

LIFT AND ESCALATOR
INDUSTRY ASSOCIATION



Industry in focus 2007

What does it mean to be a member of a trade association?



David Fazakerley, managing Director, attending a European conference

In the last Annual Review LEIA conducted a survey to find out the answer to that question, from the perspective of both the client and member companies. Thanks to all those who responded – the results have now been analysed by consultants and their findings considered and acted upon.

The most significant change to come out of this exercise is a change in the structure of the Association membership. All members will now be placed on an equal footing, as full members – something that will serve the interests of both clients and members. It means that all companies within and joining the Association will now have ISO 9001 certification with the awarding body approved by the United Kingdom Accreditation Service. This is important as it clearly establishes that all certification bodies are working to the same standards.

Customer satisfaction lies at the heart of this change. Although ISO 9001 certification is well established, it is unusual for this to be set by trade associations as part of their criteria for membership, and the Association itself is similarly certificated. Compliance promotes the adoption and implementation of an effective quality management system, aimed at enhancing customer satisfaction in a range of areas – from a company's design processes through to monitoring and measuring procedures, training and resources, complaints handling, vendor rating, human resources and the environment, as well as the control of the business. These processes are subject to annual third party audits. A quality management system through ISO 9001 certification is also consistent with the objectives under the Lifts

Regulations. However, the Regulations take conformity assessment a significant stage further in requiring evaluation of technical competence, also subject to third party annual audit. For those companies manufacturing lift safety components there is a further process under the Regulations called type-examination which, again, imports certain of the essential ingredients of ISO 9001 certification and third party approval.

The changes have had to take into account our membership composition, which includes companies large and small; lift and escalator contractors; those who provide products for the domestic market; stairlifts; homelifts; lifting platforms; and a large number of companies who supply component parts to the industry as a whole. For the latter grouping ISO 9001 certification is equally important, as quality management is invoked throughout the chain of supply.

We understand that this strengthening of the criteria for membership brings with it some concerns – notably that it might inhibit new companies from wishing to join the Association. However, it aims to achieve a standard to which all companies should aspire in order to build confidence in the minds of their clients and provides equality for member companies, giving everyone the same entitlements and a voice in managing the Association's affairs. It is an important change and should satisfy concerns from clients and members who want to see clearly established benefits in dealing with member companies and in being a member of the Association.

We are also overhauling our website in response to the survey, to give greater transparency to the work of the Association. On a practical level, this means we will now be posting forthcoming events such as seminars, so that these are made available to a wider audience. Go to www.leia.co.uk to see our forthcoming new look.

David Fazakerley Managing Director

What do I gain from LEIA membership?

On the 10th anniversary of the new Association, we set out below a few of the benefits of LEIA membership.

Safety. Workshops, seminars and frequent distribution of information sheets; issues currently involving new construction and design management regulations, managing hazardous waste, working at heights, as well as safe working in general.

Legal. New construction industry tax deduction scheme, review of the Construction Act, developments on corporate manslaughter legislation and employment law in general.

Technical. European and national standards (see separate list of current developments on page 9) including matters such as disabled access.

Training. Promotion and development of National Vocational Qualifications for a range of industry products and in support of the Construction Skills Certification Scheme.

Education. Restructuring and updating of courses for academic study to reflect changing standards, legal requirements and new technology (it is widely acknowledged that in the field of education and training the UK industry is a world leader).

These and many other issues are considered by a range of Association committees of experts to whom the industry is indebted for the time and knowledge given. It is the work of these committees and their invaluable contribution that sets a level of professionalism for the industry as a whole.

Liftex is celebrating its 20th anniversary in 2007 and this year's exhibition promises to be bigger and better than anything to date. That's because, for the first time ever, the show has been opened out to international and non-member exhibitors.

Exhibition manager Bob Hudson explains the reasons behind this change:

"In the 2004 visitor survey," he says, "the strongest message that came through was an overwhelming desire to see more exhibiting companies at the show and this was actually endorsed by a significant shift of opinion among exhibitors. In fact, in the post-event survey, over 50 per cent said that it would be a good idea to open the exhibition to non-member companies. Liftex 07 has responded to that feedback by opening its doors to the entire industry."

