# Contractors Mechanical Plant Engineers

# NATIONAL NEWSLETTER

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## National Chairman

Members of CMPE.

I hope I find you all in good health and doing your bit to follow the rules set out by Boris Johnson to rid ourselves of this awful bug that is surrounding us all. It is making my job as Acting National Chairman very difficult to oversee the Association.

We were hoping we could see ourselves holding our AGM in the near future but now at the earliest it is looking like it will be late spring of next year or even our normal June date. Everybody is hoping that people will observe the rules to help to get back to normal as soon as possible.

With branches not holding meetings or annual dinners, and movement between local branches having stopped, I ask that any problems your branch may have, please address your concern/s to your National Council Representative. Should your National Council Representative not be able to address your concern/s, then you should address them to any of the National Officers.

I had hoped I would be saying “looking forward to seeing you soon”, but when, I am not sure. Let’s hope we see the end of this soon.

Best Regards,

Malcolm Saddington,
Acting National Chairman C M P E

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## Certificate of Competence

Would all CMPE Branch Trainers forward all CMPE CoC applications whether they be New, Renewals, or Additional Categories, etc, to:-

**David Holden, CMPE National Registrar,**
**DWH Site Personnel Ltd.,**
**6 Poplar Drive,**
**Longridge,**
**PR3 3HS.**

**Tel: 07813 895875**

**Email**: dholden30@btinternet.com

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## Important CMPE Announcement

Due to the current situation with Covid-19 and our branches not being active, along with the cancellation of the National AGM, and no National Council Meetings, a proposal from the National Treasurer (Stuart McDonald) gave rise to our National Chairman contacting each branch, the National Officers, and Branch Representatives, for their opinion on the following:-

> Those branches having already paid their subs for this current financial year 2020/2021 to National, be given leave to retain 100% of their subs for the next financial year 2021/2022 with no payment to National. When subs are due for the next financial year 2021/2022, no payment to the National Treasurer will be due but a full list of members names etc, in categories of:- Retired (half subs), Life Members (no subs), Members (full subs) must be forwarded by 30th June 2021. This list must be adhered to.
>
> Those branches that have not as yet paid their subs for this current financial year 2020/2021 to National, be given leave to retain 100% of their subs for this current financial year with no payment to National. Subs for the next financial year 2021/2022 must be paid to the National Treasurer by 30th June 2021 accompanied with a full list of members names etc, in categories of:- Retired (half subs), Life Members (no subs), Members (full subs). The list must equate to the value of the subs payment and must be adhered to.

All the branches were unanimously in agreement with this proposal and therefore it is decreed that this proposal is now carried.

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## Update on Keith Coffey

From Bob Nugent:-

Keith Coffey celebrated his 87th birthday recently. Our National Chairman, Malcolm Saddington, visited him but had to communicate through the window due to the current restrictions. Still no visitors allowed in his room. He has now been in the care home for two and a half years.

Keith has been a long serving member of CMPE and was the North West Branch Representative and was recently bestowed a “Life Member”.

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## Hillhead 2021

22-24 June 2021
Hillhead Quarry, Buxton, UK.
Quarrying

CMPE Stand C5

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# The John Laing Photographic Collection

Most of you know that I am an ex John Laing apprentice, later re-joining as Plant Foreman on a major construction Project. Before becoming Plant Manager for Bierrum. What most don't know is that my father and several uncles were with Laing and somehow i have always had an interest in that company.

Wherever you were working sooner or later a photographer would appear, photos of different sites, anything unusual, motor scrapers, concrete trains. These photos would appear in the company monthly publication " Team Spirit" alongside interviews with main board directors, tea ladies, apprentices, almost anybody.

10,000 photos have been published by Historic England. Some are very interesting, opencast coal sites, nuclear power stations, factories, housing airfield construction but you have to search them out.

I don't know if any of the big outfits still have in-house magazines, I remember Mitchell Construction "The Mixer" and Taywoods "Earth and Sky". If there are any others please let me know.

