



Dear Colleague,

This month saw Light Commercial Vehicle (LCV) registrations up to 3.5 tonnes decrease -5.9% in July, reflecting uncertainty in the economy and concerns over slow progress in Brexit negotiations. See this month's news for a full breakdown of figures.

On Wednesday 18 July the NFDA CV Division and Brian Currie joined representatives of the FTA, RHA, ATFOA and CPT to lobby for the consideration of in-house HGV testing. We met with a senior civil-servant Duncan Price who advises the Minister on changes to legislation. More details can be found in this month's news.

Finally, a reminder that the NFDA is your trade body and here to help and advise you on regulatory and operational issues that affect your business. However, if there are issues that we have not covered or you have concerns about, please do contact us on the NFDA helpline 01788 538303.

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LCV DEMAND FALLS -5.9% IN JULY

Light Commercial Vehicle (LCV) registrations up to 3.5 tonnes decreased -5.9% in July, reflecting uncertainty in the economy and concerns over slow progress in Brexit negotiations.

All sectors in the market declined, with the only exception in the pickup market which was up 13.9% in July. Double-cab pick-up versions are often favoured by the self-employed, where the benefit-in-kind tax position makes these an attractive buy as a vehicle to be used for both business and personal use.

Vans in the 2.5 – 3.5 tonne sector declined -3.8%. This particular sector accounts for over 60% of light commercial sales and are the larger vans sold to corporate fleet buyers and often used for deliveries of retail products to homes.

Factors such as road tax changes or the soon to be introduced Worldwide Harmonised Light Vehicle Test Procedure (WLTP) emission standards for cars are not due to affect commercial vehicles of this size until September 2019. Therefore this month's figures are a true and fair reflection of the market and generally indicate the caution expressed by all business in these uncertain economic times.

TRADE ASSOCIATIONS JOIN FORCES TO LOBBY FOR DELEGATED TESTING

On Wednesday 18 July the NFDA CV Division and Brian Currie joined representatives of the FTA, RHA, ATFOA and CPT to lobby for the consideration of in-house HGV testing. We met with a senior civil-servant Duncan Price who advises the Minister on changes to legislation.

Pursuing Route 2 (PSV testing) is the most likely to bring outcomes for all commercial vehicle operators in the short to medium term and will act as an effective stepping stone towards other options including delegated testing for Earned Recognition holders and, ultimately, independent testing being rolled out across the HGV sector if industry and Government feels it is appropriate.

The following outcomes from the discussion:

- Duncan Price to discuss with DVSA to commit to support industry in investigating a working model for delegated PSV testing; it is recognised that this would not happen before October whilst DVSA addresses the immediate problems in the testing service provision.
- Industry to develop 1-page briefing on the proposals to support ministerial briefing for initial PSV delegated testing.
- Duncan would initiate a fresh review of the legal position of the premise of the proposal: that the MVTR will allow class 6 vehicles to be tested by individuals not employed by DVSA without the need for amendment to primary legislation.
- In the short-term Industry and DfT will each raise with DVSA the issue of redeploying roadside Vehicle Examiners to conduct tests; if DVSA assesses the impact on testing and on enforcement of redeploying a FTE resource then a valued judgement can be made. However, it is accepted that this option will always be "robbing Peter to pay Paul".
- DfT Commercial Vehicle Road Safety Forum that NFDA-CV attends will review progress of these actions. (31 October)

Private or delegated testing was a very long-term outcome, DVSA would have to be involved in the process and the Agency has a range of other key priority work streams, some related to EU Exit and some related to business as usual service.

Government had moved between warm and cool on the issue over previous years; industry was keen for a clear and firm policy to be determined and enacted, reflecting upon several Government strategy documents.

Route 1: i) investigate ways to allow DVSA to better compete in the skills marketplace for VSAs ii) establish the testing function in an ‘arm’s length’ organisation (as Highways England) which has greater autonomy in recruitment and employment issues.

1.1 is most linked to the current operational response. DVSA is currently establishing the case for re-grading VSAs or amending technical allowances.

DVSA is proposing to suspend all non-statutory services

An increase in pay terms would have to be met by an increase in fees; this would require regulatory change. If industry were to accept and support that fee increase would bring change in service levels, this process would be easier.

Route 2: Using the provisions of the Motor Vehicle Testing Regulations, allow class 6 vehicles to be tested by private individuals at i) some ATFs ii) all ATFs

This reflects the current MOT regime.

Would need to be effective system in place to ensure genuine separation of interests within a testing organisation; this relationship is already reflected in the tachograph calibration field, albeit on a much smaller scale.