So far, the response has been very good, with an increase in exhibitor numbers up 74 per cent on 2004 numbers, something that Bob says is a rarity in the current market.

"By opening it out it's created phenomenal growth," he says. "This is actually bucking the trend of most trade exhibitions at the moment, because most are in decline while we've actually got significantly more numbers than last time. We've had new bookings from countries such as Germany, Italy, Spain, USA, as well as a healthy influx of new UK-based companies."

"There's also an exhibition industry rule of thumb that, the larger the show, the more people you get through it because, obviously, there are many more individual companies to attract the buyers. So, the visitor numbers should go up significantly as well."

He's currently organising the largest visitor promotional campaign to date, which began in January and includes advertising in the leading trade and end-user publications (magazines such as *Estates Gazette*, *Local Government News*, *Facilities Management Journal*, *Builder* and *Hospital Developer*), distribution of 200,000 promotional

flyers, press releases to almost 100 magazines worldwide and e-shots to nearly 3,000 buyers.

It's a huge undertaking but Liftex has always attracted buyers from a range of markets and it's important to make sure all areas are covered. Visitors come from fields such as architecture, the building trade, engineering, facility management, health and local authorities, the hotel trade, lift contractors, property development and management, property owners and the disability sector. What attracts them is the fact that Liftex is a one-stop-shop, somewhere they can go to see new lift designs, components, maintenance companies, home and stairlifts, escalator technology – all under one roof.

They can also catch up on new legislation and standards, since representatives from the Health & Safety Executive, the British Standards Institution, the UK Association of Notified Bodies and the Safety Assessment Federation also attend the exhibition (as well as representatives from LEIA). Visitors turn up confident that they can access a wealth of knowhow in one place: what Bob describes as "a lot of free advice – and a lot of people with a lot of knowledge to offer that advice."

It's not just the visitors who benefit of course, since exhibitors get the chance to make new contacts and potential customers. In fact, 49 per cent of visitors made a purchase as a result of visiting Liftex 04 and – if the increase in interest in this year's exhibition is anything to go by – that's another statistic that may be on the rise.



Event dates: Wednesday 16 May, 10.00–18.00 and Thursday 17 May, 10.00–17.00

Venue: Excel, in the heart of London's Docklands. More information can be found on www.excel-london.co.uk.

For the most up-to-date information on Liftex go to www.leia.co.uk. Alternatively call Gill Collins at LEIA, or exhibition manager Bob Hudson on 01732 810333 (email bob@room-13.co.uk).

This year the European Lift Association (ELA) has been closely involved in the European Commission's, Build-for-All campaign – an initiative to promote accessibility for all in the built environment and public infrastructure.

We were one of a number of organisations involved in the initiative, which included key stakeholders from the construction industry, European architects, municipalities and cities. The project's co-ordinator is Info-Handicap, but Build-for-All has also taken into consideration the needs of an ageing population, since this has far-ranging implications for the way we will live and work in the near future. Our president, Richard Maiocchi, made this point in a recent article for *ELA News* when he wrote:

"Europe is ageing fast and the proportion of older citizens in the population is set to increase dramatically in the decades to come. People aged 75 and over already represent 8 per cent of the population: that will increase to around 15 per cent in 2040 – almost a twofold increase – and half of this aged population is impaired in their daily life. Although it is not widely accepted yet, we must try to keep the European population of ageing citizens at work as long as they can and this means that public buildings and office buildings should really be made fully accessible. These are the reasons why the European Lift Association is actively supporting the European Commission initiatives to promote full accessibility."

ELA was one of the partners on the project involved in the creation of the Build-for-All reference manual and, in providing feedback and information to the manual's working group, we liaised closely with our ELA members and representatives from LEIA. The aim of the manual was to set down very clearly why designing for everybody makes good economic and practical sense for municipalities, local, regional and national authorities, for industry and for society as a whole.

