

# Kier royal

From an early pioneer in reinforced concrete design and construction in 1928, the Kier Group has evolved and grown into a company that currently employs more than 11,000 people with revenues in excess of £2.1 billion. During most of this time the company has operated its own equipment/plant department primarily to support the group operations but also renting to the industry in general.

Cranes & Access visited group head office in Chawston, Bedfordshire, to meet Kier Plant's managing director Ian Gordon and find out about its latest developments.

The first thing that greets you as you enter Kier Plant's offices at Chawston is an old (1959) Ruston Bucyrus 10RB dragline painted in W&C French colours. Whilst this was not originally owned by J L Kier - as the company was called between 1932 and 1972 - the crane is a reminder of its long history and association with plant and equipment. In fact it was 1973 when W&C French and J L Kier merged to form French Kier Holdings. Since then the company has undergone some radical changes, acquiring the William Moss Group in 1984 which brought in more than 160 years of construction experience and created a dedicated building service in the Midlands and Thames Valley. Two years later it was acquired by Beazer, a national house building company - which also incorporated Wallis - and was rebranded with the Beazer name. In 1992 a takeover by Hanson triggered a buyout by the Beazer management team, leading to the formation of the Kier Group, creating Britain's first major contractor to be employee-owned. The company was floated on the stock market in 1996.

Gordon arrived at Kier a year later in



Kier Plant  
managing  
director  
Ian Gordon

1997 having worked in plant and equipment at John Howard Construction and Costain. He has been managing director of Kier Plant for the past eight years.

"Kier Plant was officially formed as a limited company in 2000 and is part of the Support Services division, one of five divisions within the Group," said Gordon. "The plant division's revenues when I joined were around £7 million and this has grown year on year (up to last year) to £35 million."

Equipment is primarily purchased for use within the group on its diverse range of contracts and is made up of tower and crawler cranes, telehandlers and site accommodation. More recently Kier decided to purchase three Rough Terrain cranes.



Kier invested in  
three Tadano RTs

## Crane operators

The proportion of group work carried out by Kier Plant varies. About five years ago, group to external hires was about 50:50 but currently this is 70:30 in favour of group. The one type of equipment that is (or was) rented out the most is tower cranes, but like all other hirers, it currently has a large number standing although the rest of the fleet is kept busy. Cranes are the only 'operated' equipment the company has and many of its operators are therefore not working at the moment. As a result it has already reduced the number of crane operators it employs from 80 down to 30 and is in the process of ending directly employed operators completely. The company is currently in discussions with the operators and trade union UCATT to see if there are any alternative solutions and says that it will consider any suggestions that are put forward. But it says that it would prefer to source them from employment agencies going forward.

"Tower cranes have been hit the most in this current economic situation," says Gordon. "We estimate that there are about 900 tower cranes on the ground in the UK at the moment so there should be no problem in finding operators on an ad-hoc basis. If the economy picks up it may become viable again to employ directly, but I can't see that happening for a while."

This only affects the crane drivers at Kier, all other associated staff - crane erectors and fitters - are being retained. Gordon thinks that the economy has now

bottomed-out but may continue at this level for 18-24 months. "There are lots of government decisions to be made and they need to take a good look at the cut-backs or the construction industry will suffer."

## Strong growth forecasts

Despite the current climate, the group - which includes construction; development, a services group specialising in building and civil engineering; support services; private and affordable residential development; commercial property development and infrastructure project investment - has good order books in the UK and more recently, has picked up several contracts overseas. With the company looking to expand its revenues to more than £4 billion over the next few years, support services companies including Kier Plant will also have to grow to cope with the increased group demand.

In recent years the division's annual capital investment has been in the order of £10 million however this has recently dropped to £5-6 million although equipment required for specific group contracts will be funded separately.

"We purchased our first three Rough Terrain cranes from Cranes UK the Tadano Faun dealer specifically to work on a two year contract at Aldermaston," says Gordon. "The seed for the purchase was sown at Vertical Days and we decided to purchase two, 30 tonne capacity Tadano GR-300EX and a 55 tonne capacity GR-550EX. These RTs will be on-site for the duration of the contract (about two years)

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Several crawlers have been added to the Kier fleet including a 70 and 80 tonne Kobelco

and when completed will be available for external hire. There is the possibility that we will be looking for a bigger RT in the future, possibly 70-80 tonnes capacity, but again this will be for a specific contract."

Kier has also purchased a number of crawler cranes including two Kobelcos, a 70 tonne CKE700 and 80 tonne CKE800 – both of which

also has the three Rough Terrains, 90 tower cranes (mainly Liebherr but also seven Potain Igo 32/50 self erectors and a Raimondi) and 100 telehandlers – all JCB and therefore fixed mast up to 17 metres.

#### Site age limits

"Unlike some contractors we do not put an age limit on the cranes used on our sites. It is not the age but how it has been used and



Kier Plant supplies the Group with plant for a diverse range of contracts

are working on the Olympic Village site in Stratford, East London and a 70 tonne Hitachi Sumitomo SCX700. More recently it has just taken delivery of a 120 tonne Hitachi from UK distributor NRC plant. After working on the specific contracts, the cranes will also enter the general hire fleet.

The new addition brings the number of crawlers in its fleet to six ranging from 50 to 120 tonne capacity. It

maintained that is critical. We also do not have and do not intend to add any All-Terrain cranes to the fleet – we hire them in as and when required. When it comes to telehandlers, 17 metres is more than high enough as there are other better and safer ways to place loads at levels higher than this – such as a mobile self-erecting tower cranes. Unfortunately, the UK cannot seem to get away from

# "Hire rates are suffering at the moment because there is too much equipment out there"

using telehandlers, even when a self erector may be safer and more efficient for the particular contract, particularly housing sites. Because of the risk of telehandlers tipping over sideways, we also have a 'no suspended loads' policy."

"Hire rates are suffering at the moment because there is too much equipment out there," says Gordon. "Even though the market in the Middle East has not been great, it is one area that we have been selling tower cranes in particular, when needed."

Kier Plant's main depot is in Setchey, near Kings Lynn in Norfolk. It also has the Chawston head office and depots in Glasgow, Wigan, Sherburn in Elmet, Yorkshire, Sharpness Shipyard in Berkeley, Gloucestershire and West

Horndon in Essex. The large, 23 acre site at Setchey is used primarily to house the accommodation fleet and for equipment maintenance and refurbishment.

Other products it offers are more support orientated, such as generators and site lighting and it also supplies all of its under-hook equipment. For its overseas contracts Kier has bases in Dubai, Hong Kong and in the Caribbean which are run independently from the UK operations.

## Expanding the range

"We have looked at expanding our range of equipment into areas such as powered access or mini cranes – but with the very competitive nature of the market, it is not worth purchasing and we will continue to hire in when necessary. We will though probably add more RT cranes, together with more generators and lighting equipment. As we win more building maintenance projects we will also expand the small tools sector. We recently started our first depot/shop in North Tyneside to support a Kier Building Maintenance project. Whatever the requirement, if there is a group demand, we will fulfil it."

"The next 18 to 24 months will be very challenging as we continue with low margins and low hire rates. We are tied in closely to the performance of the group which is confident of a significant growth during this time particularly through power station and waste to energy work. Hopefully this means we will continue to grow, both supporting group requirements as well as offering more equipment for general hire."



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