

NFDA TRUCK AND VAN UPDATE
March/April 2022



VOLVO strong registrations in January

Dear Colleague,

Despite the challenges of Covid, semiconductor shortages and significant supply chain issues, HGV registrations for January experienced modest growth. Uncertainty has bolstered with the invasion of Ukraine, as they are the world's biggest manufacturer of neon gas, used in the production of semiconductors.

Registrations of new light commercial vehicles (LCVs) fell -6.0% in February. Last year, sales were significantly supported by pent-up demand. Year to date, the market is now -18.2% down from 2021 volumes, but remain 14.6% above pre-pandemic levels.

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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Contents

Positive start to year with modest growth for truck registrations.....	3
Van sales perform above pre-pandemic levels despite supply issues affecting current registrations.....	3
NFDA CV Policy Summary: Spring Statement 2022	4
Phase out of non-zero emission busses, coaches and minibuses	5
MILS Legal Update: Philosophical Belief.....	6
General news	7

Positive start to year with modest growth for truck registrations

The year started well with a modest growth in truck registrations, despite the severe restraints on new vehicle supply. As the UK emerges from two years of COVID disruptions, the growth in demand for trucks has put increasing pressure on supply restraints, particularly caused by the global shortage of semiconductors. However, the invasion of Ukraine has now added more uncertainty, as they are the world's biggest manufacture of neon gas, used in the production of semiconductors.

As demand for goods around the world increases, we are seeing huge price increases in raw materials and transportation. All trucks will need passing onto the end-user; thus, many truck manufactures are quoting deliveries into the second quarter of 2023.

Despite what pundits would call a 'perfect storm' of negativity, truck dealers remain positive as a greater proportion of their business is in the service and repair sector in comparison to the car dealer's business model which is predominantly retail.

Although, for competition reasons, we receive truck registration figures by brand 8 weeks after registration, we can report via the DVLA that February overall truck registrations will be very similar to those in January.

If you would like the full NFDA membership version of HGV truck registration figures monthly, please contact stephen.latham@rmif.co.uk for more information.

Van sales perform above pre-pandemic levels despite supply issues affecting current registrations

Despite February's decline, the light van market remained above pre-pandemic levels, according to the latest SMMT's light commercial vehicle registration figures.

Registrations of new light commercial vehicles (LCVs) fell -6.0% in February to 16,165 units. Last year, sales were significantly supported by pent-up demand. Year to date, the market is -18.2% down from 2021's volumes but remains 14.6% above pre-pandemic levels.

The highlight of the month was the 36.9% growth in the medium-sized van segment weighing over 2.0 to 2.5 tonnes, showing significant strength in the service sector as domestic business picks up. A total of 4,024 medium vans were registered, over 1,000 more than last year.

Heavy vans weighing more than 2.5 - 3.5 tonnes declined by -9.9% to 10,638 units despite robust demand, as supply constraints continue to affect the market. Small vans under 2.0 tonnes decreased by -52.2% whilst pickups were down by -36.0%. Demand for 4x4s rose by 49.0% although these represent a small proportion of the overall market (76 units).

Sales of fully electric vans continued their upward trend with a huge 347.6% growth from 389 units in February 2021 to 1,741 last month, reaching a 10.8% market share of all LCV registrations in the month.

The February market continued to be dominated by Ford with a 32.1% market share of registrations, followed by Peugeot (16.0%) and Citroen (15.2%).

The significant growth in sales of electric vans is encouraging and, as more models come to the market, the sector is likely to experience further growth going forward. Although supply issues continue to affect registrations of commercials, in particular larger vans, dealers remain positive about the year ahead.

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

	Feb-22	Feb-21	% change
Pickups	1,098	1,716	-36.0%
4x4s	76	51	49.0%
Vans <= 2.0t	329	689	-52.2%
Vans > 2.0 - 2.5t	4,024	2,940	36.9%
Vans > 2.5 - 3.5t	10,638	11,809	-9.9%
All Vans to 3.5t	16,165	17,205	-6.0%
Rigids > 3.5 - 6.0t	248	362	-31.5%

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

	YTD-22	YTD-21	% change
Pickups	3,204	4,266	-24.9%
4x4s	352	144	144.4%
Vans <= 2.0t	896	1,920	-53.3%
Vans > 2.0 - 2.5t	7,057	6,599	6.9%
Vans > 2.5 - 3.5t	22,222	28,305	-21.5%
All Vans to 3.5t	33,731	41,234	-18.2%
Rigids > 3.5 - 6.0t	543	679	-20.0%

Image source SMMT

NFDA CV Policy Summary: Spring Statement 2022

The NFDA has lobbied the Government ahead of the Spring Statement on your behalf. Following the recent announcements, we have put together a summary document including all the most relevant policy updates for franchised dealers. The **Spring Statement** can be found [HERE](#)



