

**69th Annual Report & Accounts of the  
Council 2008/2009**

**For the year ended 30th June 2009**

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## President's Appraisal

As your President I am pleased to give my appraisal for the year ended 30th June 2009. This is now my third year as President after five years as your Chairman.

I wish to take this opportunity to thank Bob Collins, the CPA Chairman, who has been heavily involved during the year with some of the key issues. I also wish to thank the CPA Council for their support during this difficult year for our Members.

Colin Wood, our Chief Executive, ably supported by his conscientious staff, continues to drive the Association forward. The CPA is acknowledged as being the lead Plant Association in the UK. In January 2009, Colin was elected as the first Chairman of the new Strategic Forum Plant Safety Group. This body was created to help improve plant safety across the Construction Industry. The group includes senior members of the Health and Safety Executive together with representatives from all sectors of the industry. The group has worked on issues including the setting up of a Tower Crane Register to monitor tower cranes. It has also dealt with competence issues regarding the erection and dismantling of tower cranes.

Over the last two years there have been five fatalities involving quick hitches. The group has set up sub groups to review the issues and pull together all of the best practice. This has involved the manufacturers of the quick hitches. The groups will report on their findings in Autumn 2009. A more detailed report on the activities of the Strategic Forum Plant Safety Group can be found in this annual report.

This has been a difficult year for our membership, and for the first time in over eight years, our membership has declined, albeit by less than 1%. Our membership still stood at a very healthy 1556 at the 30th June 2009, our year end.

During the year we have provided new Member support helplines. One is the Business Support and Cash flow support line, provided by F.A.Simms, and the other is provided by Abbey Legal Protection and covers issues including Tax, VAT, Human Resources and Contractual issues.

The small tool and equipment leaflets were completely revised during the year and 105 leaflets are now available on a CD Rom.

CPA had a stand at the Executive Hire Show at Coventry in February and the SED exhibition, in May, at Rockingham Speedway, Nr Corby. We had several new Members join as a result of seeing us at the shows. As a sign of the times, the Hillhead Show was postponed for a year.

The CPA continues to represent their Members on two European associations. The CPA is the leading plant rental association in Europe and Colin Wood is currently Vice President, and Treasurer of the European Rental Association (ERA). The main aim of the ERA is to promote the rental concept throughout the European Union.

The CPA is represented on various committees, namely EU Affairs (which our Kevin Minton chairs), Consumer Rental Conditions, and the Plant Theft committee. The second European Association is ESTA which represents the Mobile Crane and Heavy Transport companies throughout Europe. The CPA, through its Crane Interest Group contributes regularly to this association.

The CPA continues to have an excellent working relationship with ConstructionSkills, formerly CITB. They work closely with our Special Interest Groups supporting on training and grant and levy matters and give financial aid to support our safety publications. They also administer the CPCS scheme which is managed by our industry. CPA has the current Chairman (Trevor Gamble) and four other representatives of CPA on the CPCS Management Committee. CPCS has undergone a major review in an attempt to streamline and improve the efficiency of the scheme. I wish to thank Trevor Gamble for all of his hard work and patience in the revamping of the scheme. I would also like to thank all of our other CPA Members, who represent us on various committees, for their commitment and hard work.

Once again the CPA Special Interest Groups have had another busy year. The Tower Crane Interest Group (TCIG) has continued to work closely with the HSE and the Strategic Forum to compile Best Practice for the Tower Crane Industry. TCIG have completed a Best Practice Guide for the Maintenance, Inspection and Thorough Examination of Tower Cranes, which was launched at SED this year. They have also completed and distributed the Tower Crane Operators Safety Guide.

This vital work continues to take time and money and we are grateful to the Members who give their time and support. I would like to thank the Chairmen and all of the members of the Special Interest Groups for their help and expertise. We list below the publications produced by the CPA and their Special Interest Groups.

**Publications - (with CPA involvement) (Year ending 30 June 2009)**

- CHIG - Safety Guidance on Work at Height on Construction Hoists
- CIG - Best Practice Guide for Crane Hire and Contract Lifting
- Guidance on Lifting Operation in Construction when Using Excavators
- Warning on the Dangers of Lifting of Persons Using Hydraulic Excavators
- CPA Safety Leaflets (105)
- Technical Information Notes (1 - 27)

**Future Publications - (with CPA involvement) (From 1 July 2009)**

- CHIG - Best Practice Guide for the Inspection, Maintenance and Thorough Examination of Construction Hoists
- CHIG - Best Practice Guide Safeguarding Requirements for Landing Gates of Goods only Construction Hoists
- CPA - Best Practice Guide on the Safe Use of Lorry Loaders
- CPA - Draft of a New British Standard for the Safe Use of Lorry Loaders BS 7121 Pt 4
- CIG - Best Practice Guide for the Inspection, Maintenance and Thorough Examination of Mobile Cranes
- TCIG, CHIG, CIG, PAIG and RPA - Safety Guidance on Work at Height when Unloading/Loading Transport

- TCIG - Best Practice Guide for the Safe Climbing of Tower Cranes
- Technical Information Notes (28 - 30)

### **Completed Training and Assessment Standards**

- Depot Managers Training Course

### **Future Training and Assessment Standards**

- BCPG - Concrete Pump Placing Booms CPCS category

### **The Rail Plant Association Limited (RPA)**

The RPA is a self governing body within the CPA.

Ron Wells of Balfour Beatty Rail Plant Services Ltd took over as Chairman in February. I wish to thank Magnus Mildwater for his excellent chairmanship during the previous year.

Following the AGM in February it is clear that the challenges to the industry have become greater. The Sentinel competency scheme will seriously increase costs despite the fact that a cost benefit analysis was not carried out. The recent changes imposed on plant engineering acceptance and future plans to update RIS 1530 will also increase the costs for our rail plant members. More recently, Network Rail have become involved in the design of Road Rail Plant and have suggested that there may only be a few manufacturers/converters approved for providing plant for use on the rail infrastructure.

The RPA continues to do all it can to ensure that the safety of the industry remains at the top of our agenda but at the same time attempting to avoid our Members incurring unnecessary costs.

### **Accounts**

Later in this report you will find full details of the Association's financial performance.

Despite a slight fall in membership, the Association remains financially strong. The next year may well be even more difficult for our Members than the last. More difficult decisions will have to be taken. Please use the services of the CPA we are here to help and support our Members during these difficult times.

Once again may I thank our Members for their continued support during the year.

**DANNY GRIFFIN - President**

# **Report on Legal Issues, Taxation & Insurance and Industrial Relations**

## **LEGAL ISSUES**

### **Adjudication**

In the last year, there have been only three occasions where a Member has requested the CPA to appoint an adjudicator to resolve a dispute with a customer. This confirms that the CPA Model Conditions continue to clearly define the obligations and responsibilities of both parties. However, some disputes do go straight to court.

### **Legal Advice**

The CPA continues to advise and assist the Membership on their day-to-day issues predominately on: Employment Issues, Road Transport matters, Contractual - particularly the Model Conditions together with the other CPA conditions, Insurance and Taxation matters.

From the 1st February 2009, the CPA changed Helpline providers - from Croner to Abbey Legal Protection - where Members can now receive 24-hours a day assistance and advice.

### **Driver Certificate of Professional Competence (DCPC)**

Members were informed of four important points when looking at arranging DCPC periodic training.