Route 3: i) allow Earned Recognition operators with an ATF to test their own vehicles, leading to ii) total privatisation of the test examination at ATF’s.

This would require amendment to primary legislation; there would be no shortcuts, no ‘pilots’. This route could raise concerns regarding competitive advantage for some ATFs.

We will advise members of progress to our goal of full delegated HGV testing.

PRICING TRUCKS OUT OF TOWNS IS NOT THE WAY FORWARD



A coalition of road transport trade bodies says that Clean Air Zones (CAZ) are unfairly targeting hauliers and that pricing trucks off the road is not the way to reduce emissions.

The Road Haulage Association (RHA), British Vehicle Rental & Leasing Association (BVRLA), Freight Transport

Association (FTA) and National Franchised Dealers Association (NFDA), are concerned that local authorities are rushing through CAZ plans with scant regard for the hauliers on whom their local economies depend. This is despite the haulage industry nearly halving its NOx emissions in four years.

The trade bodies this morning met with Transport Minister Jesse Norman and Environment Minister Theresa Coffey, to discuss a joint six-point plan for Clean Air Zones. The plan – ‘The Way Forward’ – sets out recommendations these four trade bodies believe can help improve air quality whilst protecting haulage from punitive charges and bureaucracy. The plan calls for consistent CAZ operating standards, smarter use of road space, and a phased approach supporting the transition to cleaner vehicles that doesn't put operators out of business.

RHA chief executive, Richard Burnett said: “We welcome Government’s commitment to improve air quality but local authorities pricing lorries off the road is not the way to go about it. Ministers confirmed in our meeting earlier that local authorities should consider all options and that charging should be a last resort. They also highlighted that it is up to local authorities to decide which vehicles would be charged, when charges should apply and the level of charge. If Clean Air Zones are not handled properly we will have more vans making deliveries, congestion will increase and so will pollution. Clean Air Zones will only reduce emissions if they target polluters proportionately.”

BVRLA Chief Executive Gerry Keaney said: “The fleet industry can help Government to meet its air quality ambitions, but we need more support for HGV operators who face particular cost and operational challenges in upgrading their fleets. We rely on commercial vehicles accessing towns and cities for deliveries and any Clean Air Zone policy that deters trucks is likely to increase the usage of vans. 99% of our members’ LCV fleet is diesel so any initiative that increases the number of vans on our roads will not tackle pollution levels. Commercial operators need time and incentives to upgrade their fleets.”

Sue Robinson, Director of the National Franchised Dealers Association (NFDA) commercial Vehicle Division comments, “It is essential that we encourage operators and logistics companies to move to trucks with cleaner engines. Progressive action is needed to ensure that operators can improve their vehicle fleets, not just by purchasing new Euro 6 commercials, but also by upgrading to cleaner Euro 5 used trucks to replace old and dirty diesel HGV’s. Therefore, it is important that a graduated CAZ levy charge is introduced to encourage all hauliers to do their bit in improving air quality”.

FTA chief executive David Wells said “Placing all the burden on local areas to accelerate air quality improvements risks the livelihoods of many small businesses around the country. Government must help local authorities avoid the most damaging effects on the local businesses that use trucks or vans.”

CHANGES TO TESTS & IVA INSPECTIONS

The M1, N1, N2-N3 and the M2-M3 IVA inspection manuals have been updated and are now live on [GOV.UK](https://www.gov.uk)

This update incorporates changes required by [The Road Vehicles \(Defeat Devices, Fuel Economy and Type Approval\) \(Amendment\) Regulations 2018 \(SI 2018 No. 673\) which include emissions, fuel tanks, indirect vision, AEBS, LDW and electrical safety concentrating on administrative evidence.](#) Although some regulations came into force on 01 July 2018, we sought DfT agreement to delay the implementation, for IVA customers, until 1 September 2018 to allow staff time to understand and prepare for the changes and enable you to cascade the communications to your members.

Note: These updated manuals are currently marked as ‘Effective from 1 September 2018’ and sit alongside the

current versions which remain in force until this date.

HOW ELECTRIC VANS ARE CHARGING UP THE DELIVERY BUSINESS



The courier industry naturally lends itself to the current crop of electric vans. Small electric LCVs are about as appropriate as it gets for ferrying packages around towns and cities in traffic, producing zero tailpipe emissions and dodging any air quality or congestion-related charges. That's why delivery companies such as DHL have electrified their urban fleets, while companies such as Gwent specialise in urban centre deliveries performed solely by plug-in LCVs.