Key announcements

- A temporary 12-month cut to duty on petrol and diesel of 5p per litre
- The government will reduce the basic rate of income tax to 19% from April 2024.
- The Spring Statement increases the annual National Insurance Primary Threshold and Lower Profits Limit from £9,880 to £12,570, from July 2022.
- Increasing the National Living Wage (NLW) for workers aged 23 and over by 6.6% to £9.50 an hour from April 2022
- The business rates multiplier will be frozen in 2022-23.
- Business Rates Relief drops on 1 April from 66% to 50% but the maximum each business can claim falls from £2m to just £110,000. For operators with more than a handful of sites this means most will pay full rates, based on trading conditions in 2015.
- In April 2020, the government increased the Employment Allowance from £3,000 to £4,000. Spring Statement announces a further increase from April 2022, meaning eligible employers will be able to reduce their employer NICs bills by up to £5,000 per year
- A review of the apprenticeship levy will be part of new Treasury tax plan, which will be finalised in the autumn.
- Levelling Up Fund second round – The government is launching the second round of the Levelling Up Fund and publishes a refreshed Prospectus, inviting bids to come forward from all eligible organisations across the UK. This Fund provides £4.8 billion for local infrastructure projects, with £1.7 billion already allocated to 105 successful projects from the first round.
- Structures and Buildings Allowance: this allows businesses to deduct 3% a year of the cost of construction and renovation of non-residential structures and buildings
- Allowances for specific assets or activities: including 100% First Year Allowances for zero emission cars; and 100% in-year deduction for qualifying capital expenditure on R&D.

Phase out of non-zero emission busses, coaches and minibuses

The Department for Transport (DfT) is seeking feedback on proposals to progress **ending the sale of new non-zero emission buses**.

DfT is also launching a call for evidence **on phasing out the sale of new, non-zero emission coaches and minibuses**.

I am aware this will be of direct/ indirect interest to a number of the RMI associations.

They are inviting views on:

- the challenges of transitioning to zero emission coaches and minibuses
- what would need to be true or in place to withdraw the sale of these vehicles
- what government could do to accelerate the transition to zero emission coaches and minibuses
- setting a realistic date to end the sale of these vehicles

Please find the link to the consultation page/documents [HERE](#)

This consultation follows on from an initial consultation on [Ending the sale of new diesel buses](#), which ran from **15 March 2021** to **11 April 2021**.

The consultation closes at
11:45pm on 21 May 2022

MILS Legal Update: Philosophical Belief



Is refusing to come to work for fear of catching covid a Philosophical belief and therefore protected by the Equality Act?

No, held the Employment Tribunal in the case of *X v Y*.

This case involved an employee who took the decision in July 2020 to not return to work on the grounds of health and safety as they were afraid of catching Covid-19 and passing it to their partner. The employer therefore withheld her wages. X therefore took their employer to the employment tribunal alleging that this action was discrimination on the grounds of this belief in regard to Coronavirus and the danger from it to public health.

The Employment judge applied the five criteria set out in *Granger plc v. Nicholson [2010] IRLR 4* to address the preliminary issue of whether her belief fell within the terms of section 10 of the Equality Act 2010:

1. The belief must be genuinely held.
2. It must be a belief and not, an opinion or viewpoint based on the present state of information available.
3. It must be a belief as to a weighty and substantial aspect of human life and behaviour.
4. It must attain a certain level of cogency, seriousness, cohesion and importance.
5. It must be worthy of respect in a democratic society, be not incompatible with human dignity and not conflict with the fundamental rights of others.

Whilst there was no dispute that the belief was genuinely held (i), it was found that this was a reaction to a threat of physical harm based on the present state of information available about Covid-19, and therefore not a belief for the purposes of section 10 (ii). As such no matter how genuine or weighty the opinion (iii), no matter how cogent, serious and important the opinion (iv), and no matter how worthy of respect the opinion was in a democratic society (v), it could not amount to a belief.

In Conclusion,

Under the Equality Act 2010, an employee is protected from discrimination because they hold (or do not hold) a particular religious or philosophical belief. This is a welcome clarification where employees are motivated by concerns regarding Covid-19 as to if and when these fears become protected characteristics of religion and belief. It is also a useful reminder as to the steps to be considered by employers where allegations of discrimination on the grounds of religion and belief are raised. However, it did not consider whether any other beliefs by an employee would amount to discrimination.

As always, this advice is general in nature and will need to be tailored to any one particular situation. As an RMI member you have access to the RMI 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.

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.

General news

Ukraine war causes lengthy delays in the delivery of new MAN trucks

MAN Truck & Bus is warning of considerable delays for new trucks following a shortage of wiring harnesses caused by the war in Ukraine, and is offering its customers the option of cancelling orders.

In a statement the truck maker said the harnesses, which are normally manufactured in Ukraine, can only be produced to a very limited extent. Although immediately after the outbreak of war it took measures “to duplicate Ukrainian supply structures for truck wiring harnesses in other countries” this takes several months. As a result, as of 14 March production has been at a standstill at its Munich and Krakow plants.

It continued: “This threatens a loss of truck production for several weeks and a massive reduction in production in the second quarter.”

Up to 11,000 MAN employees in Germany will go on short-time work, with the Executive Board also taking significant wage cuts over the next three months.

Source: [Commercial Motors](#)

Electric vans 25% cheaper to own than diesel

The average electric van in the European Union is 25% cheaper over its lifetime than the diesel equivalent despite much higher upfront costs for zero-emission models, European campaign group Transport and Environment (T&E) said on Wednesday.

According to a survey of 745 van-owning business in the EU conducted for T&E by Dataforce, 84% of respondents would consider going electric - 36% already own one commercial electric van, 32% plan to buy one in 2022 and 16% will consider buying one in the next five years.

T&E said lower running costs and growing interest in electric bolsters the case for stronger CO2 emission reductions on diesel vans than the European Commission currently proposes.

In a study covering six countries, France, Germany, Italy, Poland, Spain and the United Kingdom which account for 76% of the EU-plus-UK van market, T&E found an electric van costs 0.15 euros (\$0.17) per kilometer (0.6 mile) to run, versus 0.2 euros for a diesel van.

Source: [Reuters](#)

