

NFDA TRUCK AND VAN UPDATE
November 2022



VOLVO Trucks - growing their UK market share

Dear Colleague,

New HGV registrations have increased in the last few months due to improvements in component and product supply. Although Dealers have good order banks and the delivery period is above the usual waiting time, there is some concern in the market about pressure on consumer spending, inflation and the general state of the economy going forward.

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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Latest Truck Registrations Show Growth

NFDA Truck Registration figures	Jan-21	Jan-22	Feb-21	Feb-22	Mar-21	Mar-22	Apr-21	Apr-22	May-21	May-22	Jun-21	Jun-22	Jul-21	Jul-22	Aug-21	Aug-22	Sep-21	Sep-22	YTD (21)	YTD (22)	YTD COMPARISON 22 v 21	2022 YTD Market
DAF	897	884	908	774	1337	1261	1066	979	1065	1078	945	1097	692	1071	670	1037	892	1126	8472	9307	+835	31.7
Dennis	51	53	64	28	132	121	95	62	80	76	93	66	63	52	40	59	77	86	695	603	-92	2.1
FUSO	26	17	37	18	49	20	47	5	22	10	40	7	29	16	15	14	29	29	294	136	-158	0.5
Isuzu	65	76	39	76	88	107	74	88	85	76	96	78	78	83	47	72	71	100	643	756	+113	2.6
IVECO	199	232	263	227	330	365	306	288	254	296	270	238	228	240	214	234	281	345	2345	2465	+120	8.4
MAN	241	272	158	157	683	446	294	216	272	169	258	209	159	199	107	190	341	447	2513	2305	-208	7.8
Mercedes	252	323	189	222	580	396	404	351	385	349	408	330	321	406	366	351	423	499	3328	3227	-101	11.0
Renault	78	114	106	143	310	280	205	201	193	184	145	284	188	165	135	252	198	216	1558	1839	+281	6.3
SCANIA	465	565	227	326	890	725	480	448	444	410	401	397	349	428	199	281	398	642	3853	4222	+369	14.4
VOLVO	438	570	297	372	665	667	343	509	347	556	376	476	423	467	266	352	415	575	3570	4544	+974	15.5
Total	2712	3106	2288	2343	5064	4388	3314	3147	3147	3204	3032	3182	2530	3127	2059	2842	3125	4065	24561	29404	+2133	100.0

The market is currently up 7.8% year-to-date, but 18% behind pre-pandemic figures for the same period, according to data from the SMMT. The latest statistics show 4,065 HGVs were registered in September, which is a 30% increase on the previous September where only 3,125 new trucks were registered.

Growth in the heavy goods vehicle market is needed after the myriad challenges facing the sector. There are signs of supply chain issues finally beginning to ease, making a more positive prospect for Dealers in 2023.

Throughout the last 3 months, demand for artics increase in truck sales with the market up 53.1%, selling 4,510 tractors over the last 3 months. There were also notable increases of rigid trucks with three or more axles predominately used in construction and cleansing.

Tractor units, that suit a multiplicity of distribution, continued their strong performance across 2022 with registrations up and accounting for 43.9% of the whole HGV market. Box vans followed closely behind, with a 46.7% increase on the previous year.

Year-to-date, most brands have shown growth with DAF leading the market registering 9,307 units, giving them a 31.7% market share. Volvo have moved up to second place with 15.5% market share and 4,544 units sold. Scania are in third position with 4,222 new trucks going on the road, pushing their market share to 14.4%. Mercedes and MAN are the only two major brands that have not registered more units this year.

Overall, Dealers are optimistic that supply of product will improve in 2023 and are hopeful that demand for new cleaner trucks will continue, irrespective of the general economic situation.

LCV; October Registration Figures Overshadowed by Overwhelming Success of Electric Light Commercial Vehicles

“Although the market has seen better days, it is evident that distribution issues have resulted in distorted figures for October. It is really pleasing to see how positive this month has been for Battery Electric Vehicle (BEV) CVs, and we look forward to seeing the future success in the BEV market as the 2030 zero emission target approaches”, said Sue Robinson, Chief Executive of the National Franchised Dealers Association (NFDA) which represents car and commercial retailers in the UK following the latest SMMT CV registration figures.

Light commercial registrations for October were down -18.4%, as a result of product supply issues from continued component shortages. Furthermore, all LCVs under 3.5 suffered a -19.9% decline in registrations Year-To-Date (YTD). Due to October having contributed to a poor month of sales for year-to-date figures, SMMT expect the 2023 and 2024 market to increase.

