

NFDA TRUCK AND VAN UPDATE
June/July 2022



Strong registrations for VOLVO in April

Dear Colleague,

In April 2022, HGV registrations fell by -2.9% as supply and component shortages continue to hinder deliveries over the past few months.

Similarly, registrations of new light commercial vehicles (LCVs) fell for its fifth consecutive month, recording a -25.1% decrease in May.

On the 14 June, Government announced its closure of the highly effective Plug-in Car Grant scheme. Nevertheless, the grant remains open for Truck and Motorcycle retail, with the intention of applying more pressure on electrification for these sectors.

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.

Steve Latham
NFDA Truck & Van Division Advisor
Mob: 07515 975 157
Email: stephen.latham@rmif.co.uk

Contents

A turbulent year for HGV sales	3
Supply constraints continue to impact LCV market	3
NFDA CV Policy: Plug-in grant for cars to end as focus moves to improving electric vehicle charging.....	5
MILS Legal Update: Dismissing new employees for absence/illness	6
European passenger CV registrations down 17.7% in May.....	7
General news	8

A turbulent year for HGV sales

NFDA Truck Registration figures	Jan-21	Jan-22	Feb-21	Feb-22	Mar-21	Mar-22	Apr-21	Apr-22	YTD (21)	YTD (22)	YTD COMPARISON VS 21	2022 YTD Market Share
DAF	897	884	908	774	1337	1261	1066	979	4208	3898	-310	30.0
Dennis	51	53	64	28	132	121	95	62	342	264	-78	2.0
FUSO	26	17	37	18	49	20	47	5	159	60	-99	0.5
Isuzu	65	76	39	76	88	107	74	88	266	347	+81	2.7
IVECO	199	232	263	227	330	365	306	288	1098	1112	+14	8.6
MAN	241	272	158	157	683	446	294	216	1376	1091	-285	8.4
Mercedes	252	323	189	222	580	396	404	351	1425	1292	-133	10.0
Renault	78	114	106	143	310	280	205	201	699	738	+39	5.7
SCANIA	465	565	227	326	890	725	480	448	2062	2064	+2	15.9
VOLVO	438	570	297	372	665	667	343	509	1743	2118	+375	16.3
Total	2712	3106	2288	2343	5064	4388	3314	3147	13378	12984	-394	100.0

Its proving to be a difficult year for truck registrations weighing 6 tonnes and over, as supply and component shortages have continued to hinder deliveries over the past few months. In January and February there were modest increases in units going on the road but more recently registrations for both March and April have decreased against those of last year. The NFDA contacts at the DVLA are forecasting numbers for May to be reduced also.

Overall, most brands have been affected by external factors such as semiconductor shortages and the conflict in Ukraine. The only two brands that are showing significant growth in the first four months of 2022, are Isuzu and Volvo increasing by 81 units and 375 units respectively.

Although there is inflationary concerns and uncertainty within the general population, this has not slowed demand for new trucks. The need for heavy trucks to comply with the ever-expanding Low emission zones has kept orders rolling into dealers which has in-turn impacted delivery time periods.

Whilst demand for recently registered used trucks remains strong, obtaining them is proving difficult due to very few trucks being de-fleeted. To some extent, this shortfall has been mitigated as dealer maintenance and repair work has ensured older vehicles remain safe and reliable on the road.

Supply constraints continue to impact LCV market

“Light commercial vehicle registration experiences its fifth consecutive month of decline, as global supply issues continue to frustrate the market”, said Sue Robinson, Chief Executive of the National Franchised Dealers Association (NFDA), commenting on the latest SMMT's light commercial vehicle registration figures.

New light commercial vehicle (LCV) registrations fell by -25.1% to 22,000 units in May, compared to the 29,354 new LCV registrations recorded in May 2021.

In comparison, the previous May was the highest on record, although the market was still below the pre-pandemic average as component shortages restricted production and deliveries to end users.

All sectors of LCVs experienced a fall in sales volumes during May. Larger vans with a GVW

of 2.5 – 3.5 tonnes saw a smaller decline of -19.4%.