Bob Nugent.

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# Industry News

## Scottish Plant Owners Association warn the Treasury that the red diesel axe needs seven years to avoid havoc.

Ending the red diesel subsidy will have no short term environmental benefits and simply push up costs for anyone who hires construction machinery, the Scottish Plant Owners Association says.

In fact, by driving the industry to buy battery-powered machines before the market has matured sufficiently, it will destroy the residual value of diesel-powered fleets and rental prices could rise by 200%, the fleet owners warn.

Scottish Plant Owners Association (SPOA) president Mark Anderson has set out in detail the association's response to the Treasury's consultation ahead of the 1st October deadline.

Users of off-highway construction machinery currently pay tax of just 11.14 pence per litre on diesel instead of the standard tax rate of 57.95 pence per litre. (The subsidised diesel is dyed red purely to distinguish it from the standard rate fuel.) The Treasury is planning to scrap this rebate in April 2022.

The construction machinery hire industry in Scotland alone has a hire revenue turnover of £1bn a year, SPOA says, and spends £95m a year on red diesel.

Mark Anderson, managing director of GAP Group in Scotland, says: "The SPOA members like most companies involved in the construction sector make very slim margins – we would foresee 100% of the subsidy removal being passed on. Both our hire rates and fuel costs will increase. We will pass the increased cost directly onto our end customer whether private or government. They will notice the increased cost."

On behalf of SPOA's 260 member companies, Mark Anderson explains to the Treasury that the policy shift needs a seven-year lead in to have the desired effect rather than just two years.

"Typically hire companies run their equipment for between five and seven years, the very nature of our industry is we hire out used equipment, thus a two year period before the subsidy removal will not allow sufficient time to bring in alternative fuel machines," he says. "Furthermore OEM's will not be in a place to offer a wide enough range of machinery within this time period. There should be at least a seven-year time line put in place before removal of the subsidy – consideration should be made by the government to have the hire industry as one of the exempt industries like agriculture."

He explains: "Our members invest heavily in equipment and Tier 5 engines are already dramatically more efficient than those used in the car industry. A perverse environmental outcome is that our members are likely to continue to use older, more inefficient machinery for longer than otherwise expected (1) to mitigate the costs of the removal of the rebate and (2) because new investment for a shorter life cycle than seven years (assuming green alternatives become available) is not viable." He also warns that hire rates will have to got up by a factor of three if diesel power is pushed out.

"Alternative powered machines are typically three times as expensive as the diesel engine equivalents. We do not yet know the residual value of generation one alternative powered machines, typically the first generation of any product is lower than expected.

"Furthermore (1) the utilisation of alternative powered machines is and will not be as high as diesel machines due to the limitation of the technology and (2) if the rest of the world is still using diesel machines the residual value of alternative powered machines will reduce due to the limited market for re-sale.

"And we do know that the introduction of alternative powered machines and the removal of the red diesel subsidy will reduce the residual value of diesel machines. Thus, due to all the above points our hire rates for alternative powered machines will be over three times the current diesel rate.

"As the introduction of alternative powered machines and the removal of the red diesel subsidy will reduce the residual value of diesel machines, the government should consider a scrappage scheme for our industry to encourage the move to alternative powered machines".

The SPOA is also concerned that removing the distinction between red and white diesel could open the door to organised crime:

"White diesel is more attractive to steal than red diesel because the market is every user of diesel. To date, theft of red diesel has been more in the nature of pilfering. Theft of white diesel will be scaled up organised crime. There will need to be added security on construction sites to stop fuel theft if white diesel, without dye, is now the main fuel. This will be an added cost for the contractor who controls the site.

"The increased attraction of fuel theft also puts at risk the security of the equipment stored on the site. Our members can anticipate their insurance costs increasing. The increase in theft will also present a risk to human life as not all people stealing fuel will do this safely and the removal and transportation could lead to unintended consequences including environment spills and potential loss of life if removed or transported incorrectly."