- Employees who only drive mobile cranes, mobile concrete pumps or truck-mounted access platforms will not need to complete DCPC training, as these vehicles are not classed as a "HGV/LGV". Although the vehicles can carry equipment which will facilitate the completion of the contracted operation, this does not qualify them as a "HGV/LGV". This position was confirmed to the CPA by VOSA.
- For existing goods vehicle drivers, any periodic training delivered before the 10th September 2009 will not count towards the 35 hours of total training needed to be completed by September 2014. Periodic training must be delivered within a fixed five-year period, which for LGV drivers does not start until the 10th September 2009.
- There is no direct public funding available for Driver CPC periodic training. It may be possible for some training undertaken to achieve a National Vocational Qualification (NVQ) to double-up as DCPC periodic training - provided the course meets the criteria to be approved by the Joint Approvals Unit for Periodic Training (JAUPT) and is delivered by an approved training provider (known as the 'centre'). In some cases it may be possible to obtain funding for NVQs, but it should be remembered that an NVQ is a very different type of qualification to the DCPC. Gaining an NVQ requires the driver to reach a certain standard and this can take time in preparation and assessments. This commitment should be fully understood before a driver embarks on this type of qualification.
- Ensure that any periodic training undertaken (after the 10th September 2009) is approved and the training centre is approved to deliver that particular course.

This can be checked by visiting [www.drivercpc-periodictraining.org/approved-centres-courses](http://www.drivercpc-periodictraining.org/approved-centres-courses)

Further information on the Driver CPC can be found in the FTA's compliance guide, which can be downloaded at <http://www.fta.co.uk/information/driver-cpc/>.

## **TAXATION AND INSURANCE**

### **Travelling and Subsistence Allowance**

Members were informed of the latest increases to the Subsistence Allowance agreed by HM Revenue and Customs. Employees who are away from home overnight would receive a maximum tax-free allowance of £30.61 per night outside the M25, and £36.75 per night inside the M25. These amounts are the maximum an employee may receive tax-free without the employee providing a receipt to their employer.

The mileage allowance remains unchanged, with a maximum tax-free limit of 40p per mile for the first 10,000 miles and 25p per mile after that.

Details of the Travelling and Subsistence tax-free amounts were distributed to the Membership in February of this year. Information is available from the CPA office or website.

## **INDUSTRIAL RELATIONS**

### **Employee's entitlement to Holiday Pay during Sick Leave**

The House of Lords has handed down its long-awaited judgment dealing with entitlement to paid statutory holiday during sick leave. As well as holding that workers continue to accrue and can take paid statutory holiday during sick leave, it has held that sick workers who are deprived of their rights can pursue a claim for an unauthorised deduction from wages.

A case arose where some employees were dismissed after being on long term sick leave throughout the whole of the leave year. They brought employment tribunal claims arguing that they were entitled to be paid in lieu of untaken holiday which accrued during that leave year. The claims were brought both under the Working Time Regulations 1998 ("WTR") and as claims for an unauthorised deduction from wages under the Employment Rights Act 1996.

The employment tribunal upheld their claims, finding that the employees were all entitled to payment in lieu of untaken holiday on the termination of their employment and that the employer's failure to pay holiday pay amounted to an unauthorised deduction from wages.

The case eventually ended up in the House of Lords who referred a number of issues to the European Court of Justice (ECJ) which held that:

- workers on sick leave are entitled to paid statutory holiday;
- workers on sick leave are entitled to payment in lieu of any untaken holiday on termination of their employment;
- where sick workers cannot take their statutory holiday entitlement in any given year because they are on sick leave, the right to annual leave is not extinguished and must be carried over to another year and provided at a later date; and

- European law does not prohibit a worker from taking holiday during a period which would otherwise be sick leave.

The House of Lords has now handed down its judgment. As the parties to the original claims agreed on certain issues, the House of Lords disappointingly did not consider some key points on which employers were hoping for clarification following the ECJ judgment. However, in a judgment which could have serious implications for employers, the House of Lords did rule that claims in respect of an employer's failure to pay statutory holiday can be brought as a claim for an unauthorised deduction from wages - workers are not limited to bringing a claim under the WTR as the Court of Appeal had held.

This is significant because claims under the WTR have to be brought within three months of the date on which the payment should have been made. The time limit provisions for unauthorised deductions from wages claims are more generous - where there is a "series of deductions", the claim need only be brought within three months of the last deduction in the series.

As a result of the ECJ and House of Lords judgments:

- Employers should allow workers on long term sick leave to designate and take their statutory holiday leave before the expiry of each leave year. Workers should be paid in respect of leave taken at their normal rate of pay. Employers should consider amending their contracts and policies to make it clear that paid statutory holiday can be taken during periods of sick leave.
- Regrettably the House of Lords did not address the issue of the conflict between the provisions of the WTR (which require leave to be taken in the year in which it accrues), and the ECJ's ruling that sick workers who cannot take their statutory holiday in any given year must be allowed to carry it over to another year and take it at a later date. However, as the WTR states that holiday cannot be carried over from one year to the next, arguably workers who do not take their holiday if they are sick will lose it.
- Where employment is terminated part way through a leave year, employers should pay workers in lieu of any untaken statutory entitlement at their normal rate of pay.
- Workers can bring claims both in respect of holiday pay and in respect of pay in lieu of untaken holiday on termination of employment as an unauthorised deduction from wages. This means that those workers who are currently on long term sick and not being paid for holiday could bring a claim for holiday pay whilst they remain on sick leave in respect of the holiday which has accrued during the whole period of their sick leave to date. However, this will generally only be possible if the worker has given notice to take leave in each leave year but has not been paid for it.
- It also might be possible on the basis of previous case law for a worker on termination to make a claim in respect of both the current and previous years' unpaid statutory holiday even if the worker has never taken the leave because the employer made it clear that he could not do so. This is a grey area which was not addressed by the House of Lords and so is ripe for future litigation.

## **Length of service as one part of the redundancy selection criteria is not unlawful age discrimination**

In *Rolls Royce plc v Unite the Union*, the Court of Appeal has held that the inclusion of a length of service criterion in a redundancy selection policy constituted a proportionate means of achieving a legitimate aim and hence did not amount to unlawful age discrimination. The Court of Appeal also gave the provisional (obiter) view that the use of length of service as a criterion could be considered a 'benefit' under Regulation 32 of the Employment Equality (Age) Regulations 2006.

In this case, the employer and the union entered into collective agreements relating to redundancy for two groups of employees. Both agreements provided that redundancy selection would involve a points scoring system under which employees were assessed in various categories. Each employee was also to receive one point per year of continuous employment. A dispute arose over whether this length of service criterion complied with the Employment Equality (Age) Regulations 2006 so the parties asked the High Court to decide the matter. The High Court held that, while the criterion was age discriminatory, it was objectively justified. The collective agreements were designed to enable any redundancies to be carried out fairly and peaceably and this was a legitimate aim. In any event, the agreements fell within the exemption provided by Regulation 32, which exempts certain benefits based on length of service from the general prohibition on age discrimination. Allocating points for long service in a redundancy selection procedure may mean workers keep their jobs, which could properly be described as a benefit.

The Court of Appeal has now dismissed the employer's appeal and upheld the High Court's decision. In a majority judgment, the Court held that the legitimate aim was to reward loyalty and create a stable workforce in the context of a fair redundancy selection process. It was proportionate to use length of service as a criterion because it was just one of many criteria used and was not determinative of the selection and thus was consistent with principles of fairness.

This case therefore confirms that although using length of service as a criterion is potentially unlawful age discrimination, it can be justified where it is one of a substantial number of other criteria and is not necessarily a determinative factor. However, where 'last in, first out' is used in a redundancy process so that length of service is the only selection criterion, this may not be a proportionate means of achieving a legitimate aim and thus may not be lawful.

## **Minimum Holiday Entitlement**

From the 1st April 2009, a worker's minimum holiday entitlement under the Working Time Regulations increased from 24 days to 28 days including Bank and Public holidays.

This holiday entitlement is based on the employee working a 5-day week.

This increase will need to be incorporated on a pro-rata basis into the remainder of the employee's annual holiday period.