The impetus for the manual came from the introduction of revised EU directives on public procurement that, when transposed into national law, must be respected by contracting authorities when tendering for public works. At the formal launch of the manual – held in November 2006 at the



European Parliament in Strasbourg – an address was read out from Commissioner Vladimir Spidla of the Directorate For Employment, Social Affairs And Equal Opportunities. In it he stressed the responsibility of those involved in public procurement in ensuring mobility for all:

"This manual is targeted in particular at national authorities who apply for public funding to finance buildings. It contains important advice partly from the point of view of why it is essential to make buildings accessible, and partly on how best to include accessibility in applications for financial assistance from the funds. Our overall objective now is to ensure that public funds are never again used to finance buildings that disabled people, or any other user, cannot get into, move around in or use the services provided."

For more information on the Build-for-All initiative, go to www.build-for-all.net.

Luc Rivet Secretary General, European Lift Association

*Elizabeth Straw, Disability Unit, European Commission,
Liz Lynne, MEP, UK*

Build-for-All manual

The following points, taken from the manual's "Implementing Accessibility Criteria in Practice" section, are of particular relevance to members.

- All buildings should have horizontal and vertical easy access, to all floors or other spaces, suitable to all people.
- No public building should be built without a lift if it has more than one floor.
- Level differences should be compensated by ramps or lifting platforms. No step(s) up or down will hamper the access if no ramp is provided.
- All lifts should be equipped with audio and visual signals and controls which are designed for ease of use by every user and positioned at the right height in the lift car and on landings.
- Every public building must provide means for the evacuation of ALL present in the building at all floors, in case of a fire or other emergency. The accessibility of firefighters and the evacuation of people with disabilities are priorities for officers writing public tenders.

Now that all LEIA members are required to have ISO 9001 certification (as the Association itself does), we thought it might be helpful to put some frequently asked questions about this particular accreditation to someone in the know.

Why have a certification system in the first place?

There are two very good reasons for achieving certification to a recognised standard:

- to differentiate yourself in the marketplace; and
- to demonstrate your professional competency to the customer.

In many cases your customer will be comparing you with other, similar organisations offering the same services. He or she may not always have the time, or the inclination, to carry out a full assessment of your organisation, so asking if you have ISO 9001 certification is a shorthand way to establish you have reached a certain standard. More importantly, your customer will also know that you maintain this standard, because it is a requirement to be checked every year.

Certification to ISO 9001 demonstrates that you have the people, facilities, technical expertise, management systems and track record to undertake the work for the customer professionally and competently. And – if you are installing new lifts in compliance with the Lifts Regulations 1997 – then certification to ISO 9001 by a UKAS accredited certification body provides the “presumption of conformity” required by these regulations, which will be accepted as evidence by your chosen Notified Body.

Isn't ISO certification a very expensive and time-consuming process?

At first glance it may seem that certification is a time-consuming and costly process, but in fact a well-managed and correctly functioning organisation will probably have many of the required systems/processes already in place, simply in order to meet customer requirements.

Are all certification bodies the same?

It may come as a surprise to you but anyone can set up as a certification body, as there are no regulations governing this. However, the United Kingdom Accreditation Service (UKAS) is the sole national accreditation body recognised by government to assess, against internationally agreed standards, organisations that provide certification, testing, inspection and calibration services.

Accreditation by UKAS demonstrates the competence, impartiality and performance capability of these certification bodies. This is why LEIA emphasises the need to ensure that members choose UKAS accredited bodies when undertaking ISO 9001 certification, to avoid wasting time and money.

By using a UKAS accredited certification body, you send out a strong signal to your customer that you are serious about the markets in which you operate and that you will not compromise on integrity, technical excellence and customer responsiveness.

How do I start the process of certification?

Adopting a quality management system is an important and strategic decision for any organisation but, as we have said before, a well-managed organisation will probably have many of the required systems/processes already in place, simply in order to meet customer requirements.