Mark Anderson writes: "Our members are fully behind the aims of this subsidy removal to create lower carbon emissions. However, a clearly thought out timeline of seven years is required to allow the life cycle of our member machinery to end and our OEMs to have the necessary product in place."

# Vp makes redundancies.


Vp plc, the equipment rental specialist, has revealed a programme of closures and redundancies as part of Covid-related belt tightening.

Revenues across the Vp group are now running at circa 85% of pre-Covid levels and 100 of the 120 locations that were initially mothballed are now fully operational again, in response to customers returning to work.

“However, the re-alignment of capacity to better reflect current levels of demand has required us to merge or close 17 branches and regrettably make approximately 150 positions redundant across our various businesses, in the UK and internationally,” the company announced.

With 2,890 employees, according to the 2020 annual report, 150 redundancies represents about 5% of the total workforce.

Thanks to careful cash management, net debt has reduced to £118.7m, down from £159.7m six months ago at the end of March. “A sustained period of strong cost control, reduced capital expenditure and excellent working capital management has delivered this impressive net debt improvement,” the board said.

It added: “Markets are generally stable and infrastructure work, in particular, should be supportive as the likes of the AMP7, HS2 and Hinkley Point programmes start to gain momentum. We do however remain slightly cautious with regard to the short to medium term prospects as we await evidence of a recovery in confidence and the commencement of new projects. In addition we also remain conscious of the fact that the Covid pandemic is yet to be fully under control.”

The Vp group includes UK Forks, Groundforce, TPA, Brandon Hire Station, and Torrent Trackside, among other specialist equipment businesses.

# Bradleys makes Prinoth breakthrough with NTD sale.


Bradleys Construction has delivered four Prinoth Panther T14R tracked dumpers to National Tracked Dumper Hire (NTD).

The Panther T14R tracked rotating dump vehicle is marketed as offering the highest payload in its class, at 13.2 tonnes.

Bradleys has installed additional kit to improve the basic specification, including folding ladders, beacons, front and rear lights, GPS trackers, a 360o camera kit, cab roof guard, tow points and front bumper with toolbox.

This is the first major sale of the Prinoth dumpers since Wigan-based Bradleys took on the distribution last December.

NTD has already sent the new dumpers to work on an HS2 site in Birmingham.


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## Fox Brothers take over Clive Hurt Plant Hire.


Fox Brothers, the Blackpool-based aggregates haulier and earthworks contractor, has acquired Clive Hurt (Plant Hire) Limited.

The two Lancashire companies are a similar size and together will create a group with an annual turnover of close to £50m and 320 employees. They have a combined fleet of 150 wagons (70 from Fox, 80 from Clive Hurt) and 400 machines.

Fox Brothers and Clive Hurt Plant Hire will continue under their existing brands, and day-to-day operations will be carried out from their respective locations in Blackpool and Leyland.

Fox Brothers managing director Paul Fox said that the acquisition would be a springboard for future expansion and create opportunities to compete for larger projects.

The group management team will be led by Paul Fox as managing director, with Alan Fox (director), John Flood (group commercial and strategic director), Lee Stringer (commercial director) and Richard Hurt (operations manager). Clive Hurt will remain in the business.

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# Highway contractors urged to join passport scheme.


Highways England has put out the call for more roadworkers to register for its new passport scheme.

About 600 companies have signed up for the Highways England passport scheme since it was introduced in 2017 with a price of £29 per card. The scheme was relaunched with an upgrade to Version 5 on 1st August 2020.

Highways England wants more to sign up, especially those in the lower tiers of the supply chain.

The system is designed to monitor the workforce on highway projects, keeping track of credentials, training record, qualifications and right to work.

Reference Point provides the data – this is the same company behind the Construction Skills Certification Scheme (CSCS) card software. Mitie holds and manages all the data.

