



Ford Transit Custom, the UK's best-selling van in 2018

Dear Colleague,

This month saw Light Commercial Vehicle (LCV) registrations decrease –6.1% during the plate-change month, compared to the same period last year. Following record highs in 2015 and 2016, registrations in the 2.5 – 3.5t sector registered 34,473 vehicles, which was only down -4%. The pick-up market continued to grow by 8.8% making this sector of vehicles the second largest with 9,625 registrations in September.

Every quarter key member of the NFDA Commercial Vehicle section meet at the RMI London offices to debate, present and review issues affecting the running of van and truck franchised dealerships. The next Truck council meeting will be held in London on the morning of the 12 December 2018. See newsletter for more details.

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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VAN SALES SLOW IN SEPTEMBER 2018

Light Commercial Vehicle (LCV) registrations decreased –6.1% during the plate-change month, compared to the same period last year.

Following record highs in 2015 and 2016, registrations in the 2.5 – 3.5t sector registered 34,473 vehicles, which was only down -4%. The pick-up market continued to grow by 8.8% making this sector of vehicles the second largest with 9,625 registrations in September. This is partly down to 'benefit-in-kind tax' as the pick-up market, particularly double-cabs, is the strongest in Europe and many of these vehicles are used for dual purposes, both for business and personal use by self-employed and small businesses.

The most significant decline came from the smaller van sector up to 2t. This may have been caused by the recent Worldwide Harmonised Light Vehicle Test Procedure (WLTP) emission standards which came into effect in September. Although these new regulations were enforced primarily for cars, some smaller vans that are car-derived were affected, and therefore some dealers will have had to pre-register these vehicles in August in order to sell zero-mileage used vans this month. The WLTP regulations do not come into force on larger commercials until September 2019.

The best-selling van of the month was the new Transit Custom from Ford, and has accounted for over 15% of all light commercials sold in the UK this year.

Dealers continue to advise us that the market is very buoyant and factors such as the economy or mixed messages over diesel do not seem to be having a negative impact on sales. Overall it is expected the market will stabilise and be in line with this year's expectations.

RMI CALLS ON GOVERNMENT TO AGREE THE BEST DEAL FOR AUTOMOTIVE RETAILERS

"It is vital that the government and the EU come together and agree that frictionless, tariff-free terms of trade are in the interests of the whole sector, in order for the retail motor industry to progress and thrive in a stable environment", said RMI Chairman Peter Johnson, speaking at this year's Retail Motor Industry Federation annual dinner in London last week.

Since the referendum in June 2016, businesses in the UK have been waiting for clarity on our future terms of trade with the EU, and for clarity on who we are going to be able to recruit to work in our businesses.

Peter Johnson added, "Whilst we have been part of the EU, we have become accustomed to frictionless and tariff-free trade between the UK and the other countries of the EU. It has meant that automotive parts can be delivered quickly from wherever they are made or held in stock and vehicles can be ordered and transported across borders in minimal time.

"Considering the automotive sector provides direct employment for over 800,000 people, it is essential that the government makes a commitment to outline a clear and beneficial deal in order to ensure our industry has what it needs to secure its future success."

Political editor Robert Peston was the guest speaker at this year's dinner.

WHY IS GOVERNMENT NOT ACTING OVER THE INDUSTRY'S SOLUTION TO HGV TESTER SHORTAGES

The NFDA has been calling on the Government to privatise HGV testing to bring it in line with car, van and motorcycle testing works. A few years ago, the Department for Transport issued a consultation into the operations of the DVSA which included questions about testing privatisation. The outcome was neutral, but nothing went further.

At the time, the operator associations' (FTA & RHA) views were mixed as many operators were concerned about the impartiality of independent testers. Three years on, we have desperate shortages of test slots and we lack a centralised system to tell an operator where there is availability. Membership associations representing operators, dealers, repairers and the Authorised Testing Facilities (ATFs) sites all see the need for privatised/delegated testing to give sufficient availability of testing and create a degree of flexibility for operators.

While the industry sees this as a solution to the problem, the DVSA does not and continues to say that they are recruiting more testers to fill the gap. DVSA does not admit that the gap is still widening as many DVSA testers continue to leave their jobs due to increasing pressure and very low pay, which is set by the Government. The Government seems unaware that in the private sector the same employees can earn around 50% more doing a similar job.