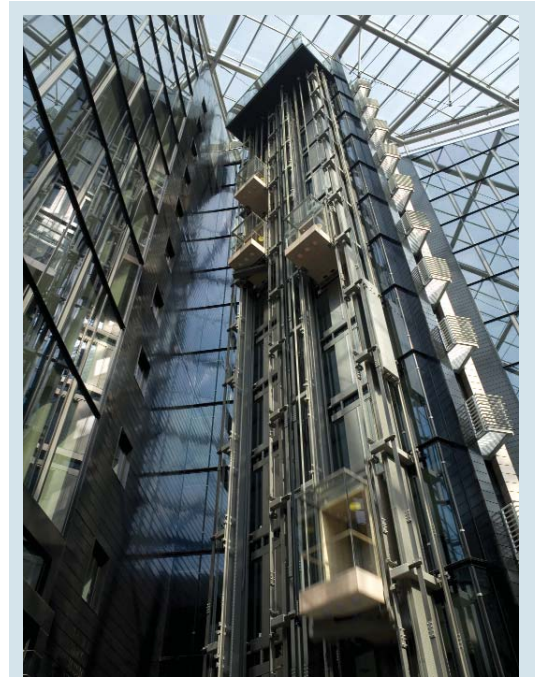
Designing a quality management system to satisfy certification requirements will depend on a number of factors, including:

- the size and structure of the organisation;
- its objectives;
- its processes; and
- the products/services supplied.

How long does the certification process take?

This depends on what processes are already in place in an organisation. Those with well established quality management systems will take a shorter time than those with a less documented, informal process.

Alex Carmichael Bureau Veritas Inspection Ltd



ThyssenKrupp panoramic TWIN lifts

Intelligent lifts

The first truly modern lift was installed in the Home Insurance Building in Chicago in 1885 – a steel-frame, 10-storey building that had not one, but four elevators.

Lift technology has come a long way since then, with major technological changes in terms of drives, controls and finishes creating a corresponding increase in efficiency in the way we move people up and around the building. However, until very recently, we continued to share one major issue

with those early lifts and that was our inability to answer the basic question: "who is behind the call?"

Back in the 1880s, lifts had to be operated by lift attendants who would open and close the car and landing doors for passengers and who could, by dexterous use of a car control switch, achieve very accurate floor levelling. What they could not do was to control passenger flow since, when the landing call was registered, they had no way of knowing if one

person or 20 people were waiting for the lift to arrive. And – despite our many leaps forward in technology – that is a problem that has persisted.

Lift designers have made many attempts to solve this problem over the years, by counting electronically the number of people waiting on landings. But these efforts have been of limited success since a purely numerical electronic count cannot determine either the exact number of people waiting who actually want to use the lift, or establish in which direction they wish to travel.

All that has changed with the arrival of the 'Hall Call Destination Control System' (HCDCS). This goes under various marketing names, but is essentially a system in which passengers register their final destination on a landing terminal keypad based outside the lift, or by using some form of identification medium incorporated into the building's



Centre photographs, 122
Leadenhall Street, London



security turnstiles. The system uses powerful control algorithms to calculate the best lift to use and then directs the passenger to it, optimising complex passenger flows.

The effect of this system has been likened to upgrading from a bus to a taxi, in that the passenger gets a service that is tailored to his specific 'journey' needs, rather than simply taking the first lift that comes along and waiting patiently while it stops for everyone else until it eventually reaches his destination.

Take, for example, a group of three conventional lifts serving three levels above the main level. Imagine that nine people are waiting in the main lobby: of these nine, three passengers want to go to level 1, three to level 2, and three to level 3. With a conventional 3-car group control system it would be possible – and highly probable – that each lift would carry three passengers, with one passenger exiting at each level. This is the traditional 'bus stop' approach and gives a long round trip time for each lift. However, if the same three lifts were fitted with HCDCS, the nine intending passengers would be identified as three separate groups, each wanting to go to a different level and each lift would make just one stop, with three passengers exiting on each



Applications for the disabled

Conventional passenger lifts are limited in their features for disabled passengers and, currently, a certain size of lift car and an information system is all that is needed to comply with good practice and code requirements. So, for instance, if a wheelchair user calls a lift and it's full, he will be forced to wait till the next available lift comes along – something that can take a long time in peak periods of use.