Demand for battery electric vehicle (BEV) vans continues to rise, with 869 registered in May, 276 more than last May. Electric van registrations for the year to date are 62.7% higher than last year, due to online delivery businesses upgrading their fleets and the influx of low emission zones around the country. The market share for EV vans is now at 5.2%, meaning that 1 in 20 vans sold are now EVs.

Ford was the market leader in May with a 39.20% share. It was followed by Vauxhall at 10.23% and then Citroen at 7.39%.

Sue Robinson added: “In a disappointing month of registration figures for May, it is positive to see that electric vehicle sales continue to increase both in the car and LCV market.

“With the planned end of sales of diesel and petrol LCVs by 2030 and the recent hike in fuel prices since the war in Ukraine, many dealers are positive about the values of promoting electric vans for lower range delivery and service purposes.”

Image source SMMT

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

	May-22	May-21	% change
Pickups	2,611	3,570	-26.9%
4x4s	77	399	-80.7%
Vans <= 2.0t	813	1,743	-53.4%
Vans > 2.0 - 2.5t	2,636	3,955	-33.4%
Vans > 2.5 - 3.5t	15,863	19,687	-19.4%
All Vans to 3.5t	22,000	29,354	-25.1%
Rigids > 3.5 - 6.0t	511	602	-15.1%

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

	YTD-22	YTD-21	% change
Pickups	12,587	20,603	-38.9%
4x4s	997	1,761	-43.4%
Vans <= 2.0t	3,438	8,347	-58.8%
Vans > 2.0 - 2.5t	17,392	22,378	-22.3%
Vans > 2.5 - 3.5t	83,527	104,061	-19.7%
All Vans to 3.5t	117,941	157,150	-25.0%
Rigids > 3.5 - 6.0t	2,102	2,434	-13.6%

May

	2022	2021	% change	Mkt share -22	Mkt share -21
BEV	869	593	46.5%	4.0%	2.0%
Diesel	20,452	28,253	-27.6%	93.0%	96.2%
Others	679	508	33.7%	3.1%	1.7%
TOTAL	22,000	29,354	-25.1%		

Year to date

	YTD 2022	YTD 2021	% change	Mkt share -22	Mkt share -21
BEV	6,085	3,739	62.7%	5.2%	2.4%
Diesel	109,249	151,234	-27.8%	92.6%	96.2%
Others	2,607	2,177	19.8%	2.2%	1.4%
TOTAL	117,941	157,150	-25.0%		

NFDA CV Policy: Plug-in grant for cars to end as focus moves to improving electric vehicle charging

The government announced on 14 June 2022 the closing the plug-in car grant scheme to new orders after successfully kickstarting the UK's electric car revolution and supporting the sale of nearly half a million electric cars.

However, £300 million in grant funding will be syphoned to sales of **electric vans**, taxis and motorcycles to boost drive to net zero”

A new public evaluation report has been published highlighting while the plug-in car grant was vital in building the early market for electric vehicles, it has since been having less of an effect on demand, with other existing price incentives such as company car tax, continuing to have an important impact. **The report also found the plug-in van market will benefit from grant incentives more to support businesses and their fleets in making the switch.**

- For more information , please visit: [Plug-in grant for cars to end as focus moves to improving electric vehicle charging - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/plug-in-car-grant-to-end)
- Office for Zero Emission Vehicles grant portfolio: evaluation report: [Office for Zero Emission Vehicles grant portfolio: evaluation report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/office-for-zero-emission-vehicles-grant-portfolio-evaluation-report)
- NFDA Press Release: <https://www.nfda-uk.co.uk/press-room/press-releases/nfda-expresses-disappointment-in-the-plug-in-car-grant-closure>

DVSA Changes to the Electronic Braking System (EBS) conditioning processes given in the HGV Inspection manual.

Initiating Inputs: Heavy Goods Vehicles and Trailers presented for annual test or subject to a prohibition clearance.

