract awards.
- **22% decrease** in detailed planning approvals.

SECTOR HIGHLIGHTS:

- **49% drop** in Civil Engineering starts.
- **53% drop** in residential housing starts.
- **73% drop** in social housing.

FIRST QUARTER 2026 V 2025 FIRST QUARTER:
ALL SECTORS:

- **20% decline** in project starts.
- **3% rise** in contract awards.
- **51% decrease** in detailed planning approval.

SECTOR HIGHLIGHTS:

- **73% drop** in civil engineering starts.

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