All sectors of the LCV market declined in October with the only exceptions being the small sector of pick-ups and 4x4's. The large van sector of 2.5 – 3.5t CVs, that represents 74% of all LCV registered in the UK, was of real concern, suffering an overall decline of -7.6% (-13.3% year-to-date). This clearly indicates the issues with supply and delivery brought about by component shortages.

On the bright side, Battery Electric Vehicle (BEV) LCV market share continued to grow by 7.6% in October, 5.5% for the full year. Much of this is driven by the large influx of new van EV models entering the market, however many owner/operators are demanding rapid action to roll-out more suitable van charge points across the less metropolitan areas of the UK.

For the first ten months of this year, Ford dominated the market in first and second position with the Transit Custom and the big Transit chassis. In third place comes the Vauxhall Vivaro whose success came from the new model this year, based on the Stellantis Peugeot, Citroen and Fiat derivatives of their panel vans.

According to dealers, demand is still good but there is an element of concern over the economic challenges that affect consumers spending power over the next year or so.

Image source SMMT

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

	Oct-22	Oct-21	% change
Pickups	2,348	1,837	27.8%
4x4s	381	322	18.3%
Vans <= 2.0t	550	2,843	-80.7%
Vans > 2.0 - 2.5t	1,844	3,740	-50.7%
Vans > 2.5 - 3.5t	17,263	18,678	-7.6%
All Vans to 3.5t	22,386	27,420	-18.4%
Rigids > 3.5 - 6.0t	273	375	-27.2%

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

	YTD-22	YTD-21	% change
Pickups	24,009	36,103	-33.5%
4x4s	2,540	3,737	-32.0%
Vans <= 2.0t	7,108	15,555	-54.3%
Vans > 2.0 - 2.5t	28,321	38,629	-26.7%
Vans > 2.5 - 3.5t	173,984	200,632	-13.3%
All Vans to 3.5t	235,962	294,656	-19.9%
Rigids > 3.5 - 6.0t	4,010	4,937	-18.8%

OCTOBER

	2022	2021	% change	Mkt share -22	Mkt share -21
BEV	1,706	1,119	52.5%	7.6%	4.1%
Diesel	20,314	26,014	-21.9%	90.7%	94.9%
Others	366	287	27.5%	1.6%	1.0%
TOTAL	22,386	27,420	-18.4%		

Year to date

	YTD 2022	YTD 2021	% change	Mkt share -22	Mkt share -21
BEV	13,065	8,546	52.9%	5.5%	2.9%
Diesel	217,629	281,573	-22.7%	92.2%	95.6%
Others	5,268	4,537	16.1%	2.2%	1.5%
TOTAL	235,962	294,656	-19.9%		

Attend The NFDA's LCV Working Group in January

Dear Dealer Operator,

As you are aware, the NFDA operate to keep dealerships informed on business trends and

forthcoming regulatory changes. Furthermore, they argue on their members behalf to change unfair practices, reforms and proposed regulation.

At a recent member Executive Dealer Management committee, it was felt that greater focus should be aimed at the ever-growing important van market via its LCV member dealerships. Nowadays, there seems to be more regulatory involvement in this sub 3.5 tonne light commercial market, introducing EV commercials with weight constraints and tighter rules on tachographs, trailer operation and maintenance schedules.

Therefore, we are planning to run quarterly LCV working-group to address these issues and obtain feed-back from the membership on a regular basis. **We have set a date for our first inaugural meeting of Wednesday 18 January at our offices in Great Portland St, London W1W 5AB**

Therefore, we would ask you to nominate an LCV specialist from your dealership who can offer insight at this operational working group. They will benefit from the crossflow of information that comes out of communicating with other LCV brands of dealerships at these meetings.

For many years the NFDA have operated a heavy truck (HGV) working group that deals with the regulatory issues that influence both dealers and operators of these O-Licence trucks. To ensure we have a productive first meeting, Brian Currie, the Chair of the truck working group, has offered to facilitate the inaugural meeting. Brian has a vested interest in seeing that value comes from this LCV working group as he is also the Dealer operator of Brian Currie Volkswagen Van Centre in Milton Keynes.

To conclude, if you feel your light commercial dealership could benefit from participation in this new LCV working group, email me on stephen.latham@rmif.co.uk with the details of your light commercial specialist who will represent your business at these meetings. I will ensure the full details and agenda are emailed to you on receipt of your participation in this new LCV Working Group.