To ensure DVSA applies consistent processes during vehicle and trailer annual testing.

Procedure and General Rules:

1. Following feedback of the changes to the process for conditioning of EBS Processors at IM71 of the Heavy Goods Vehicle inspection manuals it has been highlighted some Knorr Bremse equipped trailers may be disadvantaged during the roller brake test (RBT).
2. Following investigation and discussions with the manufacturer it is now clear that to condition the EBS in the same manner as other manufacturers would result in Knorr Bremse equipped trailers being in an incorrect mode for conducting the roller brake test (RBT). The process used to condition EBS for roller brake testing is achieved using a different method from other brake manufacturers.
3. The process as originally described in the HGV inspection manual is to be followed with immediate receipt of this memo.

Brake Testing Trailers with Knorr Bremse EBS

Irrespective of whether the trailer is laden or unladen, before commencing the brake test, the EBS Processor must be conditioned, this is done by:

- a) Putting the first axle of the trailer in the RBT.
 - b) Switch off the engine/ignition and apply the service and parking brake.
 - c) Restart engine.
 - d) Release the service and park brake and continue the brake test as normal.
- This procedure only needs to be carried out once. The system will reset when the trailer is driven at a speed greater than 10 KMH.

4. The HGV inspection manual changes will be incorporated in the next available update.

MILS Legal Update: Dismissing new employees for absence/illness



"I have recently taken on an employee, about a month ago, but she isn't proving to be very reliable. She is a receptionist but has already had 5 days off with a variety of medical complaints. What do I do? I don't want to be unfair to her but I've got a business to run and it is very difficult to cope without the receptionist taking the calls?"

Many employers believe that it is more difficult to dismiss an employee who is ill than one who has committed an act of misconduct. Provided the employee has well under 2 years' service (and note that normal unfair dismissal rights actually apply a week *below* two years) that is not necessarily the case.

When dealing with employees with under 2 years' service, an employer is perfectly entitled to dismiss an employee if their illness/absence creates difficulties and is not always necessary to go through the full disciplinary procedure in terms of medical evidence and written warnings before taking that decision.

There are however caveats to that general advice. Absence issues can sometimes give rise to claims, and the most common 'banana skins' for employers when dismissing employees with short service who are absent, are as follows:

1. The risk that any absence could be related to a long term condition, so as to satisfy a disability under the Equality Act 2010. To qualify as a disability the condition has to be long term and have a substantial adverse effect on day-to-day activities. It is sometimes possible that (even if they appear to be short term issues) absences are linked to some longer term condition. Clearly if they are coughs, colds or other minor issues that is unlikely.
1. Be careful also that any absences are not related to pregnancy related illness or similar issues, as that can give rise to claims for sex and pregnancy discrimination.

In the scenario described above therefore if the employer had satisfied itself that those risks do not apply then the next step is very much at the employer's discretion. It could of course be sympathetic, give a warning and try to improve the issues, but if it is too disruptive it could take a view and invite the employee to a meeting to consider dismissal on the grounds of absence.

If the employer decides to proceed, it is usually advisable to lay a basic paper trail, involving a written invite to a hearing to consider dismissal on the grounds of absence, a minuted discussion regarding the issue and a decision letter, ideally with the right of appeal. Although not following that procedure wouldn't necessarily give rise to claims, by doing so the employer lays the foundation of a defence in the Tribunal, if the employee should try to claim that they were dismissed for any automatically unfair reason (most commonly discrimination, whistle-blowing or asserting statutory rights) for which length of service is not required to bring claims in the Tribunal.

Motor Industry Legal Services

Motor Industry Legal Services (MILS Legal Ltd) 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.