## **Changes to the Disciplinary and Grievance Procedure**

From the 6th April 2009, the Government implemented a new Code of Practice regarding disciplining employees and handling employee's grievances. This new code is called the ACAS Code on Disciplinary and Grievance Procedures and a copy may be found on the ACAS or Department of Business Innovation and Skills (BIS) (formerly BERR / DTI) websites.

The key points are:

- There will no longer be an obligation to follow a mandatory dispute resolution procedure. This means that a dismissal will not be automatically unfair where there has been a failure to do so.
- The unfair dismissal test will revert to the position pre-2004.
- The Code sets down minimum standards for dealing with disciplinary and grievance issues and so still mirrors the statutory procedures in many respects. Employers with greater resources will be expected to meet higher standards when conducting disciplinary and grievances procedures.
- The Code and guidance are not legally binding, so a failure to follow them will not have legal sanctions. However, if a tribunal considers that an employer or employee has unreasonably failed to follow the Code, it may adjust the compensation awarded by up to 25% if it is just and equitable to do so.
- Employees will not have to bring a grievance before submitting a tribunal claim.
- The complex time limits and extensions will be removed; and will now revert back to the pre-2004 position - the normal three month period, in most cases.
- Parties are urged to resolve disputes informally and consider mediation.

### How the Code will impact on disciplinary procedures and grievances

Overall, the new regime should not have significant implications for employers in terms of how they handle workplace dispute issues. The Code essentially retains the three step process found in the current statutory procedures. However, the current position will differ as follows:

- The Code does not apply to redundancy dismissals, the non-renewal of fixed term contracts, collective grievances or, arguably, ill health capability dismissals (these will still be covered by unfair dismissal laws and other existing relevant legislation).
- Disciplinary warnings will now be covered, so employers should allow an appeal against a warning (as well as against a dismissal).
- An Employment Tribunal may vary any settlement awarded by up to 25% if either the Employer or Employee has unreasonably failed to comply with the Code.

- Employers must consider if it is appropriate for an employee to be provided with copies of written evidence, including witness statements, prior to a disciplinary meeting.
- There is an obligation on employers (previously it was just good practice) to advise employees of their right to be accompanied by either a Trades Union representative or a works colleague.
- Employees must be given a "reasonable opportunity" to call witnesses at a disciplinary hearing.
- Employers can proceed with a disciplinary hearing in the employee's absence where an employee has been persistently "unable or unwilling to attend without good cause."
- There is no equivalent to the statutory modified procedure but the Code includes an obligation to follow a fair procedure before dismissing an employee for gross misconduct.
- An employee no longer needs to raise a grievance before bringing a claim to an Employment Tribunal; but the Code states an employee should initially exhaust the Company's grievance procedure. The employer must treat any written complaint (from the employee or their representatives) that identifies a potential Employment Tribunal claim as triggering the Grievance procedure; this is regardless whether the word "grievance" is used or whether it complies with any contractual grievance procedure and regardless of the employee's intentions.
- Employers may no longer be under an obligation to hear grievances from ex-employees (although it may be sensible to investigate if it is likely that they may bring tribunal proceedings).
- Overlapping grievance and disciplinary issues that proved difficult to deal with under the statutory procedures will be replaced with a less complex system.
- Employees should be involved in the development of rules and procedures (although rules do not need to be 'agreed' with employees). So where an employer is proposing to amend its current disciplinary and grievance procedures; consideration should be given to whether to consult with employees and, if appropriate, their representatives.

### **Transition period**

Although the statutory procedure was repealed with effect from the 6th April 2009, there will be a transition period during which they will work in parallel with the new Code regime.

The Statutory Disciplinary and Dismissal Procedures will continue to apply even after the 6th April 2009 if, on or before the 5th April 2009 the employer has:

- dismissed the employee;
- taken relevant disciplinary action against the employee; or
- complied with Steps 1 or 2 of the standard procedure, or Step 1 of the modified procedure.

As to the **Statutory Grievance Procedures:**

- These will continue to apply even after the 6th April 2009 where the date of the whole action about which the employee complains took place before the 6th April 2009;
- If the action forming the basis of the grievance continued beyond the 6th April 2009, the statutory grievance procedures will still apply, provided that the employee presents a complaint to a tribunal in relation to that grievance on or before the 4th July 2009, or, in the case of an equal pay or redundancy claim, 4th October 2009.

### **Extending Flexible Working**

With effect from the 6th April 2009, employees who have children aged 16 and under, (18 or under, if the child is disabled) have the right to request a change to their working patterns. Previously this right covered children up to the age of 6, (18 or under if the child is disabled).

Although employees have the right to request a change to their working patterns, this does not give the employee an automatic right to have their working patterns altered.

If the employer decides to reject the employee's request, then the employer must give the employee a written explanation for this decision.

### **Working Time Directive Opt-out**

Earlier this year, there was uncertainty whether the Opt-out would continue after the European Parliament voted to scrap it in December 2008, despite opposition from the European Council.

This disagreement on the future of the Opt-out between the European Parliament and the European Council resulted in an impasse on the 28th April - the last possible date any agreement on the future of the opt-out could be reached. This means that the European Commission will have to issue a new legislative proposal regarding the future of the Opt-out.

The timeframe that this new proposal will take is unclear, but the CPA will update you on any further developments when they occur.

### **Age Discrimination and Retirement**

In early March, the European Court of Justice (ECJ) reached its decision in a case brought by the National Council on Ageing (known as Heyday) to challenge the legality of the UK's compulsory retirement age.

The ECJ found that the provisions of the Employment Equality (Age) Regulations 2006 allow compulsory retirement of workers at the age of 65, and that it falls within the scope of the Equal Treatment Framework Directive.

The case will now be remitted to the High Court, who must decide whether the Government's decision was justified to impose a mandatory retirement age of 65.

The Government will now have to produce compelling evidence and statistics on the justification to set a mandatory retirement age in order to satisfy the high burden of proof required by the Directive.

Heyday's advice to employees who have been forced to retire against their wishes is to lodge a claim with the Employment Tribunal in order to comply with the three month time limit and their claim will be stayed pending the High Court's decision.

If the High Court finds that it is unlawful to enforce retirement at 65, it is unlikely that aggrieved employees will be able to bring claims retrospectively if they have already missed the deadline. This will put employers in a difficult position.

The law as it now stands allows an employer to retire an employee at 65 provided that the retirement procedure is followed.

Members are reminded that they must give a minimum of six month's written notice to the employee before the employee's actual retirement date.

## **The Rail Plant Association Ltd**

The times they are a changing, and never has it been more so than now and in the coming year.

Yes, a whole host of changes that all our members have to deal with, these include the migration of RRV operator competence from CPCS to Sentinel, changes to machine compliance to satisfy RIS-1530-PLT issue 2, Network Rail's specification for a Road/Rail Excavator Crane and following all this a tender document that is challenging to say the least. For those that have received the Network Rail tender documents for RRV's, it is clear that the supply of specialist plant and equipment to the railway continues to be a highly regulated and competitive market.

The CPA Model Terms and Conditions that we have embraced over the years are still the cornerstone of our normal business but the Network Rail tender conditions are far more onerous and if not fully understood by our individual members they will have serious consequences for our members.

As reported last year, the on going pressure on costs is immense. The contractors answering to Network Rail requirements are leaning on the plant hirers to drive prices downwards; and yet the price of new machines is on the increase, that is if our members have the confidence in the future to raise orders for new machines. Our margins are getting smaller and consequently the structure of the sector is changing. We have seen some of our member companies go into receivership and some have simply sold their rail plant assets. The safety protocols for working on the railway have become more bureaucratic and expensive to comply with, yet the safety performance of the plant has not risen. In fact, as an industry we have suffered some fatalities and horrendous incidents. As a general principle these have occurred where the interface between man and machine has been abused, often through mismanagement of the equipment.

