



Press Release

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CECA: Contractors Call For Super Deduction To Include Leasing & Short-Term Hire

Civils contractors today added their weight to calls for the UK Government's super deduction allowance (SDA) to be extended to include leasing and short-term hire.

The Civil Engineering Contractors Association (CECA) has joined six other industry trade bodies in writing to the Chancellor of the Exchequer to express its concern that the eligibility criteria for the SDA have not been extended to include leasing and short-term hire, which are the two most common ways businesses acquire new plant and machinery.

This means the allowance is only available to businesses that use cash or hire purchase to buy new machinery and plant outright - a practice that only some businesses currently undertake.

Commenting, CECA Director of External Affairs Marie-Claude Hemming said: "Our members lease and hire plant as it is often the most efficient means of ensuring access to the latest machinery when and where it is needed, and hence is more efficient in project delivery.

"The super deduction allowance simply doesn't reflect the practices of many civil engineering firms on the ground.

"In our industry, where plant and machinery is invariably highly specialised, around 70 per cent of it is hired on a project-by-project basis.

"If the Chancellor were to extend the super deduction allowance to include short-term hire and leasing, it would provide an added incentive to firms to use the newest plant and machinery, with obvious environmental benefits, as well as feeding through to efficiencies in project delivery.

"The infrastructure sector is central to the UK Government's aim of 'levelling-up', and hence we call on the Government to make this change, to ensure our industry can deliver the infrastructure businesses and communities rely upon with higher rates of efficiency, productivity, and fewer carbon emissions."

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Notes to Editors

1. The Civil Engineering Contractors Association (CECA) represents over 300 contractors of all sizes, covering approximately 80% of the civil engineering market in Great Britain. Our members build infrastructure that provides the basis for economic sustainability and quality of life in communities across the country.

2. The trade bodies who have jointly written to the Chancellor are: Civil Engineering Contractors Association (CECA); Finance & Leasing Association; British Vehicle Rental and Leasing Association (BVRLA); Forum of Private Business; Logistics UK; The Manufacturing Technologies Association; and the Association of Chartered Certified Accountants (ACCA).

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