In lifts using HCDCS, this problem is dealt with by use of an internationally recognised wheelchair symbol on the keypad. The user presses this symbol before keying in his required destination floor and, by combining these two pieces of information, the powerful lift control logic can then direct the passenger to the correctly designated lift. This will be empty and will take the user directly to his destination, without making any additional stops. After this special one-off journey the lift will then revert to normal use – all without intervention or the need for a traditional switch key.

floor – giving more of a tailored 'taxi' service.

In field trials for the system, passengers arrived at their destination at least 25 per cent faster than those using a conventional group control system. The system can benefit the lift provider as well, since the lifts are stopping less often than those using conventional control systems, providing less wear and tear on the machinery.

HCDCS also has the option of enhanced control sub-systems. For instance, personal attributes can be programmed into smartcards, or other forms of identification, to allow for travelling preferences. So, directors may have the option of only sharing a lift with other directors; clients can be directed to client-only lifts; and in organisations such as hospitals the system can take into account variables such as the need for additional space for journeys that include beds or meal carts.

This personalisation option also has an important application in building security, where equipping passengers with security smartcards can limit the areas to which they are granted access, since the smartcard automatically tells the system whether or not a passenger has clearance to a particular floor.

In very high-security areas, for example, the system can be tailored to use iris recognition, only allowing access to those passengers whose iris details have been stored and cleared for access. Another variant is fingerprint recognition. Here the system not only checks and matches the fingerprint against its database, but it also has the capacity to confirm whether the fingerprint contains a pulse – ensuring that the finger is still attached to the hand and has not been amputated! And if that sounds like something out of science fiction, think again: these are security measures already being included in systems within the UK.

This aspect of the system can also play a useful role if there is an emergency in the building. Since all passengers using HCDCS must register their destination on the landing terminal keypad or by some identification medium, the building owner can quickly establish who is in the building in the event of an evacuation.

Here in the UK, the lift industry has only just started to embrace this revolutionary control technology but it has been adopted as the preferred control system in new buildings in Asia for many years. We may have taken a little while to catch up but now, it seems, there is at last an answer to the vexed question "who's behind the call?"

Roger Howkins Associate, Arup



Buildings using HCDCS lifts

Alban Gate, London Wall
(ThyssenKrupp, modernisations)

Fenchurch Street, London
(Schindler, new lifts)

Bishopsgate Tower, London
(Kone, in planning)

122 Leadenhall Street,
London (Richard Rogers
design, under construction)

8 Get prepared for the new CDM Regulations

The Construction, Design and Management Regulations 1994 (CDM Regulations) govern the management of health and safety risk from the planning and design stages to building use and maintenance. Although aimed at improving 'the three Cs' (co-ordination, co-operation and competence) in the management of health and safety risks, the CDM Regulations failed to do so because they lacked precision and were difficult to understand. Parties in the delivery process were confused as to what the regulations expected of them and large amounts of paperwork were generated in the event that 'something went wrong'.

As a result, the Health and Safety Executive has decided to revise the regulations (effective April 2007) and each party with responsibilities under the regulations will now be referred to as a duty holder.

Duty holders include: the client; the co-ordinator; the designer; the principal contractor; and the contractor.

In the new regulations the focus is on planning and management rather than paperwork. Greater emphasis is given to 'the three Cs' and designers and contractors will have to co-ordinate and co-operate more to reduce health and safety risks. It will also be easier to enforce the requirement that designers and contractors should be competent.

The major change introduced by the new regulations is that there is now greater focus on the client and his responsibilities. For example, he must:

- ensure that the necessary arrangements are in place (eg he will need to check that the contractor has made suitable arrangements for welfare facilities); and
- provide enough time and resources to ensure that the project is carried out safely and without risk to health.

