

NFDA TRUCK AND VAN UPDATE
August - September 2021



Mercedes pushing ahead with a 11.3% market share

Dear Colleague,

Truck registrations continued to stabilise in June. Truck dealers are still cautiously optimistic about demand for new trucks over the coming months, although they are becoming increasingly concerned about the supply problems and subsequent extended delivery periods that could cause order cancellations later in 2021 and early next year.

Van registrations decreased -14.8% in July. Following a successful start to the year for the van market, a timely decline in sales has followed, due to supply issues within our industry, in particular due to semiconductor shortages and factory closures. Dealers remain cautiously optimistic for the remainder of the year.

The NFDA CV Committee has held its first, physical, well-attended meeting in over 18 months. A packed agenda allowed us to discuss all the most pressing issues facing truck dealers. Please find more details in the news, our next meeting will take place on 25 October.

NFDA is your trade body: we are here to help and advise you on regulatory and operational issues that affect your business. If you require any assistance, please do contact the helpline on 01788 538303.

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Truck registrations continue to stabilise

The levels of demand are still reasonable, but it is impacted by supply restraints due to restrictions on European factories. Ongoing Covid related problems, component supply issues and the worldwide shortage of semiconductors are all adding up, extending delivery periods up to 6 to 9 months. This, in addition to the time needed to complete bodywork and conversions, adds further delays to trucks' registration and delivery.

Many operators are also suffering with major driver shortages affecting, as a result, new orders for vehicles and contributing to what could become a 'perfect-storm'. The used truck market is still very buoyant, but availability of good used stock is hard to find.

While many fleets are upgrading their units in the normal, planned way, dealers are reporting that the increase in new product demand is primarily coming from independent operators and small fleets.

FULL FIGURES AVAILABLE IN THE MEMBER EDITION OF THE NEWSLETTER

Please note: we obtain these figures monthly from the SMMT for our members, they are confidential and should not be shared externally.

Van market sees 14.8% decline in July

Van registrations decreased -14.8% in July, whilst overall sales were slightly below the pre-pandemic five-year average at -4%. The year-on-year drop was expected given the restricted supply of new commercial vehicles.

The latest SMMT figures revealed 23,606 vans were registered during the month of July, a 14.8% decrease from the same month last year. Vans ranging from 2.5 - 3.5 tonnes, making up the 70.5% of all van registrations, are down a modest 5.2%. Demand for light commercial vehicles was down across all sectors, bar 4x4s, which showed an increase of 145.3%. At this point last year online deliveries became an essential component to life during the pandemic and this was reflected through heightened demand for LCVs.

Following a successful start to the year for the van market, a timely decline in sales has followed, due to supply issues within our industry, most recognisably semi-conductor shortages and factory closures. NFDA Commercial Vehicle members remain cautiously optimistic for the remainder of the year.

REGISTRATIONS OF VANS plus HCVs 3.5T-6T by MONTH

	Jul -21	Jul -20	% change
Pickups	2,868	3,893	-26.3%
4x4s	498	203	145.3%
Vans <= 2.0t	907	1,468	-38.2%
Vans > 2.0 - 2.5t	2,680	4,571	-41.4%
Vans > 2.5 - 3.5t	16,653	17,566	-5.2%
All Vans to 3.5t	23,606	27,701	-14.8%
Rigids > 3.5 - 6.0t	470	634	-25.9%

REGISTRATIONS OF VANS plus HCVs 3.5T-6T by YEAR-TO-DATE

	YTD-21	YTD-20	% change
Pickups	27,329	17,988	51.9%
4x4s	2,767	838	230.2%
Vans <= 2.0t	10,536	8,528	23.5%
Vans > 2.0 - 2.5t	29,339	23,328	25.8%
Vans > 2.5 - 3.5t	145,148	85,895	69.0%
All Vans to 3.5t	215,119	136,577	57.5%
Rigids > 3.5 - 6.0t	3,531	3,190	10.7%

Image source SMMT

NFDA CV committee business recommences

On 14 July, the NFDA Truck Council reconvened in London, in person, after abandoning physical meetings some 18 months ago due to the pandemic. Chaired and co-chaired by Brian Currie and John Biggin, the meeting was well attended by many of the UK biggest franchised truck dealers.