Inside the Industry: Are Electric HGVs a Sensible Use of EV Batteries

Reports put the Tesla Semi's battery at 600kWh – equivalent to 12 Model 3 Saloon Units

After years of draining raw materials and natural resources, experts and the government have concluded they need to get as many people into electric vehicles as quickly as possible.

This shortage of materials, which is further magnified by politically unstable countries controlling raw supplies, has significantly slowed down the transition of becoming carbon neutral. A prime example of the effects of this is the current waiting time to buy an EV, as demand is currently exceeding supply.

Although the Inflation Reduction Act that the US announced this summer is considered game changing for shifting global attitudes, the decision to offer a purchase incentive of up to \$40,000 on medium and heavy-duty electric trucks is being heavily debated.

An announcement for the Tesla Semi Truck going into production initiated this argument, with the truck set to have a production goal of 50,000 units by 2024. But the question is, are big trucks the best use of the limited battery materials that we have access to today?

This question arises many talking points, however, considering a Tesla Semi battery pack is the equivalent of a dozen Tesla Model 3 saloons, it arises questions on the efficiency of electric HGVs. What's more, as a result of the Semi's weight and the weight it needs to haul, its battery pack alone is reported to weigh 3500kg, with efficiency consequently rated at around two miles per kWh.

NFDA Reacts To Chancellor's Autumn Statement

Sue Robinson, Chief Executive of the National Franchised Dealers Association (NFDA), which represents franchised car and commercial vehicle dealers across the UK, comments on the measures announced in today's (Thursday 17 November 2022) Autumn Statement set by the Chancellor, Jeremy Hunt:

"As a whole, the Autumn budget announced today promises growth and investment that the UK so desperately needs. Whilst there are positive notions in areas such as business rates and infrastructure investment, NFDA is concerned that the removal of tax exemption for EV owners could set back the objective of electrification and increasing the number of electric vehicles sold in the UK, in a bid to reach the ever-challenging 2030 targets."

Vehicle Excise Duty (VED)

The Autumn Statement has confirmed the anticipated change to Vehicle Excise Duty (VED), whereby electric cars exemption from the tax will expire in April 2025.

Sue Robinson: "The decision made today by the Chancellor to introduce Vehicle Exercise Duty and increase the tax burden for electric vehicles risks disincentivising families from making the transition towards more environmentally friendly vehicle types. Electric vehicles have experienced sustained and substantial growth in market share over the past decade, but there is still a way to go before the market fully matures. This is the latest in a line of reduced financial incentives to adopt electric vehicles.

"Strong incentives and tax exemptions are key to ensuring the UK retains a strong consumer market for electric cars. By removing these policy levers, electric vehicles become less appealing, and adoption will slow. Implementing VED for electric vehicles will create a situation where the least well-off car drivers are deterred from buying a new electric car when the time comes to replace their old one. It sends the wrong message at the wrong time."

Infrastructure Projects and EV Charge points

The building of public infrastructure such as roads, train lines and communities will be safeguarded by over £600bn in capital investment over the next 5 years. The government will also legislate in Spring Finance Bill 2023 to extend the 100% First Year Allowance for electric vehicle charge points to 31 March 2025 for corporation tax purposes and 5 April 2025 for income tax purposes.

Sue Robinson: "Infrastructure is the foundation on which the UK is built on, the £600 Bn announced in spending for public infrastructure projects is incredibly positive and we look forward to seeing the full details of what this entails for projects that will improve the experience for motorists like roads and charging stations."

Online Sale Tax

The Government has decided to reverse the idea of Online Sales Tax.

Sue Robinson: "The Online Sales Tax threatened franchised dealers with the possibility of being taxed for their click and collect sales, a prominent feature in present and future operations. NFDA is pleased to hear that our lobbying efforts were successful, the government has decided to scrap the proposed OST. We urged the government not to introduce this complex tax which would disproportionately impact brick and mortar businesses."

Business rates

The government today, announced it is going further to support businesses by reducing the burden of business rates, providing £13.6 billion of support for businesses over the next 5 years. This includes freezing the multipliers, increasing relief for retail, hospitality and leisure to 75%, and reforming transitional relief on the revaluation by exchequer funding the scheme and abolishing downward caps.

Sue Robinson: "NFDA welcomes the decision to reduce the burden for business by offering further business rates relief, this will be crucial in supporting businesses as they weather the cost-of-living crisis and their long-term recovery from COVID-19."

Benefit in Kind (BiK)

Rates for vehicles emitting less than 75% of CO2 per kilometre will see an increase in tax of just 1% every year from 2025-2026 until 2027-28, capping the rates at 5% for electric vehicles and 21% for Ultra Low emission vehicles. Rates for other vehicles will be increased by 1 percentage point for 2025-26 up to a maximum appropriate percentage of 37% and will then be fixed in 2026-27 and 2027-28.