It was a great disappointment to all the RPA management committee that the RPA Show had to be cancelled due to a change in ownership of the right of access to the show ground.

Despite all of the above, the RPA continues to be recognised as a driving force within the Rail sector. Our expertise is respected and continues to be regularly called upon to work with and solve problems that face Network Rail and its army of specialist contractors every day. For this reason we must continue! We as the RPA may be shrinking slightly in the number of members, but this means the remaining members must do more. We must strive to eliminate infringements of safety that can be deadly, and yet still remain the most productive answer to the railway's engineering requirements.

**RON WELLS - RPA Chairman**

# Report on Special Interest Groups

## Introduction

The objective of the Special Interest Groups (SIGs) is to create a forum for specialist plant and tool hire companies who have different needs to that of general plant hire. The Association ensures that the work of these Groups aligns with the generic objectives of the CPA. The Groups discuss and work towards overcoming common problems peculiar to their specialist fields of hire and to raise the awareness of the CPA staff to those problems.

Each Group operates through a Steering Committee that meets regularly and holds Open Meetings for all members within the Groups to attend, at which the Steering Committees report on the progress of projects and receive directions and ideas for future work.

The value of the Special Interest Groups is their flexibility and responsiveness in being able to deal with specific issues relative to current business affairs.

## British Concrete Pumping Group (BCPG)

David Pochin of Pochin Concrete Pumps in Middlewich continues as Chairman of BCPG. BCPG has held one Steering Committee meeting during the year as there have been no major issues which have caused concern during the period.

In 2004 Pochin Concrete Pumping were involved in an incident where a worker was fatally injured when a hose kicked back. The Chairman informed the members of the outcome of the court case. Pochin were successfully prosecuted for the incident along with their customer. He requested that all companies should work together to make the industry safer. Manufacturers have been working with the BCPG to produce a new improved type of end hose which will be available by the end of 2009.

The Chairman advised the Group that they should ensure their in-house procedures are up to date in light of his company's experience.

## British Road Sweepers Group (BRSG)

No issues have affected this Special Interest Group during the year and therefore there has been no activity.

## Crane Interest Group (CIG)

The Crane Interest Group had another busy year under the enthusiastic chairmanship of Bill Frost of Bronzeshield Lifting. The HSE asked CPA to review their Best Practice Guide for Crane Hire and Contract Lifting to further encourage our customers to ensure the competence of their personnel when carrying out crane hire jobs. This will be completed in the autumn and Hire Desk Training will in due course be carried out throughout the country.

Work was also begun on the revision of BS 7121 Part 4, The Safe Use of Lorry Loaders. The previous standard is well out of date and the technological advances of these types of vehicles means that the standard needs to be upgraded. We are also working on a parallel Best Practice Guide on the same subject.

A working group has been formed to draft a Best Practice Guide on the Maintenance Inspection and Thorough Examination of Mobile Cranes. One of the key areas of review is the regular need for a four yearly test. There are a number of problems with overload testing. Some manufacturers discourage overload testing as the test may not show fatigue cracks and repeat applications may cause deterioration of the crane. In addition, testing is expensive and can be hazardous. This Best Practice Guide will be ultimately endorsed by the HSE who are involved on the working group.

There has been considerable concern that mobile and crawler cranes (as well as other plant) would be forced to fit Diesel Particulate Filters (DPFs) on certain designated high profile sites in London. This includes the Olympic Park. For over four years now the CPA have been battling against this requirement and demanding that a cost benefit analysis be carried out. We are pleased to report that the Olympic Delivery Authority (ODA) have taken our point on board and have refused to implement the requirement until a full study, taking about twelve months, has been carried out. They also confirm that should it be decided that it is cost effective to fit these DPFs then any costs involved will be picked up by the client not the plant rental companies.

### **Construction Hoist Interest Group (CHIG)**

Gordon Gedling of Hoist-It-Ltd based in Wigan continues as Chairman of CHIG and maintains his enthusiastic leadership of this Special Interest Group. CHIG has held one Steering Committee meeting and one Open Meeting during the last year.

Work at Height is a concern to the Hoist Group and they have been actively involved in attending Working Group meetings to produce Best Practice Guidance to minimise the risk when Unloading/Loading of Transport.

They have also had concerns on working at height regarding erecting, alteration, maintenance and dismantling and have set up a Working Group to address the issue. The aim of the Working Group was to compile Best Practice Guidance on Rescue/Work at Height on Construction Hoists. The Guidance has been completed and was launched in June during the Vertikal Days show at Haydock Park. It is available as a free download from the CPA website ([www.cpa.uk.net](http://www.cpa.uk.net)).

Some members of CHIG have encountered problems regarding hoists being secured to scaffolding. Representatives from CHIG met with the National Technical Committee (TG20) of the National Access and Scaffolding Confederation (NASC). TG20 agreed to review the contents on tying hoists to scaffold in their Guide to Good Practice for Scaffolding. Correspondence was received from NASC which clarified the contents of the guide and the concerns of CHIG. CHIG are not totally in agreement with the outcome, but it does make the issue of the tying of hoist to scaffold more clear.

### **Powered Access Interest Group (PAIG)**

The Powered Access Interest group, which is a joint Group with both CPA and IPAF members, has met regularly over the past year under the Chairmanship of Peter Jones.

The Steering Committee places maintenance and servicing problems as a regular item on their agenda. Representatives from both IPAF and PAIG have regularly attended meetings

with the Manufacturers Technical Committee (MTC) during the past year. Those representatives have been able to discuss the problems that relate directly to the Owner's equipment which has been welcomed by the manufacturers.

Overhead crushing of operators has been and still is a major concern to all MEWP rental companies and indeed the HSE. In the light of previous incidents Manufacturers, Contractors and rental companies have been looking at ways of preventing the overhead crushing of operators. Several devices have been trialled by some leading manufacturers but no single solution has been forthcoming. Training is an area that needs to be updated with specific reference to the proximity of overhead structures. A Best Practice Guide with HSE support and endorsement may be one way of highlighting the issues.

The HSE have asked the Strategic Forum Plant Safety Group, chaired by Colin Wood (the CPA Chief Executive) to pull together the various initiatives being worked on relating to this subject.

The Group and Industry also has concerns about the number of incidents of drivers falling from the back of vehicles when loading/unloading plant. IPAF has produced a training course for the loading/unloading of machines from transport; however, they feel it is primarily the responsibility of the vehicle body manufacturers to come up with solutions to help prevent falls from vehicles. The CPA has been working on a Best Practice Guide for the Loading / Unloading of Transport with other Interest Groups which will be published in conjunction with the HSE's 'Falls from Height' campaign.

The industry has had growing concerns over the difference between machine familiarisation and training. PAIG issued a statement about the importance of keeping the distinction between familiarisation and training clear; the legal requirement for the training and any subsequent familiarisation being the responsibility of the employer of the operator.

Representatives from PAIG have been attending meetings on the revision of EN280. There was a new requirement for the use of cableless controls which would be based around the crane standards. Additional requirements on noise, emergency override of platform controls, electro magnetic compatibility, and emergency rescue from height were being incorporated into the draft. The draft revision of EN280 is currently out for public comment. On completion of the public comment phase a series of consultation meetings will be held before EN280 is available to industry.

## **Shoring Technology Interest Group (STIG)**

The Shoring Technology Interest Group has met regularly over the past year. Chaired by Tony Gould (Vp plc Groundforce Shorco). Steve Hesketh (MGF Trench Construction) took over the Chairmanship in March 2009. Both the Steering and Technical Committees have had a productive year.

The Technical Committee under the Chairmanship of John Harris is in the process of revising all the publications that have been produced by STIG. They are currently completing the amendments and compiling revised guidance. However, due to the complexity of the work required, the revisions will not be completed until late 2009 early 2010. Once the revision to the guidance is finished it will be submitted to the HSE for their endorsement. The revised guidance will be formulated as Technical Information Notes (TINs) and be available on completion as free downloads from the CPA website ([www.cpa.uk.net](http://www.cpa.uk.net)).