Additionally, ATFs keep demanding more test slots than are available from the DVSA, which is surprising considering that so many of their requests for testing slots are rejected and this is threatening the viability of their investments in these facilities. DVSA says that more test slots are cancelled by ATFs than themselves, in fact, DVSA considers cancellation a slot which is rejected by ATFs. However, DVSA does not count the test slots requested which cannot be allocated around the country.

With the current system, DVSA cannot ensure test availability and cannot run a service as a commercial business. This is having serious effects on operators. When the ATF model was started some years ago, the CEO of the DVSA/VOSA, Alistair Peoples, stated publicly that if they were unable to get testers to an ATF when booked, they would compensate the site for the disruption caused to the ATFs and the vehicle operators, however, he envisaged this being very rare.

This June, NFDA made a 'freedom of information' request on the levels of compensation paid out for the failures to supply testers. The figures obtained only confirm the failings of the current model.

Compensation paid out to ATFs for failure to attend testing appointments:

- 2015 - £3,402.00
- 2016 - £14,364.00
- 2017 - £359,485.00

This is a terrible deterioration in the service DVSA provides to the industry and the following statement provided in response by the Government is highly unsatisfactory.

'DVSA's priority is helping everyone keep their vehicle safe to drive'.

'The annual test carried out by trained DVSA testers on lorries, buses and coaches at ATFs across the country, helps keep the public safe from dangerous vehicles. Since January we've carried out more than 43,000 tests, fulfilling 99.60% of testing reservation slots'.

'We've also committed to working more closely with the industry and are recruiting more than 70 new testers by the end of 2018 and are looking to recruit 50 more vehicle testers into high demand areas.'

What this statement fails to tell is how many testers are leaving the DVSA. Additionally, DVSA CEO Gareth Llewellyn has recently announced a recruitment freeze to protect the financial standing of the DVSA for future investments.

NFDA and ATFOA (Authorised Testing Facility Operators Association), along with most truck operators, dealers, and repairers are demanding that these testing facilities and testers are privatised with regulations defining how the private testing model would work and how it would be implemented.

The Government's main reason to push-back is that primary legislation would be needed and, with the privatisation of testing, that there would be no guaranty of impartiality. An excellent example of how this could work is the Republic of Ireland where there is a delegated testing system run under the CITA recommendations. It has built-in securities to ensure impartiality and is overseen by the equivalent of the DVSA in that country.

We call again on DVSA, Department for Transport and the Government to address this serious problem.

THE NUMBERS BEHIND OPERATOR LICENSING



Office of the Traffic Commissioner

Every year, the traffic commissioners publish their annual report. As part of their commitment to transparency, the commissioners publish statistics on their licensing and regulatory work.

Below are some of the interesting figures from 2017/18.

Goods & PSV operators

- Licences held: 72,547 goods / 8756 PSV
- Vehicles: 378,476 goods / 95,634 PSV discs issued
- Applications: 11,714 goods / 1231 PSV
- Public inquiries (non-compliance): 810 goods / 181 PSV
- Licences revoked: 261 goods / 86 PSV
- Licences suspended: 104 goods / 11 PSV
- Operator disqualifications: 82 goods / 28 PSV
- Transport manager disqualifications: 105 goods / 39 PSV

Drivers

- Vocational licence applications refused: 2798
- Vocational licences revoked: 262
- Vocational licences suspended: 838
- Drivers called to conduct hearing: 3290
- Cases closed: 21,222

TRUCK COUNCIL MEETINGS

Every quarter key member of the NFDA Commercial Vehicle section meet at the RMI London offices to debate, present and review issues affecting the running of van and truck franchised dealerships.

This meeting is Chaired by Brian Currie from the DAF & Volkswagen commercial dealerships based out of Milton Keynes and would welcome additional leaders from our CV membership to attend and participate in these meetings.

The next Truck council meeting will be held in London on the morning of the 12 December and conclude with a Christmas Lunch.

If any of you would like to attend this meeting or any future meetings in 2019, email louise.woods@rmif.co.uk as its essential we are aware of attendee numbers for catering purposes.