The main changes

- The new CDM Regulations are grouped by duty holder – client, co-ordinator, principal contractor, designer, contractor.
- Projects for domestic clients no longer need to be notified.
- Although the regulations apply to all sites, there are additional duties for sites where construction work lasts more than 30 days or require more than 500 person days.
- The co-ordinator has taken over the planning supervisor role (he must also prepare the health and safety file which contains information likely to be needed for any future construction work on the project).
- A co-ordinator and a principal contractor must be appointed if the project is notifiable (ie 30 days, 500 person days).
- The Approved Code of Practice defines the requirements relating to competence more precisely, thus facilitating enforcement.
- Clients have greater responsibility to ensure that other duty holders have made sufficient arrangements to discharge their duties.
- Clients, principal contractors and other contractors must inform those that they appoint of the time that has been allowed (before work starts on site) for their appointees to plan and prepare for construction work.

The new regulations are scheduled to come into effect in April 2007. They will be published alongside the Approved Code of Practice and guidance to help the industry come to grips with the changes.

If a project lasts longer than 30 days or involves more than 500 person days of construction work, clients must appoint a co-ordinator whose primary function is to advise the client in the discharge of his duties. Unlike the old planning supervisor, the co-ordinator has a role throughout the project in assisting clients in meeting their duties under the regulations. He must ensure that designers, principal contractors and other contractors are provided with information held by the client which may be relevant to their work.

The co-ordinator should be appointed as soon as practicable after the initial design work has been completed (initial design work includes feasibility studies to enable clients to decide whether or not to proceed with the project).

The principal contractor's duties are largely the same. However, his responsibilities to contractors coming on to the site have been more closely defined and he must, for example, ensure that information provided to the contractor is relevant to that contractor's activity.

The new regulations make clear that designers also include contractors carrying out design activity. They emphasise that the primary responsibility of the designer is to design out risks that are liable to affect those carrying out construction work, those maintaining the permanent fixtures and fittings of the structure and those using the structure as a workplace. Additionally they should provide sufficient information about their design that will adequately assist other designers and contractors to comply with their respective duties.

Professor Rudi Klein Barrister
Chief Executive, Specialist Engineering Contractors' Group

As the number of lift-related standards increases, so does their individual status become confused. The following is a list showing the present status of the more important standards: Publications referenced in the Official Journal of the European Union (OJ)

REFERENCE AND TITLE OF STANDARD	DATE OF PUB IN THE OJ (*)	SUPERSEDED STANDARD
EN 81-1: 1998 Safety rules for the construction and installation of lifts – Part 1: Electric lifts	31.03.1999	BS 5655: Part 1: 1986
EN 81-1/A1: 2005 Programmable electronic systems in safety-related applications for lifts	02.08.2006	–
EN 81-1/A2: 2004 Machinery and pulley spaces	02.08.2006	–
EN 81-2: 1998 Safety rules for the construction and installation of lifts – Part 2: Hydraulic lifts	31.03.1999	BS 5655: Part 2: 1988
EN 81-2/A1: 2005 Programmable electronic systems in safety-related applications for lifts	02.08.2006	–
EN 81-2/A2: 2004 Machinery and pulley spaces	02.08.2006	–
EN 81-3: 2000 Safety rules for the construction and installation of lifts – Part 3: Electric and hydraulic service lifts	13.10.2000	BS 5655: Part 3: 1989
EN 81-28: 2003 Safety rules for the construction and installation of lifts – Lifts for the transport of persons and goods – Part 28: Remote alarm on passenger and goods passenger lifts	10.02.2004	–
EN 81-58: 2003 Safety rules for the construction and installation of lifts – Examination and tests – Part 58: Landing doors fire resistance test	10.02.2004	–
EN 81-70: 2003 Safety rules for the construction and installation of lifts – Particular applications for passenger and goods passenger lifts – Part 70: Accessibility to lifts for persons including persons with disability	06.08.2005	–
EN 81-70: 2003/A1: 2004	06.08.2005	–
EN 81-72: 2003 Safety rules for the construction and installation of lifts – Particular applications for passenger and goods passenger lifts – Part 72: Firefighters' lifts	10.02.2004	BS 5588: Part 5: 1991 (Requirements have been removed from BS 5588 Part 5: 2004 edition)
EN 81-73: 2005 Safety rules for the construction and installation of lifts: Behaviour of lifts in the event of fire	02.08.2006	–
EN 115/A2: 2004 Safety rules for the construction and installation of escalators and passenger conveyors	31.12.2005	BS 5656: Part 1: 1997
EN 12385-5: 2002 Steel wire ropes – Safety – Part 5: Stranded ropes for lifts	06.08.2004	BS 302: Part 4: 1987
EN 13015: 2001 Maintenance for lifts and escalators – Rules for maintenance instructions	10.02.2004	–