A 3-day training course has been developed for the Shoring Industry by CITB-ConstructionSkills and has been well attended over the past year with over 230 Adults and Youth Trainees being trained at the National Construction College at Bircham Newton.

On a recommendation from the Group, the National Construction College (NCC) has been tasked with compiling an Advanced Shoring Course and an Inspection Course for Shoring Equipment. This has been welcomed by the NCC and a feasibility study is being carried out into the costing and training time.

## **Tower Crane Interest Group (TCIG)**

TCIG continued with another busy and productive year under the chairmanship of Syd Appleyard of Select Plant Hire Co Ltd. TCIG held four Steering Committee meetings, but the bulk of the practical workload remains in the hands of the Ad Hoc Working Groups. These Working Groups have met several times during the year.

TCIG has been working with the Strategic Forum for Construction (SFfC). The Group (SFfC) was chaired by John Spanswick, Group Chairman of Bovis Lend Lease with representation from the CPA TCIG, Construction Confederation (CC), HSE, the Major Contractors Group (MCG), National Construction College (NCC), Battersea Crane Disaster Action Group (BCDAG), Safety Assessment Federation (SAFED) and United Crane Operator's Association (UCOA). From the initial meeting an Action Plan was devised with 7 agreed key objectives.

- Specific Site Inductions
- Individual Competency Standards
- Thorough Examination and Maintenance Regimes
- Operators Working Conditions
- Improve Communications on Site
- Information Sharing
- Improved Communication to the Public.

The guidance has been completed and information is on the CPA website.

The Group has been working on updating and producing new Technical Information Notes (TINs).

- Maximum In-Service Wind Speeds
- Out of Service Wind Speeds
- Luffing Jib Tower Cranes - Information and Actions for Owners/Suppliers
- Luffing Jib Tower Cranes - Precautions For Users
- Luffing Jib Tower Cranes - Precautions for Operators Working at or near Minimum Radius in Strong Winds
- Lifting Loads Using Fabric Bags

The updated TINs are available on the CPA website ([www.cpa.uk.net](http://www.cpa.uk.net)).

The revision of the Best Practice Guide for Self Erecting Tower Cranes is well under way. The Best Practice Guide will be available on completion as a free download from the CPA website ([www.cpa.uk.net](http://www.cpa.uk.net)).

## **Report on Training Issues**

### **Construction Plant Competence Scheme (CPCS)**

The Construction Plant Competence Scheme (CPCS) has been operating for 6 years. The CPCS Management Committee has addressed many ongoing problems during this time.

The Construction Plant Competence Scheme (CPCS) provides a single skills card for the plant sector of the Construction Industry. It was launched in 2003 at the request of employers, to help them comply with regulations and competence requirements. Its aim is to apply common standards for all plant operations.

CPCS is the industry's largest scheme for plant operators with over 280,000 cards issued across 60 categories of plant and machinery. CPCS is recognised by the UK Contractors Group (UKCG) and the Major House Builders Group (MHBG), amongst others, as the preferred card to comply with codes of practice for competence and certification.

Recent consultations were held with all federations and organisations 12 months after the revised scheme was launched. Improvements were suggested and many have been implemented following ratification by the CPCS Management Committee.

The CPA representatives have a substantial role on this committee with Trevor Gamble (Ramble Containers Ltd) as Chairman, Bob Collins (CPA Chairman), Bill Law (AGD Equipment Ltd), Ian Fisher (Ainscough Training Services Ltd) and Haydn Steele (CPA Safety & Training Manager) as CPA representatives on the Management Committee. CITB-ConstructionSkills allocate staff to manage and administer the scheme on behalf of the CPCS Management Committee who develop it's policy and strategy.

### **Construction Industry Training Board (now renamed ConstructionSkills)**

ConstructionSkills and the CPA have maintained their close working relationship during the last 12 months. The CPA has been working closely with the Training and Qualification Department, the National Plant Specialist Team, CPCS Product Development Department, NCC New Product Development Manager and the Management & Supervisory Development Programme.

During the last 12 months, the CPA and the NCC New Product Development Manager have been working hard to produce a Depot Managers Course which is designed to introduce new managers into entry level management and assist them in applying practical applications which comply with current legislation. The course will also be of benefit to existing managers who need an update on these issues.

CPA continues to be represented on many ConstructionSkills Committees, including the ConstructionSkills Main Board, Trevor Gamble (Ramble Containers Ltd), the Training Committee, Trevor Gamble (Ramble Containers Ltd) and Christine Hardy (Hewdens), the Grants Scheme Working Party, David Simmons (Sinbad Plant Ltd) and Haydn Steele (CPA Safety and Training Manager), the Health Safety and Environment Committee, Bob Harper (A Plant) and Haydn Steele (CPA Safety and Training Manager), the Health and Safety Test

Question Sub-Committee, chaired by Haydn Steele (CPA Safety and Training Manager) and supported by Gary Fisher (Kier Plant Ltd).

The CPA is grateful for the support from ConstructionSkills, both financially in some cases but, in particular, the support of their excellent management team.

### **City and Guilds of London Institute (CGLI)**

The CGLI and Construction Awards make up the two halves of the NVQ “Joint Awarding Body” for NVQ levels 1 to 3 qualifications for plant mechanics and plant operators. The association is a Corporate Member of the Institute and has the opportunity to be represented at the annual general meeting to elect Members to the governing body.

The Association's past president Bill Law (AGD) and Haydn Steele (CPA Safety and Training Manager) are the nominated CPA CGLI representatives.

## **Report on Health, Safety and the Environment**

### **Quick Hitches**

Following four fatalities involving semi-automatic quick hitches in less than one year, in mid 2008 HSE requested manufacturers to voluntarily cease supply of semi-automatic quick hitches into the UK, with a final supply date of 1st October 2008. HSE also took legal action at European Community level, to ensure that they had legal backing to enforce a ban on new supply if necessary.

CPA met with HSE to discuss and confirm the ability of hire companies to continue to supply semi-automatic quick hitches on hire machines. CPA then wrote and distributed guidance for hire companies on this subject, together with a sticker to go inside excavator cabs. The sticker reminds the operator to check that the pin is in place on semi-automatic quick hitches.

A half-day training course for existing operators of quick hitches was developed by the National Construction College at CPA's request.

In late 2008, the Strategic Forum Plant Safety Group was established, (see below) and one of its first actions was to call industry experts together for a special meeting on 16th January. Nearly 50 people attended, including manufacturers, operators, unions, principal contractors, safety specialists, clients, rental companies and HSE.

The meeting was in part an open forum, and the group heard descriptions of experiences with quick hitches, and useful explanations from all parties. A range of engineering, management, operational and training issues were considered, in order to identify what steps to take. Agreed actions included:

- The Construction Equipment Association (CEA) to act as liaison for users to be able to pass information and contribute to the process of re-writing the relevant European Standard, EN47

- CEA to organise a meeting of quick hitch manufacturers, to discuss what they can do to help the existing situation, and to contribute collectively to the European Standard.
- CPA to draft guidance on hire companies' responsibilities for provision of equipment and information.
- A task group to be formed to draft guidance on best practice when using quick hitches, including working practices, management and supervision issues as well as driver behaviour and competence.
- Other sources of supply of second-hand hitches in the UK to be tackled to ensure that quick hitches are complete and appropriate information is passed on.

Since then, the Best Practice Guidance Working Group has met twice, with further meetings scheduled throughout 2009. The Guidance will clarify management, supervision and operation responsibilities for use of all types of Quick Hitch. A comprehensive chart of responsibilities has been drawn up as a basic structure, and full guidance is planned for the end of 2009. HSE have strong representation on this Working Group and are supporting the method and development of the Guidance.