A packed agenda covered all the following issues:

1. Truck registrations and future demand

After discussion on the current demand from both fleet and owner operators the consensus was that delivery delays continue to be caused by the supply situation, linked to shortage of components and the semiconductor issues.

2. New Van market growth

Update on New Van registrations: (vans <= 3.5t, June 2021) although demand has been robust, supply issue have started to affect product availability and, therefore, dealers expect lower future registration and longer delays obtaining new vans.

- Shortage of **semi-conductors** affected production volumes and caused delays in the market
- Demand for vans was bolstered by operators looking to renew and expand their fleets to meet rising online delivery business and demand from the construction sector
- Demand for larger 2.5-3.5 tonne vans drove the increase in June, comprising the majority (**71%**) of all registrations in the month, 24,434 vans
- Other segments saw drops in demand compared to 2020; registrations of lighter vans weighing less than or equal to 2.0 tonnes were **down -18.7%** and vans weighing more than 2.0-2.5 tonnes **decreased -4.3%**

3. EU/UK regulations re Tacho/O-Licence 2.5-3.5t vans

Vans could come within the scope of operators' licensing (O-licensing) thanks to legislative changes under discussion in Europe, but only certain types of operation would be affected.

This means that businesses operating vans grossing at 2.5 tonnes and above on international hire and reward work will have to hold an O-licence and comply with its requirements. This would, among other things, include the installation of a tachograph and obeying the Drivers' Hours rules.

On the face of it, the number of UK-based light commercials likely to be affected is comparatively small. Where it could have an impact, though, is on cross-border traffic between Northern Ireland and the Republic.

It comes about as the consequence of hauliers in Western Europe becoming increasingly annoyed by operators from Eastern Europe trying to compete with them with vehicles that, in theory, are 3.5 tonnes but, in practice, may be running at a rather higher weight.

Summary

- 'O' Licence: LCVs 2.5-3.5t if used for 'hire or reward' in EU will need to have an Operator's Licence from May 2022
- Tachograph: LCVs 2.5-3.5t if used for 'hire or reward' in EU will need to be fitted with a Tachograph from 2026

4. Update on operating heavy 'service vans' without tachograph usage

Tachograph rules for local journeys, from DVSA website

Vehicles no longer need to be fitted with tachograph recording equipment and their drivers will not have to comply with EC drivers' hours rules, but with GB drivers' hours rules instead.

The European regulation EU 165/2014 sets out requirements for the construction, installation, use, testing, and control of tachograph recording equipment. The regulation increases the journey distance for exemptions from 50km to 100km from the operator's base.

This applies to vehicles or vehicle trailer combinations with a maximum weight of 7,500kg which are:

- Used to carry materials, equipment or machinery for the driver's use in the course of their work, and when driving the vehicle is not the driver's main activity
- Used to carry goods and are propelled by natural or liquefied gas or electricity

The DVSA opinion is 'Service Vans' are not considered recovery vehicles, but further definition is being sought from the DVSA by the NFDA.

5. Lifting of DVSA Moratorium on new ATF appointments

The DVSA will now accept new applications if a proposed ATF:

1. Is a move of premises for an existing ATF, but it is within the same geographic area
2. Already has 'approval in principle' from DVSA

3. Is in an area with a substantial shortage of ATFs, currently Orkney and mainland Highlands of Scotland
4. Is in Southern England and is offering testing of fully laden fuel tankers (this is often known as a full pet. reg. site) or ADR testing
5. Will significantly improve the service to heavy vehicle operators, by reduced journey times or other efficiency benefits

Applications made under these criteria will be prioritised based on the certainty and scale of improvement in service the proposed ATF can offer.

6. DVSA presentation on 'part-paid' re-tests at ATFs

- The vast majority of part paid tests are done the same or next working day
- There is an issue with policy interpretation: DVSA, ATFs and Trade
- Incorrect fees have sometimes been charged, therefore the DVSA plan to send out notice to clarifying the policy.

7. Discussion on post-brexite, reversion back to Construction & Use Regs for the fitting of minor kit prior to truck registration

The group discussed how there was no legislation or clarity on repair procedures and fitting of accessories. The group agreed that they would send the NFDA CV a list of items they consider should be outside the scope of pre-registration approval and this will then be consolidated at the next meeting.

