



THE SCOTTISH PLANT OWNERS ASSOCIATION

Established 1950

9 March 2020

Sent by Email to rishi.sunak.mp@parliament.uk

Dear Mr Sunak

I am writing in my role as the President of the Scottish Plant Owners Association. The SPOA is a trade association whose members are all interested in the business of owning and hiring plant used in the UK construction industry. There are more than 250 member businesses/organisations (<https://www.spoa.org.uk/>).

I understand the UK Government is considering cutting the rebate on red diesel. On behalf of the SPOA members I would urge you to reconsider this proposal for a number of reasons:

- Over 50% of the red diesel used in the UK is in the construction sector and as far as I am aware the plant industry (a key part of this industry), has not been consulted, either via the SPOA or CPA (Construction Plant Hire Association).
- Many construction projects work on wafer thin margins and unexpected increase in costs will result in costs being cut elsewhere. We fear these cuts could be in areas like apprenticeships – the main challenge of the plant hire sector is encouraging young/new people into the industry. Furthermore investment into greener technology, which at this point in time is substantially more expensive than diesel engines, could also suffer. This would work against the intention behind the rebate cut which is supposed to improve and further greener technology.
- We are also unsure if you are aware of where greener technology is currently at in the Plant Hire Industry. Our members run machines up to 40T, currently battery options are only available up to 2.5T in excavators (<https://www.volvoce.com/global/en/news-and-events/press-releases/2019/volvo-ce-unveils-electric-compact-excavator-and-wheel-loader-at-bauma/>) (<https://www.jcb.com/en-gb/products/mini-excavators/19c-1e>) and 1.5T in dumpers (<https://www.wackerneuson.co.uk/en/products/dumpers/wheel-dumpers/model/copy-1501/>). It should be noted that when on a construction site these battery machines will need to be charged by a diesel generator.

The greener technology above 2.5T is in the form of Stage V diesel engines which have reduced emissions however they still require diesel. It will be some time before batteries or hydrogen can power a 40T machine.

- We also presume that this cut will eventually remove the red dye from diesel thus increasing the likelihood of diesel theft from construction sites.

On behalf of the Scottish Plant Owners Association I urge the UK Government to re-evaluate this action and seek a consultative approach with the UK Plant Hire Industry. Should you believe a discussion with me would be helpful please do not hesitate to contact me on 07738 500 555.

Kind regards

Mark Anderson

President of the Scottish Plant Owners Association

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