The Plant Safety Group works closely with other industry bodies, including the newly-formed UK Contractors Group (UKCG). UKCG have agreed that before they decide to take any collective action on this or any other relevant issue, then they would consult with the Plant Safety Group to ensure that it had the best information in order to make its decision, and also to confirm that the supply chain was capable of practically meeting any requirements UKCG may collectively adopt. However, a number of major contractors have adopted policies to restrict supply of quick hitches onto their sites to only those sorts that positively engage both front and rear pins. These policies have been considered by the Plant Safety Group, together with issues around the benefits and drawbacks of various types of quick hitch. The conclusion has remained that precautions need to be taken with all sorts of hitch, and a safe system of work must be in place at all times.

In June, the group compiled an interim statement to clarify some misunderstandings and misrepresentation about quick hitch safety, including the following eight steps that contractors, plant owners and other duty holders should be taking without delay. The precautions are applicable to all types of quick hitch - manual, semi automatic, and all fully automatic types.

Eight steps for duty holders to improve the safe use of quick hitches:

1. Check that your machines are in good order, and that all quick hitches are included in the maintenance plan and subject to proper maintenance.
2. Check that your operators have specific instructions for the combination of machine, quick hitch and attachment. Your maintenance team needs proper information as well.
3. Check that your operators are competent to use the quick hitch in accordance with the manufacturer's instructions, whatever make and model it is.
4. Motivate your operators, using disciplinary procedures where appropriate, to use all quick hitches safely. Forbid practices such as "pick and place" (moving attachments without properly engaging the locking devices).

5. Ensure that all operators confirm that the quick hitch is properly engaged every time they change an attachment. With many quick hitches it is essential that this is done by close inspection at the quick hitch - it is best practice to make this a requirement for all quick hitches.
6. Check that your site supervisors understand what the operator has to do.
7. Ensure your site supervisors allow operators time to do it, and monitor they are doing it by spot checks.
8. Ensure your site supervisors keep other workers away from the machine's working range. Never work under the bucket or attachment.

A meeting of manufacturers was organised in April in conjunction with the Construction Equipment Association (CEA). As well as identifying ways in which the manufacturers could support the work of the main group, the revision to the European and international standards were discussed at length. This group has now been formally constituted as a panel of the relevant BSI technical committee, and the next meeting will be arranged to correspond with the European standardisation meeting timetable.

### **Tower Cranes**

Throughout 2008, CPA led work on tower crane issues, through the Strategic Forum Health and Safety Group. This included guidance on the competence of persons involved in tower crane operations, guidance on welfare conditions for tower crane operators, and a comprehensive Best Practice Guidance document on Maintenance, Inspection and Thorough Examination of Tower Cranes.

The Strategic Forum also created a poster, to be displayed on the site hoardings of construction sites which are operating tower cranes. The poster is intended to inform members of the public where they can get information about the crane. CPA distributed the poster to the Tower Crane Interest Group.

A call for a register of tower cranes was made by the DWP Select Committee in April 2008. Although Government initially rejected these proposals, the Select Committee did not withdraw their concern. As a result, the Secretary of State has asked the HSE to establish a voluntary register of tower cranes by the end of 2009, and a statutory register to take effect by April 2010. Options for development of both registers were discussed at the Plant Safety Group meeting in April. A special meeting was also arranged at SED in May, to further explore options.

The duty to report the erection of a tower crane is likely to fall in principle on the Principal Contractor, and will be based on the LOLER Thorough Examination report. There may be some additional items of information required on the report, in order to fulfil the registers' aims of raising public confidence in tower crane operations.

The scope of the registers has also been discussed, particularly as to whether any sorts of self-erecting tower crane should be included. The statutory register is likely to be enforced through new, stand-alone regulations. A formal and official consultation document on the statutory register is expected in early Summer.

HSE have a duty to provide Guidance on the Regulations when they come into force, and have accepted CPA's offer to write this guidance on HSE's behalf.

Concern has also been expressed about the levels of knowledge and training of people

working with tower cranes. HSE's outline intention is to have a 100% qualified and certificated workforce, although they have not set a date for this. In February and March, TCIG conducted a survey of competence levels amongst erectors and dismantlers, and found that industry take up of relevant CSCS cards was moderately high (about three quarters). Take up of NVQs was less, at around half.

At the Plant Safety Group meeting at SED, competence of erectors and of drivers was discussed at length. It was agreed that it would be practical to set a target date for complete certification of erectors, following some further research into availability of information on numbers currently without accreditation.

### **Strategic Forum Plant Safety Group**

Following a request from John Spanswick (a non-executive Director of the HSE), in January 2009 CPA formed a standing committee on plant safety, reporting to the Strategic Forum Health and Safety Group. The Health and Safety Group in turn reports directly to the Secretary of State for Work and Pensions, who has overall responsibility for all DWP activities, including health and safety and the HSE.

The new Plant Safety Group is part of the Strategic Forum, but it is chaired by the CPA Chief Executive, and organised by CPA. Emphasis is maintained that the meetings are not CPA meetings: this allows maximum participation and support from all sectors, including for example construction unions.

The agreed aim of the Plant Safety Group is to bring about a continuous reduction in the rate of injuries and ill health caused through the operation and installation of plant in the construction industry. Contractors, safety specialists, training organisations, plant hirers, manufacturers and unions are all represented, as well as the HSE. The Group will meet four times each year, with ad-hoc working teams set up to deal with specific issues.

### **MEWPS & Overhead Crushing**

Over the last two years there have been a number of serious incidents, and some fatalities, where it was evident that the operator of a MEWP (mobile elevating work platform) was crushed in the basket, between the machine and some overhead obstruction.

The Plant Safety Group will now act as a forum to bring contractors and other interested parties together. UKCG have agreed to send representatives to a Plant Safety Group meeting, rather than resurrecting the Construction Confederation group which was active in 2008. The relevant steel erector organisations will also be important participants. The Plant Safety Group will meet later in 2009 to set out proposals for the identification, development and implementation of solutions.

Since its formation and first meeting in January 2009, the Plant Safety Group has organised 8 meetings, involving over 130 different people from a variety of stakeholders. This work is set to continue and grow throughout 2009 and into the future, confirming and increasing CPA's role as the leading body dealing with plant safety issues.

## **Diesel Particulate Filters**

Throughout 2008, CPA continued to campaign against the GLA scheme for retro-fitting diesel particulate filters, with letters sent to the Mayor of London Boris Johnson, the Parliamentary Under-Secretary of State at the Department for Transport, and the minister responsible for local air quality management at DEFRA.

Since April 2008, no activity was seen from the GLA: no meetings of the Technical Group and Implementation Group have been called. However, following a request for clarification, the GLA stated that vehicles exempt from the London LEZ cannot be assumed to be automatically exempt from the requirement for filters on construction sites. This reversed the position that had been previously understood to be the case, after GLA had remained silent on this point in draft guidance that had been submitted by CPA to GLA for comment and approval.

A response was submitted to the DEFRA national consultation on Local Air Quality Management. CPA stated that the published guidance should avoid reference to construction equipment, and that no suggestion should be made in the guidance that local authorities could implement strict requirements on construction equipment, without a complete and rigorous cost - benefit analysis. CPA also submitted a response to a consultative draft of guidance on local air quality management created by a local authorities' air quality interest group (the "Beacons" group).

CPA also contacted the Olympic Delivery Authority, stating our objections to the GLA scheme, and asking for a high-level meeting. The ODA indicated that they intend to honour the GLA Best Practice Guide - however no timetable or detail was given about this. Through 2008 and early 2009, there was no move by the ODA to require DPFs. The on-site tool and plant hire contracts were awarded to two consortia, offering builder's merchant and training services as well as hire, but DPFs were not required as part of the contracts. In June 2009, ODA indicated that they were considering conducting their own study into DPFs. CPA have been invited to participate in this and will continue to safeguard members' interests concerning costs and practicality of fitting DPFs.