A revised ‘highways common induction’ is now being developed online and in 90 minutes covers the common risks faced when working on roads. Those who have completed this course then only need to focus on site specific safety briefings when they visit site. The induction has to be re-sat every three years.

Alongside this training, a passport smartcard, to be renewed annually, will be issued to the individual who will be able to carry around their training record, qualifications and competency details in their pocket wherever they work.

Delivery of the common induction training has been contracted to PowerPlus.

Highways England has avoided any tie-up with the Construction Skills Certification Scheme (CSCS) favoured by major contractors. Big contractors require all their site workers to have a CSCS card, which involved going through a health & safety test that is totally unconnected to the Highways England common induction process.

Highways England health and safety director Mark Byard said: “The Highways England passport scheme is all about ensuring consistency in training and competencies, making things more efficient and supporting our suppliers in the long-term.

“The passport itself, a simple smartcard, provides proof of competencies and demonstrates that the holder has completed the Highways Common Induction. We are encouraging all our suppliers to register for their passport.”

An organisation called the Supply Chain Safety Leadership Group (SCSLG) has been involved I the evolution of the scheme. Its chair Phil Clifton said: “The scheme and induction have been revised and improved following extensive consultation to make it easier to use and suitable for all companies. Getting through proof of concept and moving to full implementation has only been possible by the supply chain and Highways England working together with the primary objective to drive up standards for safety.

It takes all of us to create the environment for a positive safety culture and I encourage everyone to register for their passport."

WJ North operations director Nick Holt reckons it is worth it. He said: "I'm really pleased with the Highways England passport scheme in the simpler online format. As a mostly tier two contractor, our operatives regularly go to many different sites and before the passport they would attend a full induction at each, despite all being very similar. Whereas now, they've done the highways common induction, so they can just complete the shorter site-specific inductions before starting work, which is far more efficient. I believe this also enhances safety, as rather than losing concentration during a long induction they can focus on the specific issues they may face on certain sites."

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## Big house-builders investigated for diddling customers.

The Competition & Markets Authority (CMA) is investigating four of Britain's biggest builders over suspicions that they are cheating their customers.

Barratt Developments, Countryside Properties, Persimmon Homes and Taylor Wimpey are believed to have broken consumer protection law in relation to leasehold homes.

The CMA uncovered what it described as "troubling evidence" of potentially unfair terms concerning ground rents in leasehold contracts and potential mis-selling. Buyers may have been unfairly treated and misled by developers, it said.

The developers stand accused of various sharp practices, including being deliberately vague about ground rent, failing to explain what it is or that it is likely to rise, and of misleading customers on the cost of converting their leasehold to freehold ownership. The CMA found evidence that some home buyers were told that the freehold would cost only a small sum, but later down the line the price had increased by thousands of pounds with little or no warning.

Other dirty tricks used by the big house-builders include giving buyers 'unnecessarily short' deadlines to complete purchases and unfair contract terms on ground rents – in some cases doubling every 10 years. The CMA will also be investigating firms that bought freeholds from these developers and have continued to use the same unfair leasehold contract terms.

The CMA has written to Barratt, Countryside, Persimmon, and Taylor Wimpey outlining its concerns and requiring information. CMA chief executive Andrea Coscelli said: "It is unacceptable for housing developers to mislead or take advantage of homebuyers. That's why we've launched today's enforcement action.

"Everyone involved in selling leasehold homes should take note: if our investigation demonstrates that there has been mis-selling or unfair contract terms, these will not be tolerated."

Alongside its enforcement action, the CMA is also sending letters to a number of other developers, encouraging them to review their practices to make sure they are treating consumers fairly and complying with the law.

In response, Barratt Developments said that it was "committed to putting its customers first" and would cooperate with the CMA investigation. Taylor Wimpey said: "The board takes this very seriously and Taylor Wimpey will continue to fully cooperate with the CMA."

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# Former B&Q chief backs square-hole drill.


The inventors of the world's first drill for square holes have secured the backing of the former boss of leading retailer B&Q.