8. Date of next meeting

25 October 2021 – 201 Great Portland Street

Members of the NFDA CV are welcome to attend this meeting, please email Steve Latham on stephen.latham@rmif.co.uk to obtain details and advise of your attendance.

DVSA to recruit an extra 40 additional vocational driving examiners to help reduce lorry driver shortage

A campaign to recruit additional vocational driving examiners in England and Wales to help reduce the lorry driver shortage has been launched by the Driver and Vehicle Standards Agency (DVSA) on 16 August 2021.

40 new vocational examiners will be recruited in total, made up of existing DVSA employees and external candidates.



The government wrote to the UK haulage industry on 20 July 2021 outlining a package of measures to help address the lorry driver shortage. It acknowledged that increasing the availability of vocational driving tests is key to this issue.

DVSA continues to develop measures to maximise testing capacity, including consulting on plans to streamline the process for drivers to gain their heavy goods vehicle (HGV) licence. The additional examiners will enable DVSA to offer more lorry driving test appointments.

It has already increased the number of vocational driving tests from 2,000 a week pre-pandemic to 3,000 by overtime and allocating additional employees into testing.

Government launches plan for a ‘world-leading’ hydrogen economy

The Government has published its ‘Hydrogen Strategy’, outlining plans to accelerate the development of a low carbon hydrogen economy and support innovation.

The Government has outlined how it aims to kick start world-leading hydrogen economy, supporting over 9,000 UK jobs and unlock £4 billion investment by 2030.

The plan sets out a twin-track approach to supporting electrolytic “green” and carbon capture-enabled “blue” hydrogen production, alongside other potential production routes, which the Government says will enable rapid growth of the sector while bringing down costs.



The Strategy includes a comprehensive roadmap for the development of the wider hydrogen economy over the 2020s to deliver on the Government’s 5GW by 2030 ambition.

According to the Government, a booming, UK-wide hydrogen economy could be worth £900 million and create over 9,000 high-quality jobs by 2030, potentially rising to 100,000 jobs and worth up to £13 billion by 2050. By 2030, hydrogen could play an important role in decarbonising polluting, energy-intensive industries like chemicals, oil refineries, power and heavy transport like shipping, HGV lorries and trains, by helping these sectors move away from fossil fuels.

With government analysis suggesting that 20-35% of the UK’s energy consumption by 2050 could be hydrogen-based, this new energy source could be critical to meet targets of net zero emissions by 2050 and cutting emissions by 78% by 2035, a view shared by the UK’s independent Climate Change Committee.



The Government has also published a wider package of policy documents on hydrogen alongside the Strategy

View the announcement [here](#)

Access the UK Hydrogen Strategy document [here](#)

MILS Update: THE INFORMATION COMMISSIONER; REGISTRATION AND THE DATA PROTECTION FEE

“I have recently received a number of letters from the ‘Information Commissioner/ICO’ telling me I need to pay a ‘Data Protection Fee’. I have never heard of them before. Is this a scam?”

We cannot say whether the letter you have received is or is not real. If you are at all concerned, we would strongly advise caution. That said, the Information Commissioner or ICO is a legitimate organisation, and it is likely that a fee is due.

Who are the ICO?

The ICO is the UK’s independent body responsible for upholding information rights and data protection. Their main responsibility is the Data Protection Act 2018, but they are also responsible for the Freedom of Information Act 2000, the Network and Information Systems Regulations 2018, the Electronic Identification and Trust Services Regulations, and Investigatory Powers Act 2016.

They have become more well known in the last few years as a result of the GDPR and the overhaul of data protection legislation in the UK.

Do I have to pay a fee, and if so, why?

The ICO is funded, at least in part, by a levy placed on data processors. Under the Data Protection Act 2018, organisations processing personal data must pay a data protection fee, unless they are exempt. As personal data includes people’s names, addresses or telephone numbers, where you hold customer data for billing purposes etc... it is likely that you will be required to pay a fee.