## **Work at Height (Unloading/Loading Transport):**

The Work at Height regulations came into force on 6th April 2005, which, similar to LOLER, intended to bring various parts of legislation under one heading. The CPA formed a Working Group to examine the proportionality of risk to the expenditure of minimising or eliminating that risk. Other Groups are also affected by this legislation including the Crane Interest Group (CIG), Construction Hoist Interest Group (CHIG), Powered Access Interest Group (PAIG) and the Rail Pant Association (RPA).

Work in any place from which a person could fall a distance and cause personal injury must be reduced and the aim in producing the guidance is to minimise the risk when unloading and loading transport. The HSE are supporting the Best Practice Guidance being produced by the Working Groups.

## **Report on European Rental Association**

CPA continues to maintain an active involvement in the European Rental Association - ERA. This organisation acts in many respects like a European federation for rental associations, and is a valuable forum for CPA to influence European policy developments, to work co-operatively with other bodies, and to gain early information about important developments.

CPA's Chief Executive, Colin Wood, is the Treasurer of ERA, and a main Board Director. CPA also had direct representation on three of ERA's six committees: EU Affairs, General Rental Conditions, and Plant Theft.

### **ERA EU Affairs Committee**

This committee meets three times each year, and is chaired by Kevin Minton of CPA. Increased support for lobbying activities is now provided by the company that provides secretariat services to ERA. This will increase the effectiveness of the committee in Brussels without involving further commitment of resources from member companies.

A sub-group dealing with the Operator Licenses and Training project is lead by Rupert Douglas Jones (IPAF). The aim of this project is to develop a "map" of competence and licensing schemes in Europe - this work was principally done by Haydn Steele. The group is now continuing, to promote mutual recognition and acceptance of the schemes throughout the EU.

A second sub-group dealing with the Safety Leaflets project is led by Graham Arundell (HAE). The group is drafting guidelines on a framework for leaflet purpose, creation and principles for content. The group is close to producing a standard checklist for user instructions, which will then allow producers to claim that their leaflets or instructions are produced in accordance with an ERA framework.

Anne Audrain (Chronoflex) has worked on a project concerning cross-border transport of plant. The output for the third group will be a summary of abnormal load notification requirements, and technical (construction and use) requirements in different countries.

Other issues addressed by the committee included interpretation of the application of the new machinery directive to hired plant, and free circulation of second-hand equipment, particularly in Eastern Europe.

In April 2009, it was agreed that a new project would be started, to conduct a feasibility study into a tower crane incident reporting scheme. This work will be done by the ERA secretariat. The Committee will also continue to monitor developments in fuel efficiency, availability and emission issues, which remain important in the UK.

Kevin Minton reported on progress throughout the year to the ERA Convention, in Manchester on 26th and 27th May. The overall vision of the Committee remains as first identified in 2006:

An economic and social environment which allows rental companies to flourish without obstruction, without barriers to trade and in a single European market.

The role of the Committee, as crystallized in 2008, is:  
Preparing ERA members for the future; preparing the future for ERA members.

### **General Rental Conditions Committee**

The remit of the General Rental Conditions Committee has been to deliver a guidance framework for general rental conditions, for business to business contracts. The framework was designed so that companies can pick and choose which clauses they wish to incorporate into their own hire agreements.

This framework was completed in 2008, and is now being translated into French, German, Spanish and Italian.

In 2009, the Committee started work on a guidance framework for business to consumer contracts. The framework is in its early stages and is expected to take two years to complete.

### **Plant & Equipment Theft Committee**

In September 2008, ERA formed a new committee to look at the problems with Plant and Equipment theft across Europe. The committee has held two meetings under the chairmanship of Stephane Heron, Chief Operating Officer of Loxam.

The Committee formed sub-groups to deal with various aspects of the project. One sub-group has compiled a questionnaire to collect data on theft in the equipment rental market for statistical purposes. The questionnaire has been sent to rental associations, and the data is being collected now.

A second sub-group is working on building relationships with national and European police forces, insurance and leasing companies. Contacts have been made with UK Police and European Traffic Police Network (TISPOL). Other European rental associations have been in preliminary talks with their local Police forces. In addition, other European organisations - such as construction contractors, equipment manufacturers and distributors - have been contacted to see if there is a common goal within each organisation to combat theft of equipment across Europe.

Another sub-group has started devising a questionnaire to discover what types of anti-theft devices are available across Europe. The aim is to produce a guide as to what types of systems are available and whether they meet European standards.

## **Report on Membership Issues**

Consolidation in the construction industry will always have an effect on membership numbers. However, many new applicants continue to fulfil the membership criteria and are admitted into the Association.

The total number of companies in full membership as at 30th June 2009 stood at 1556 (in 2008 this figure was 1571). This is a net decrease of 15 members.

**THE CONSTRUCTION PLANT-HIRE ASSOCIATION  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30th JUNE 2009**

**KEMPTON EMSDEN & CO.  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS  
34, NAPIER ROAD,  
BROMLEY,  
KENT. BR2 9JA**

**The Construction Plant-hire Association**  
**Statement of Council Members' Responsibilities**  
**For the year ended 30th June 2009**

The Council Members are responsible for the Financial Statements prepared for each financial year. These Statements must give a true and fair view of the state of affairs of the Association and of the income and expenditure of the Association for the respective period; in the preparation of these Financial Statements, the Council Members are required to:

- select suitable accounting policies for application to the Financial Statements
- approve estimates and make judgements that are reasonable and prudent, and
- ensure that the financial Statements are prepared on a going concern basis.

The Council Members are also responsible for:

- ensuring that accounting records are maintained in respect of its transactions, assets, and liabilities, and for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- preparing budgeted income and expenditure statements prior to each new financial year

The Association's Chief Executive and Secretary has a duty to Council Members to keep them fully advised and to provide sufficient information to satisfy those requirements stated above and to act upon the requirements and information in the management of the Construction Plant-hire Association.

**Report of the Auditors  
To the Members of  
The Construction Plant-hire Association  
For the year ended 30th June 2009**

We have audited the Financial Statements on pages 33 to 38 which have been prepared under the historical cost convention and the accounting policies on page 35.

**Respective responsibilities of Council Members and Auditors**

As described on page 31, the Members of the Association's Council are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures relevant in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Association's Council Members in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the information in the Financial Statements.

**Opinion**

In our opinion, the Financial Statements give a true and fair view of the state of the affairs of the Association as at the 30th June 2009.

**Kempton Emsden & Co.  
Registered Auditors  
Chartered Accountants  
34, Napier Road,  
Bromley, Kent. BR2 9JA**

**Dated 20th October 2009**

**The Construction Plant-hire Association**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2009**

	Notes	2009		2008	
		£	£	£	£
<b>Tangible Fixed Assets</b>	3		809,323		816,306
 <b>Current Assets</b>					
Stock			4,399		8,980
Debtors and prepayments	4		34,167		38,063
Cash at bank and in hand			1,066,845		797,899
			<u>1,105,411</u>		<u>844,942</u>
 <b>Current Liabilities</b>					
Creditors and accrued charges	5		190,964		159,739
Entrance deposits	6		127,100		127,865
			<u>318,064</u>		<u>287,604</u>
 <b>Net Current Assets</b>			 787,347		 557,338
 <b>Net Assets</b>			 <u>£1,596,579</u>		 <u>£1,373,644</u>
 <b>Financed by:</b>					
 Reserves	 7		 <u>£1,596,579</u>		 <u>£1,373,644</u>