"NFDA appreciates the long-term certainty announced today surrounding Company Car Tax rates, especially for electric vehicles. The company car tax market is an important source of new car sales and it critical that this market is incentivised to switch quickly to low and zero emission vehicles."

National Minimum Wage increase

The Chancellor has announced the largest increase the National Living Wage (NLW) by 9.7% to £10.42 an hour, for those aged 23 and over.

Sue Robinson: "Although the increase to the national minimum wage represents an additional cost for businesses, franchised dealers generally pay the vast majority of their staff above the minimum wage as they continue to source the next generation of skilled workers and invest in their most valuable assets, people".

NFDA will now take a closer look at the details of the measures announced in the Budget and Spending Review and the implications for our sector.

Mainland Europe Commercial Vehicle Registrations: -16.8% Ten Months Into 2022; -8.5% in October

Brussels, 24 November 2022 – In October 2022, the EU market for new commercial vehicles continued to struggle, declining for the sixteenth month in a row (-8.5%).

In October 2022, new commercial vehicles declined -8.5% due to the drop in new van registrations, which account for the vast majority of total commercial vehicle sales. Germany saw the largest decline in CV sales (-12.4%), followed by France (-5.3%) and Italy (-3.9%) with more modest losses. On the other hand, Spain increased commercial vehicle sales by 1.2%.

In a year to date (YTD), commercial vehicle registrations across Europe are at 1.3 million units, down 16.8%. This was due to decline in the four main markets: Spain (-20.9%); France (-19.1%); Germany (-15.4%); and Italy (-10.4%).

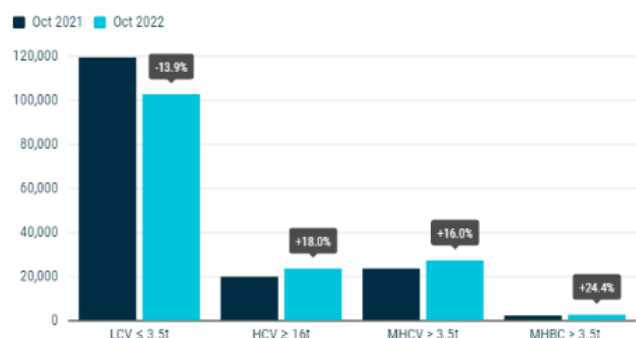
New light commercial vehicle (LCV) registrations were down -13.9% in October, only managing to register 102,766 units. In a year to date analysis, 1 million LCV units have been sold which is 20.6% less than October 2021.

Last month saw heavy commercial vehicle (HCV) registrations have a successful month, increasing 18% to 23,592 units. So far in 2022, 211,649 new heavy trucks were registered across the EU, up 5.9% compared to the same period in 2021.

October registrations of new medium and heavy commercial vehicles (MHCV) increased by 16% across the European Union, registering 27,217 units. In a further YTD analysis, MHCV registrations grew 2.7% in the first ten months of 2022, registering 247,253 units.

Finally, EU registrations of new buses and coaches posted strong growth (+24.4%), after four consecutive months of decline. In a year to date analysis, however, this equated to a -2.4% decline in registrations.

New commercial vehicle registrations in the EU



NFDA Spring Ball 2023 Returns In April

The world renowned five-star Grove Hotel, Chandler's Cross, Hertfordshire, will play host to next year's prestigious NFDA Spring Ball on Saturday 22 April 2023.

Join us for a captivating night of stellar entertainment, fine dining, and unique networking opportunities with key automotive stakeholders. Awards for best manufacturer partner, industry partner, industry personality of the year and the returning green dealer award will be presented, celebrating the excellence of the automotive industry. Last year's winners included: Toyota/ Lexus; Energy Saving Trust; Waylands Automotive; Kia; and Mark Lavery (Cambria Automobiles CEO).

An incredibly talented live musical performance will top off what is already set to be a riveting night, accompanied by a celebrity after-dinner speaker. The NFDA Spring Ball 2022 saw Mark Durden-Smith, TV presenter, and former Cabinet Minister Ed Balls offer their attendance, sharing insights on their show business and political careers.