(*) The date of the publication of the Official Journal within which the standard is referenced is the date from which the use of the standard confers the presumption of conformity to the essential requirements it covers.

Standards where the presumption of conformity has ceased:

EN 12015: 1998
Electromagnetic compatibility – Product family standard for lifts, escalators and passenger conveyors – Emissions (Cessation of presumption of conformity 30.06.2006)

EN 12016: 1998
Electromagnetic compatibility – Product family standard for lifts, escalators and passenger conveyors – Immunity (Cessation of presumption of conformity 30.06.2006)

Standards awaiting ratification:

EN 81-71: 2005
Safety rules for the construction and installation of lifts – Particular applications to passenger lifts and

goods passenger lifts – Part 71: Vandal-resistant lifts

EN 12015: 2004
Electromagnetic compatibility – Product family standard for lifts, escalators and moving walks – Emissions. (Annex ZA of this version of the standard has been amended to accord with the new EMC Directive)

Drafts being prepared for formal vote:

prEN 81-21
Safety rules for the construction and installation of lifts – Lifts for the transport of persons and goods – Part 21: New passenger and goods lifts in existing buildings (as this draft has undergone two CEN enquiries the Unique Acceptance Procedure (UAP) will be used)

prEN 81-22
Safety rules for the construction and installation of lifts – Lifts for the transport of persons and goods – Part 22: Electric passenger and goods passenger lifts with inclined travel path

prEN 81-31
Safety rules for the construction and installation of lifts – Lifts for the transport of goods only – Accessible goods-only lifts (subject to a positive vote at the CEN enquiry)

prEN 81-40
Safety rules for the construction and installation of lifts – Special lifts for the transport of persons and goods – Part 40: Stairlifts and inclined lifting platforms intended for persons with impaired mobility

prEN 81-41
Safety rules for the construction and installation of lifts – Special lifts for the transport of persons and goods – Part 41: Vertical lifting platforms intended for use by persons with impaired mobility

prEN 81-43
Safety rules for the construction and installation of lifts – Special lifts for the transport of persons and goods – Part 43: Special purpose lifts for cranes
NOTE: Although ready for formal vote, this draft has been negatively assessed by the CEN consultant

prEN 115: 1995 Rev
Safety rules for the construction and installation of escalators and passenger conveyors (revision of EN 115: 1995)

10 New Construction Industry Scheme

The current Construction Industry Scheme has been in place since 1999 but a new, substantially different, scheme will take effect from 6 April 2007.

The aim of the revised scheme is to:

- reduce the regulatory burden on construction businesses;
- improve compliance by construction businesses with their tax obligations; and
- help construction businesses get the employment status of their workers right.

CURRENT SCHEME	NEW SCHEME
Two payment classifications	Three payment classifications
Registration cards / gross payments certificates	Verification process
CIS vouchers and end of year returns	Monthly returns
No status declaration	Written status and verification declaration
Certificate renewal on a three-year cycle	Failure to comply = cancellation of gross payment

Who will need to register?

- All contractors must register with the Inland Revenue for the scheme.
- Subcontractors who do not wish to have deductions made from their payments at the higher rate of deduction should also register with the Inland Revenue.

The Inland Revenue will provide registration details for contractors and subcontractors to use when dealing with payments.