THESE ACCOUNTS WERE APPROVED BY THE COUNCIL ON 20th OCTOBER 2009

Chief Executive \_\_\_\_\_

President \_\_\_\_\_

Chairman \_\_\_\_\_

**The Construction Plant-hire Association**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 30th June 2009**

	Notes	2009		2008	
<b>Income:</b>		£	£	£	£
Subscription income			935,731		901,336
Entrance fees			5,200		7,750
			<hr/>		<hr/>
			940,931		909,086
<b>Other Income net of Expenditure</b>					
Surplus / loss sales of publications		(6,011)		11,082	
Entrance deposits forfeited		11,965		6,925	
Investment income receivable (gross)		50,186		40,472	
Training grants receivable		32,513		-	
Miscellaneous income		374		295	
			<hr/>		<hr/>
			89,027		58,774
			<hr/>		<hr/>
			1,029,958		967,860
<b>Expenditure:</b>					
Rates		16,157		15,498	
Cleaning		5,943		6,157	
Maintenance of premises		1,811		11,871	
Insurance		8,565		9,483	
Light, heat and water		5,071		3,288	
Depreciation		8,219		9,873	
Leasing and maintenance of office equipment		1,658		1,882	
Computer expenses		6,196		12,277	
Salaries (including temporary staff)		361,214		341,444	
Social security costs		41,733		39,724	
Pensions and other staff costs	8	75,043		65,933	
Travelling, meetings and entertaining		54,158		50,578	
Postage and telephone	9	13,758		14,907	
Printing and stationery		9,775		12,669	
Publicity, advertising and marketing		89,912		84,767	
Bad debts		3,438		-	
Annual general meeting expenses		1,536		1,987	
General expenses		345		4,949	
Subscriptions to other associations	10	7,403		7,715	
Legal and professional charges	11	21,198		14,290	
Audit fee		4,500		4,500	
Bank charges		1,990		2,163	
Staff training		510		-	
Legal advisory service		3,813		3,693	
Special Interest Groups Support		-		11,955	
VAT irrecoverable		-		5,188	
			<hr/>		<hr/>
			743,946		736,791
			<hr/>		<hr/>
<b>Surplus before taxation</b>			286,012		231,069
Taxation payable	2				
			<hr/>		<hr/>
			(63,077)		(48,991)
			<hr/>		<hr/>
Surplus after taxation	7		£222,935		£182,078
			<hr/> <hr/>		<hr/> <hr/>

**The Construction Plant-hire Association**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2009**

**1. Accounting Policies**

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Depreciation**

Fixed assets are depreciated in equal annual instalments over their estimated useful lives as follows:

Computer equipment	-3 years
Office equipment and furniture	-4 years
Land and Building	-Nil

**Stock**

Stock, which included printed forms, is valued consistently at the lower of cost and net realisable value.

**Pension costs**

Retirement benefits to employees are funded by contributions from the Association into a money purchase scheme. Payments into the scheme are charged to the income and expenditure account over the periods benefiting from employees' services.

**Leases**

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

**2. Taxation**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Corporation tax at 19% - 2009	63,077	48,991
Corporation tax recoverable - previous year	-	-
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	<b>£63,077</b>	<b>£48,991</b>
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**The Construction Plant-hire Association**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2009**

**3. Tangible Fixed Assets**

	Land and Buildings	Computer equipment	Office equipment and furniture	Total
	£	£	£	£
<b>Cost</b>				
Balances at 1.7.2008	803,853	20,198	16,282	840,333
Additions	-	252	893	1,145
Scrapped or written off	-	(2,791)	(5,534)	(8,325)
	<u>£803,853</u>	<u>£17,659</u>	<u>£11,641</u>	<u>£833,153</u>
<b>Depreciation</b>				
Balances at 1.7.2008	-	14,489	9,538	24,027
Charge for year	-	5,309	2,910	8,219
Eliminated - scrapped or written off	-	(2,791)	(5,534)	(8,325)
	<u>-</u>	<u>£17,007</u>	<u>£6,914</u>	<u>£23,921</u>
<b>Net Book Value</b>				
30.06.2009	<u>£803,853</u>	<u>£652</u>	<u>£4,727</u>	<u>£809,232</u>
30.06.2008	<u>£803,853</u>	<u>£5,709</u>	<u>£6,744</u>	<u>£816,306</u>

**4. Debtors and Prepayments**

	2009	2008
	£	£
Trade debtors (Net)	7,130	4,540
Other debtors	8,176	12,586
Prepayments	11,109	13,776
VAT recoverable	7,752	7,161
	<u>£34,167</u>	<u>£38,063</u>

**5. Creditors and Accrued Expenses**

	2009	2008
	£	£
<b>Amounts falling due under one year</b>		
Sundry creditors	60,944	68,523
Special Interest Groups	44,847	21,120
Accruals	9,937	9,225
PAYE	12,159	11,880
Corporation Tax	63,077	48,991
	<u>£190,964</u>	<u>£159,739</u>

**The Construction Plant-hire Association**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2009**

<b>6. <u>Entrance Deposits</u></b>	2009	2008
	£	£
<b>Balances at 1.7.2008</b>	127,865	119,590
New applications received	11,200	15,400
Deposits refunded	-	(200)
Entrance deposits forfeited and credited to income	(11,965)	(6,925)
	<u>£127,100</u>	<u>£127,865</u>
<b>7. <u>Reconciliation of Movement on Members Funds</u></b>		
	2009	2008
	£	£
Surplus for the financial year after taxation	222,935	182,078
Opening members funds at 1 July 2008	1,373,644	1,191,566
	<u>£1,596,579</u>	<u>£1,373,644</u>
<b>8. <u>Pensions and Other Staff Costs</u></b>		
	2009	2008
	£	£
Premiums paid to the CPA Group Personal Pension Plan (Norwich Union/Aviva)	53,188	39,195
Employment related insurances etc.	21,855	26,738
	<u>£75,043</u>	<u>£65,933</u>

The Association was operating two pension schemes for its employees:

- a) The scheme with the Equitable Life is now closed and no further premiums are payable.
- b) The current scheme with Norwich Union/Aviva is known as The CPA Group Personal Pension Plan. It provides benefits on a money purchase basis which depends on the level of contributions paid and the investment returns achieved. Contributions to this plan from CPA are charged to the Income and Expenditure Account and are based on a percentage of the employees' salary.

**The Construction Plant-hire Association**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30th JUNE 2009**

<b>9. <u>Postage and Telephone</u></b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Postage and carriage	5,934	5,900
Telephone and communications	7,824	9,007
	<hr/>	<hr/>
	£13,758	£14,907
	<hr/> <hr/>	<hr/> <hr/>
<b>10. <u>Subscriptions to Other Associations</u></b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Construction Industry Theft Scheme	258	125
Freight Transport Association	392	377
Trade Association Forum	-	210
British Standards Institution	479	459
European Confederation of Equipment Distributors	-	1,622
Road Haulage Association	420	411
European Rental Association	4,199	3,557
Construction Products Association	1,625	813
Sundry other subscriptions	30	141
	<hr/>	<hr/>
	£7,403	£7,715
	<hr/> <hr/>	<hr/> <hr/>
<b>11. <u>Legal and Professional Charges</u></b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Legal fees	3,680	7,728
Accountancy and book-keeping services	6,346	6,115
Consultancy fees	11,172	447
	<hr/>	<hr/>
	£21,198	£14,290
	<hr/> <hr/>	<hr/> <hr/>

**12. RAIL PLANT ASSOCIATION LIMITED**

The Rail Plant Association Limited, which was incorporated on the 27th September 1999, being a company limited by guarantee and not having a share capital, is wholly under the control of The Construction Plant-hire Association. The Accounts of The Rail Plant Association Limited, covering the year to 31st December 2008, resulted in a net, after taxation of £6,489 (2008 surplus £7,872).

The capital and reserves as at 31st December 2009 amounted to £134,831 (2007 £141,320).