European passenger CV registrations down 17.7% in May

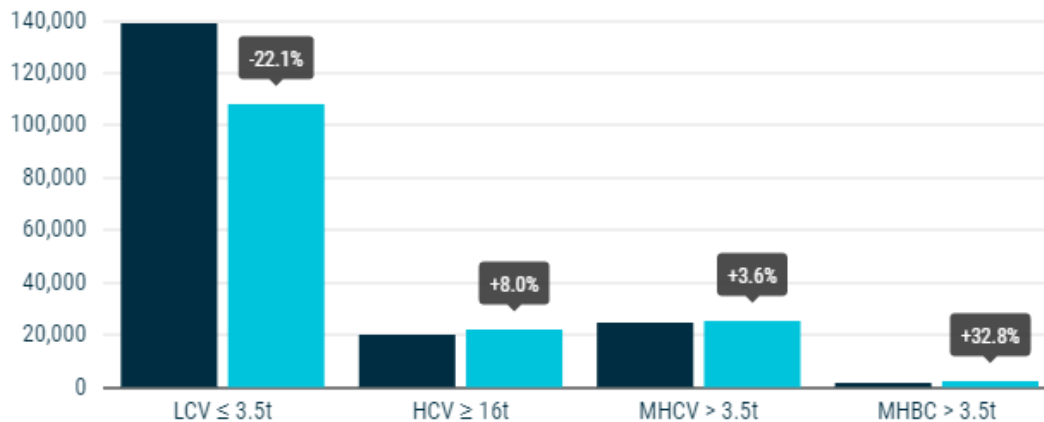
In May 2022, new commercial vehicle registrations suffered another decline across the European Union, with sales down for the eleventh consecutive month. In May the figures dropped by 17.7% to reach 136,410 units sold. Trucks and buses saw growth compared to the same period last year, but the decline in van sales negatively affected the overall performance. All key EU markets recorded double-digit losses, with Spain witnessing the sharpest fall (-29.3%).

Five months into 2022, new commercial vehicle sales decreased by 19.8% in the EU, totalling 673,095 units, with the substantial drops in March and April weighing heavily on the year-to-date performance. The major markets in the region all posted negative growth: Spain (-31.2%), France (-22.3%), Germany (-17.1%) and Italy (-8.2%).

Image source: ACEA

New commercial vehicle registrations in the EU

■ May 2021 ■ May 2022



General news

Volvo Trucks showcases new zero-emissions truck

Volvo Trucks has started to test vehicles using fuel cells powered by hydrogen.

The fuel cell electric trucks will have an operational range comparable to many diesel trucks and a refuelling time of less than 15 minutes. The total weight can be around 65 tonnes or even higher, and the two fuel cells have the capacity to generate 300 kW of electricity onboard.

Customer pilots will start in a few years from now and commercialisation is planned for the latter part of this decade.

Source: <https://www.ukhaulier.co.uk/news/road-transport/trucks/volvo-trucks-showcases-new-zero-emissions-truck/>

Government funds HGV driver training programme for veterans

The Government will provide £100,000 in funding to get more veterans in HGV driving roles, Chancellor of the Duchy of Lancaster Steve Barclay has announced today. The new announcement is on top of the £25m of Government funding being distributed through the Armed Forces Covenant Fund Trust to charities to offer support to veterans across the United Kingdom.

The grant has been provided to the charity Veterans into Logistics, which provides bespoke training for former military personnel who wish to pursue careers in HGV driving. The government-funded programme comes after the Ministry of Defence provided 350 HGV training places through the Career Transition Partnership scheme in November.

Source: <https://www.fleetpoint.org/driver-training-safety/government-funds-hgv-driver-training-programme-for-veterans/>

MAN gives update on electric truck preparations

In total, 20 prototypes of MAN's eTruck have rolled out of the facility in Munich. The first small series of the electric truck is to be produced on the normal production line as early as the end of 2023. Vehicles will enter practical use with selected pilot customers from 2024.

Source: <https://truckingmag.co.uk/news/man-gives-update-on-electric-truck-preparations/>

Regional transport gets electric boost from Scania

Future of regional transport solutions from Scania has been revealed by the Swedish manufacturer. Announced new battery electric trucks, as well as a fresh approach to sales.

Source: <https://truckingmag.co.uk/news/regional-transport-gets-electric-boost-from-scania/>