To date, mass market electric vans have typically comprised smaller, lighter models, which are flourishing in both urban delivery capacities and off-highway applications, as Simon Cook, LCV leader at leasing firm Arval, explains: "We've got an established small van electric range and manufacturers have been doing those for a while now. They suit two sectors: one, last-mile deliveries – typically urban areas where they're delivering from their hub to the customer, with a diminishing load.

"The other industry that I'm seeing electric vans going into is the service industry [such as] canteen or café catering facilities on site for clients. They're providing perhaps a workshop service or, when you've got a client who's got a large centre – for example, Airbus have big sites in Ellesmere Port and Bristol, where they build the aircraft – and on that site, you have electric vans operating for the canteen facilities; they're literally running between the canteens on a specific location. And they're very, very pleased with them because there's little or no maintenance and they're extremely easy to operate."

According to Cook, electric vans are not simply limited to short hop in off-road capacities, as the larger the site, the greater the benefits. "Another good example would be the Alliance Healthcare Boots operation in Nottingham, where they have a 55-acre site – almost a small town. Those vehicles don't go off site, so it's an ideal location for an electric operation to either deliver post or a service on site. We are talking people who are running power stations who are looking at electric vehicles as a go-to option because A. they want to be environmentally friendly and B. they have a huge site that they want to get around and plug in whenever they need to."

To add to the success of small electric vans, manufacturers have recently begun introducing larger plug-in models which, according to Cook, are critical to the wider uptake of plug-in LCVs in what he describes as the "essential" delivery sector. He believes that bigger vehicles with more spacious load bays and greater payloads have the capacity to accelerate the number of electric vehicles taken on by delivery companies, which typically favour big vans.

"We are now moving into long wheelbase, high-roof electric vans. Renault launched theirs at the CV show – the Master – we have the Iveco 35 panel van, which has been available for, I think, 12 months, and we have Mercedes and VW with their Sprinter and Crafter electric vans, although they're not available in the UK as we

speak. They're 3.5 tonnes, or in the case of the Renault, 3.1 tonnes, and those vans are literally new on the market."

Cook also reckons there's a demand for plug-in hybrid panel vans from the delivery sector and elsewhere. Currently, there are no such models on sale in the UK, but Ford is trailing a petrol-electric plug-in hybrid Transit Custom in London and Valencia in Spain, prior to the model's proposed on-sale date in 2019.

"That would absolutely answer the question about electric operation but also with the ability to switch to petrol when you need to. I think the only challenges there are payload, which, if you're adding an engine to an already heavy vehicle with batteries etc., you could end up with a compromise. But if you could get the technology lighter, with a longer range, and have a hybrid or even a diesel electric hybrid that's light enough, then I think we could start to really make changes in this industry."

A potential increase in the payloads of battery-powered LCVs could also broaden the remit for manufacturers and bolster UK sales. In May, the government launched a consultation, which, among other areas, proposed to raise the payload for electric vans from the current 3.5 tonnes to 4.2 tonnes to account for the additional weight of batteries.

"We don't know yet whether it's been firmed up or not, but the other thing that's possible is that the gross vehicle weight on electric vehicles could be increased beyond 3.5 tonnes. We are waiting to see if that goes through and, if it does, that will help payload.

"Just by increasing the vehicle weight from 3.5 to 4.2 [tonnes], you end up effectively negating the problem with heavy batteries. It wouldn't help with range or any of the other issues typically associated with electric LCVs, but it would help with payload. There are challenges there, but I guess what they [manufacturers] would do is use some of that additional payload weight to give the battery more power for a longer range.

HAULIERS IN COMPENSATION CLAIM FOR OVERPRICED TRUCKS

UK road hauliers who paid over the odds for trucks from firms found to have colluded in a price-fixing cartel could be in line for £5bn in compensation.

That is the size of the pay-out sought by the Road Haulage Association, which is pursuing a claim on their behalf at the Competition Appeal Tribunal. The move comes two years after the European Commission fined a number of truck makers for inflating prices. If the claim succeeds, trucks sold between 1997 and 2011 would be covered.

"Those truckers that have signed up to our claim could be in for a possible windfall of over £6,000 for every truck they bought or leased during the 14-year period," the Road Haulage Association (RHA) said.

More than 600,000 UK-registered trucks are involved and the £6,000 "is the estimated overspend figure that hauliers paid for each vehicle", it added.

If any of our Truck members have issues relating to the Group Action they should seek guidance from their franchised manufacturer and also can seek advice and guidance from the NFDA helpline on 01788 538 303.