Ticket types vary, allowing you to come solely for the night's festivities or include accommodation to extend the evening and enjoy a luxurious stay at The Grove Hotel & Golf Resort. All table and ticket packages include a welcome drinks reception, as well as a three course dinner with wine and beer. Additional accommodation at The Grove includes an overnight stay in the 5 star hotel, access to SPA facilities, breakfast and the opportunity to use The Grove Golf Course at an extra cost. The ticket prices are as follows:

- **Table of 10 plus accommodation (5 double bedrooms): £4,495**
- **Table of 10: £2,495**
- **Couple Tickets with accommodation: £895**
- **Couple Tickets: £475**
- **Individual Ticket with accommodation: £595**
- **Individual Ticket: £245**
- **Additional Accommodation £399**
-

If you would like more information or like to purchase tickets, please contact Lena Patel on 07341 396125 or email: lena.patel@rmif.co.uk .

MILS: Case Study: Contractual Issues & Policies

Is it a legal requirement to require employees to sign an acknowledgement that they have read and understood the HR policies that apply to them? If so, is an electronic signature from the employee sufficient?



Under Section 1(1) Employment Rights Acts 1996 an employer is required to give a worker a written statement of the particulars of employment listed in Sections 1(3) and (4).

In the case of particulars relating to sick leave and pay, other paid leave, pension rights and training, the statement may refer to another document which is reasonably accessible to the worker. Such information will often be provided in the form of one or more policies.

It is common practice, although not a legal requirement to ask the worker to sign a form acknowledging that they have received the statement of written particulars. Acknowledging receipt in this way does not turn the statement into a binding written contract.

There is no requirement that an employment contract be signed, as:

- there is no statutory requirement to this effect, and
- contractually (under the law of England and Wales) express terms may be written or oral, and a written contract can be effective even if it is not signed.

A signed contract is advisable, however, in case there is disagreement about what terms were agreed.

Aside from the requirement to provide a written statement of particulars (some of which may be provided in policy form), there is no obligation on the employer to provide HR policies. It follows that there is no legal requirement to require the employee to sign a form acknowledging receipt of those policies.

It is, however, prudent to ask employees to formally acknowledge receipt of the employer's employment-related policies, to minimise the risk that they subsequently claim that those policies were not brought to their attention.

Since there is no requirement for a worker to sign an acknowledgment of receipt of applicable employment-related policies, there is nothing to prevent the use of electronic signatures. Such a signature will act as evidence (although not necessarily conclusive evidence) before a court or tribunal that the person signing has acknowledged the relevant policies.

Don't forget, 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.

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.

NFDA Disappointed With Decision To Expand Ultra Low Emissions Zone

Government has announced their decision to expand London's Ultra Low Emissions Zone (ULEZ) to cover the whole of London and from 29 August 2023, drivers will be expected to pay £12.50 a day to enter this boundary.

Cars which will be exempt from this daily charge includes:

- **Petrol cars that meet Euro 4 standards.** This generally includes petrol cars produced after January 2006. Subject to manufacturer and should be checked using TfL's identification service.
- **Diesel cars that meet Euro 6 standards.** This generally applies to any car made after September 2015.
- **Battery Electric Vehicles (BEVs).**
- **Plug-in Hybrid Electric Vehicles (PHEVs) and Hybrid Electric Vehicles (HEVs).**

The National Franchised Dealers Association (NFDA) recently opposed this expansion in their consultation response.

Sue Robinson, Chief Executive of the National Franchised Dealer Association (NFDA) which represents car and commercial retailers across the UK commented:

"Whilst NFDA understands the importance of tackling air pollution in the capital and to combat climate issues, we still believe that this ULEZ expansion proposal is flawed. The Ultra-Low Emissions Zone (ULEZ) expansion will undoubtedly have a disproportionate and adverse effect on London's most deprived communities and motorists.

"This £12.50 daily charge will hit businesses, key workers and less affluent families the hardest and the additional cost to some of London's poorest communities will push some families over the brink and force a reduction in their access to private mobility.

"This move is during one of Britain's worst cost of living crises, rising inflation and steep energy prices. We do not believe that this has been fully considered by Transport for London and looks more and more to be a money generating scheme for TfL."

General news

Calling all NFDA-CV Van & Truck Members

Quarterly the NFDA-CV section run a Truck dealer Council meeting headed by chairman Brian Currie. The meetings are held in the morning at The NFDA head office boardroom in Great Portland Street in London.

The meeting discusses many of the up-to-the-minute issues effecting truck dealers including the DVSA, ATF's Department for Transport plans and other policy issues, dealers from all franchises are represented.

All CV member dealers are most welcome to attend and contribute to the debate, the next meeting will be on Monday 5th December. If you would like to attend, just email stephen.latham@rmif.co.uk to confirm your attendance.