Jim Hodkinson, former chief executive of B&Q in the late 1990s, has become a major investor and the first chairman of London-based start-up Genius IP, which makes the Quadsaw.

Jim Hodkinson's appointment follows the completion of the company's latest angel funding round, which increases the multi-million pound investments in the start-up. The latest seven-figure round was helped by the UK government's enhanced enterprise investment scheme (EIS), which has encouraged individuals to invest funds at a level that was previously only reserved for venture capital firms.

Manufactured in the UK, Quadsaw is an attachment to a power drill that uses patented technology to convert rotary motion into linear motion in four planes at once, enabling users to cut square holes. According to the manufacturer, it is very precise and creates minimal dust.

The Quadsaw is primarily aimed at electricians cutting holes for electrical sockets.

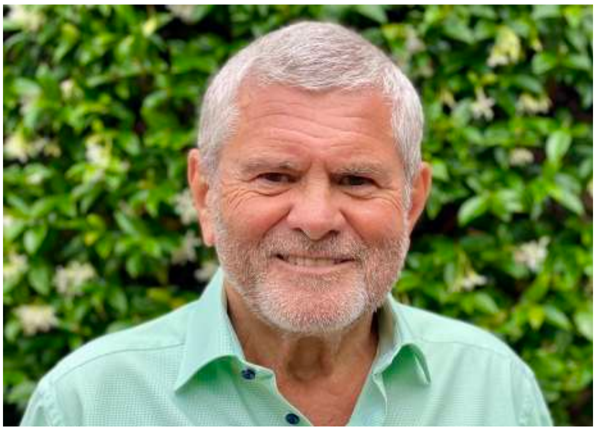
As well as his roles at B&Q and parent company Kingfisher, Jim Hodkinson was previously chief executive of fashion chain New Look and chairman of Wyevale Garden Centres. He is currently chairman of Furniture Village.

He said: "Quadsaw is the most exciting new product to arrive on the tools market for many years and it has the potential to be used worldwide. Wherever a square hole is needed Quadsaw will be there and I'm looking forward to helping the company achieve this global expansion."

Ean Brown, chief executive of Quadsaw creator Genius IP, said: "We are delighted to have someone with Jim's knowledge and experience to help steer the ship as we enter international waters. While 2020 started with sales momentum, when Covid-19 hit, the company was hurt much like most businesses in the world. But we used the time to recruit new engineers, invest in infrastructure for growth, including a design update of the Quadsaw and a bigger production facility.

"We are glad to say that we're now ready to meet global demand and the new design will be able to cut sockets to electrical standards in different markets that were not possible before."

The new design enables the user more flexibility to change the position of the blades to account for different-sized square and rectangular holes.



*Above* - Jim Hodkinson

# Covid has infected insurance policies, warns claims consultant.

Construction companies may have changed their way of operating so much due to Covid-19 that it may invalidate their insurance policy, it is being suggested.

Mactavish, a firm that specialises in resolving insurance claims, says that April's coronavirus lockdown has added further distress to the already frazzled construction insurance market. As well as rising premiums, it warns construction companies to expect considerable erosion in the quality and extent of the insurance cover they buy.

It also says that some construction firms have made dramatic changes to their operations in response to Covid-19, which has altered their risk profiles, and this could mean current insurance policies may not pay out in the event of a claim. The second major risk, which, is almost unique to the construction sector, is that new insurance coverage restrictions can suddenly place firms in breach of commercial contracts that form the basis of existing projects.

Mactavish chief executive Bruce Hepburn said: "Some of these problems are also affecting other sectors, but there are two factors that make them particularly challenging for construction companies. The first is the difficulties posed to the sector by the end of lockdown and return to work, which are far from straightforward on active construction sites. The second is the way in which commercial contracts create a complex web of liabilities and obligations across contractors, sub-contractors and other elements of the supply chain."