The ICO have provided a handy tool on their website in order to help businesses assess whether they are required to register with the ICO as a data processor and if so whether they are liable to pay a fee. This can be found at <https://ico.org.uk/for-organisations/data-protection-fee/self-assessment/>

Conclusion

In conclusion it is highly likely that this is a genuine letter and that you are required to be both registered and that you are liable for a fee. In fact it’s likely that you have been for some time. Whether you have received a letter or not, we would advise all members to go to the ICO website address above and take 45 minutes to go through the assessment. If you are required to register and pay a fee you will then be referred to the appropriate next steps.

However, this advice is general in nature. As an NFDA member you have access to the Legal advice line, as well as a number of industry experts for your assistance. Should you find yourself in the situation above, contact us at any stage for advice and assistance as appropriate.

Solicitor
Motor Industry Legal Services

Motor Industry Legal Services (MILS Solicitors) provides fully comprehensive legal advice and representation to UK motor retailers for one annual fee. It is the only law firm in the UK which specialises in motor law and motor trade law. MILS currently advises over 1,000 individual businesses within the sector as well as the Retail Motor Industry Federation (RMI) and its members.

Volta Zero begins prototype testing

Commercial Motor

Electric truck start-up Volta Trucks has begun real-world testing of its Volta Zero 16-tonner.



The prototype chassis is undergoing engineering evaluation and development testing at HORIBA MIRA in Nuneaton where engineers have dubbed the vehicle 'Volta Minus One'. It uses the same production specification chassis and drivetrain of what will be the finished truck and is having its electro-mechanical systems and thermal properties assessed with specific focus on the Proterra high-voltage battery, electric motor and Meritor transmission eAxle unit.

Unlike the production model, the Volta Zero is being tested with a flatbed body, rather than the box body destined for the finished vehicle. Engineers will use the flatbed to add different test weights at various positions to evaluate its carrying capacity. The findings from the tests will then inform the production of the first pilot vehicles that will be put into service with key customers who have signed up for testing and the option to purchase production vehicles.

The prototype testing will last several months in Nuneaton and periods of cold weather testing, north of the Arctic Circle, and hot weather testing, in southern Europe, have also been scheduled.

Full-scale production of customer vehicles is expected to begin at the end of 2022.

Source and full article: [Commercial Motor](#)

Ovo Energy orders 1,000 electric vans

Ovo Energy is expanding its fleet of electric vehicles with an order for more than 1,000 Vauxhall Vivaro-e vans. The move is part of the company's goal of having a 100% electrified fleet by the end of 2025.

Ovo Energy recently took delivery of 40 Kia e-Niros and 26 Nissan e-NV200s. The new vehicles, which are being supplied by Zenith, will begin production with a newly designed livery and build specification in preparation to start a phased delivery in Q4 of 2021.

Ben Guest, field operations director at Ovo Energy, commented: "We're committed to expanding our Field Force team's fleet with new electric vehicles, building on our commitment to achieve net zero carbon emissions from our own operations by 2030. Our partnership with Zenith means we can accelerate our plans and move towards a fully electric fleet."

The Vivaros will be used by Ovo Energy's smart meter installation team when visiting domestic properties. Users will save 9.5kg of CO2 daily, based on 40 miles.

Source and full article: [Commercial Fleet](#)

How Drive My Career can help you fix the skills shortage

Drive My Career (DMC) is the employment initiative launched by NFDA to fix the skills shortage issue by helping dealers attract young people to our sector.



Since its launch in February 2018, DMC has redirected thousands of young people to dealers' career pages and their open vacancies through targeted marketing promotions and wider campaigns highlighting the positive aspects of a career in automotive.

We have recently been made aware that a number of members in the truck sector are struggling to attract candidates and Drive My Career can help. By joining Drive My Career for a small annual fee, you can promote specific roles via DMC's online channels and benefit from marketing campaigns aimed at sending potential applicants to your website every time you have an open vacancy.

Through DMC, you will also obtain insights based on direct feedback from our audience and your potential candidates, publicise your colleagues' success stories (especially via our newly launched Ambassador Scheme) as well as reach a wider audience of young people by taking part in events, campaigns and initiatives.

Drive My Career has recently attended the British Motor Show, where the team engaged with dozens of young people and their families to discuss career opportunities in the automotive industry.

To learn more about Drive My Career, please email info@drivemycareer.co.uk or visit www.drivemycareer.co.uk.