Payment classifications

The three payment classifications are:

- entitlement to gross payment;
- payment under deduction – standard rate; and
- payment under deduction – higher rate.

Verification requirement

Before a payment is made, a contractor must verify with HM Revenue & Customs that the subcontractor is registered. HM Revenue & Customs will advise the rate of deduction that must be applied to the payment or whether the payment can be made without any deductions.

How to verify a subcontractor

You can contact HM Revenue & Customs in a number of ways:

- by phone – 0845 366 7899;
- via the internet – www.hmrc.gov.uk/new-cis; or
- electronically – using either Electronic Data Interchange (EDI) or other third party software.

Information HM Revenue & Customs will require about the contractor

- contractor's name;
- contractor's unique tax reference (UTR);
- contractor's account office reference; and
- contractor's employer's reference.

INFORMATION HM REVENUE & CUSTOMS WILL REQUIRE ABOUT THE SUBCONTRACTOR	
Sole trader	name unique taxpayer's reference (UTR) national insurance number, if known
Partner in a firm	firm's name partner's name firm's unique taxpayer's reference (UTR) If the partner is an individual: partner's unique taxpayer's reference (UTR) or partner's national insurance number If the partner is a company: company's unique taxpayer reference (UTR) or company registration number
Company	name of company company's unique taxpayer's reference (UTR) company registration number

Returns

Each month, contractors must send a complete return of all payments made within the scheme or report that no such payments have been made.

Payments to HM Revenue & Customs

Each month (or quarterly in some cases) contractors must send a payment in respect of deductions made from subcontractors.

The scheme does not apply to contracts of employment.

It is for the contractor to decide on the individual's employment status when the subcontractor is first engaged.

The above is a brief overview of the new CIS rules. For further details, please contact:

Ian Warwick

Winters, 29 Ludgate Hill, London EC4M 7JE, 020 7919 9100
ianwarwick@winters.co.uk

The Employment Equality (Age) Regulations 2006 (the regulations) came into force on 1 October 2006 and implement a November 2000 European directive outlawing age discrimination in employment and vocational training.

Under the regulations, employers can dismiss an employee at or after the age of 65 by reason of retirement – as long as they follow a set procedure. The regulations also allow employers to refuse to recruit applicants aged over 65.

At the end of last year however, the UK High Court referred a challenge to the regulations to the European Court of Justice (ECJ) for a ruling to clarify the requirements of the underlying EU legislation. The case was brought by the National Council for Ageing – also known as Age Concern and Heyday – and was heard in the High Court on 6 December 2006.

The main challenge relates to the inclusion in the regulations of the mandatory retirement age of 65. Heyday argues that, by failing to give workers over 65 the same protection from discrimination as younger workers, the government has not implemented the European directive correctly.

A second challenge arises regarding the employer's justification defence, which can be used for both direct and indirect discrimination under the regulations. Heyday argues that by extending the defence to cover direct discrimination the government is allowing a far wider defence for employers than is compatible with the European directive.

The government has accepted the arguments in favour of a reference to Europe to clarify the position. The precise questions to be referred to the ECJ will be determined following submissions from both parties and are likely to be finalised shortly. Prior to the implementation of the regulations, the government had already committed to a review of the mandatory retirement age in 2011.

In the meantime, there is some debate about the effect of the ECJ reference on employment tribunal claims. Heyday has called for all workers who have been compulsorily retired since 1 October 2006 to lodge age discrimination claims. Where an EU member state fails to comply with its obligations under a European directive, the ECJ has previously held that, provided the directive is clear and unconditional, a public sector employee can rely upon the directive against the state. Employment tribunals may, however, decide to stay all proceedings regardless of whether the employer is from the public or private sector, pending the ECJ's ruling.

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Direct and indirect discrimination

- Direct discrimination occurs when persons are treated less favourably than others on grounds of age.
- Indirect discrimination occurs where an apparently neutral provision is applied uniformly to all, but nevertheless has the effect of putting a particular age group at a disadvantage compared to others.



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