The problems faced by the construction industry in the professional indemnity (PI) market have been well documented, but other types of insurance are also affected. Construction all risks (CAR) insurance, for example, has seen increasing restrictions in cover and a doubling premium rates over the past 24 months.

Meanwhile, insurers' economic losses following the Covid-19 pandemic, estimated to top £150bn, will only lead to further coverage erosion in the guise of new exclusions, higher deductibles, lower limits and more disputed claims, Mactavish says.

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# CPA voices concerns over post-coronavirus recovery plan.

COVID-19 still leaves uncertainty for construction industry despite Government promise to 'build, build, build'

THE full impact of coronavirus pandemic on the UK economy is expected to spell uncertainty for the construction industry, according to the Construction Products Association's (CPA) latest forecasting, despite the Government putting the industry at the front and centre of its recovery plans.

Potential structural changes to the UK economy brought on by the pandemic, as well as uncertainty around consumer confidence and unemployment rates, could prove significant to construction activity returning to pre-COVID growth rates.


Despite activity on site returning slightly quicker than initially expected post-lockdown, the CPA still anticipates construction output in 2020 to fall by 20.6%, with the worst affected sectors including private housing (–33%) and commercial (–29%).

The CPA report – Summer Scenarios – which was published earlier this week, points out that returns to construction sites from mid-May were largely due to drive completions on existing projects and pent-up demand for refurbishments that could not take place during the restrictions. The publication, however, points out that uncertainty still remains around longer-term demand and future new orders given the state of the wider economy.

For housing projects, completions have been prioritised since the easing of lockdown due to the first phase of construction for ‘Help to Buy’ requiring completion by 31 December, and a stamp duty holiday announced by Government. Long-term confidence for new developments, however, seems fragile with the prospect for rising unemployment and signs that lender appetite is worsening.

Consumer confidence is equally impacting the commercial sector, which is also grappling with larger structural shifts towards e-commerce, accelerated by the coronavirus shutdown of non-essential retail, as well as the potential shift towards working from home, reducing the demand for city centre office developments and diverting retail spending further away from high streets to online.

According to the CPA, these larger shifts in the UK economy are crucial to the construction industry’s fortunes, claiming that the £5 billion ‘New Deal’ of construction investment announced under the Government slogan ‘build, build, build’, was largely a reannouncement of existing budgets.

As such, the ‘New Deal’ will have little impact on boosting construction activity beyond what was already expected. While measures in the Chancellor’s recent Summer Statement could potentially have a significant impact on construction, the extent of this is still unclear given the lack of new funding and a lack of clear strategy on the implementation of the £2 billion ‘Green Homes Grant’ scheme.

The CPA’s economics director, Noble Francis, commented: ‘There still remains a significant number of long term uncertainties for the UK economy, including: unemployment rates as furlough comes to an end; the uptake of homeworking; the potential of a second wave of infection; and, of course, the end of the Brexit implementation period in December.

‘While government plans for a £2 billion Green Homes Grant is welcomed news for the industry, the key will be in the delivery of this policy, ensuring it provides long-term, patient finance rather than being spent quickly and thoughtlessly.

‘While next year we anticipate construction output rising 18.0% overall, it is worth noting that this is compared with a low base of activity in 2020 and will still be 6.4% lower than pre-coronavirus levels. The delivery of major infrastructure projects will be crucial to growth in 2021, with activity on site less affected by social distancing and major projects like HS2 driving significant growth for the sector.’


Aberdeen
Glasgow
North East
Preston & Fylde
Yorkshire
Manchester
Midshires
Staffs & Midlands
Wessex
Hampshire
Sussex

# Contractors Mechanical Plant Engineers


### Acting National Chairman

Malcolm Saddington - malcsaddington@uwclub.net

Tel: 01257 252132

### National Secretary

John Robinson - johnr@cmpe.co.uk

Tel: 07974 357844

### Newsletter Editor

David Nicholson - cmpepreston@gmail.com

Tel: 07903 848200


CMPE Website: www.cmpe.co.uk