



Unite the Union Submission

31st July 2020

Consultation on ending the sale of new petrol, diesel and hybrid cars and vans

This evidence is submitted by Ben Norman on behalf of Unite the Union. In the event of requests for witnesses to an evidence session, Unite will propose Des Quinn and Steve Bush, National Officers for the Automotive Sector.

Unite is the trade union for 100,000 automotive workers, representing members in each of the large OEMs and across component supply chains. The union's membership extends through the sector, from car and van manufacturing to heavy vehicles and buses. Unite is also the union for a quarter of a million transport workers, including taxi, bus and road haulage transportation.

Phase out date:

Unite believes *how* the transition from petrol and diesel cars and vans will be managed is more important than *how quickly* it will be done. Unite opposes bringing forward the end to the sale of new petrol, diesel and hybrid cars and vans from 2040 to 2035 until a genuine just transition strategy has been agreed and put in place to defend high quality jobs.

When Michael Gove unilaterally announced the 2040 ban date without such a plan in 2017, the immediate result was an industrial crisis, where sudden uncertainty led to a collapse in demand. When compounded with the uncertainty of Brexit, Unite believes this collapse of demand was responsible for hundreds of job losses at Jaguar Land Rover, Ford and other automotive companies across the sector.

What should be phased out:

Unite is calling for a clear just transition strategy to be agreed before any phase out of diesel and petrol vehicles. Unite calls for hybrid vehicles to be excluded from any ban.

As registration figures from the Society of Motor Manufacturers and Traders (SMMT) show, hybrids are a key bridging technology. The year to date figures for May 2020 (below) show that hybrids (including plug in hybrids and petrol and diesel mild hybrids) accounted for 70,038 new vehicle registration YTD in 2019 and 85,413 YTD in 2020.

These sales sustain thousands of jobs in sites such as Toyota's Burnaston and Deeside plants, which specialise in hybrid vehicle production. These sites must be part of the government's long-term strategy, alongside OEMs which include full EV production, such as Jaguar Land Rover, BMW, Nissan, LEVC and Ford.

Year to date

	YTD 2020	YTD 2019	% change	Mkt share -20	Mkt share -19
Diesel	95,946	282,059	-66.0%	18.9%	27.0%
Petrol	304,712	676,213	-54.9%	60.0%	64.7%
BEV	22,054	9,514	131.8%	4.3%	0.9%
PHEV	14,582	12,866	13.3%	2.9%	1.2%
HEV	29,089	40,421	-28.0%	5.7%	3.9%
MHEV diesel	17,991	7,301	146.4%	3.5%	0.7%
MHEV petrol	23,751	17,450	36.1%	4.7%	1.7%
TOTAL	508,125	1,045,824	-51.4%		

BEV - Battery Electric Vehicle; **PHEV** - Plug-in Hybrid Electric Vehicle; **HEV** - Hybrid Electric Vehicle, **MHEV** - Mild Hybrid Electric Vehicle

A just transition strategy for post-Covid recovery:

Unite proposes the following measures to support the sector's recovery and ensure a 'just transition' to alternative vehicles.

1. Introduction of **new vehicle scrappage scheme**, targeted where possible to support UK-production and reduced emissions by supporting hybrids, clean diesel and EVs.
2. New incentives, including **restoring the plug-in car grant** and abolished Premium Road Tax for electric vehicles
3. **Excluding hybrid vehicles** from the pending 2030 ICE ban.
4. **Increasing incentives**, including in-kind tax benefits to companies procuring EV and hybrid fleets.
5. Repeal provision within the Bus Services Act preventing local authorities to run local services and include environmental procurement stipulation and additional incentivise to local authorities and taxi drivers.
6. **Extend emergency Covid-19 funding** to bus manufacturing and the supply chain.
7. A government '**purchase for lending**' scheme for bus companies to restore order books.
8. Increase funding for **future mobility initiatives** to fund innovation, benchmarked to comparable European Investment Bank funding.
9. Support up-skilling and re-skilling of the labour force, including introducing 'short time working schemes' to allow upskilling of workers when demand is low
10. Restore the **Manufacturing Advisory Service** (2002 – 2016) to consult and assist SME and supply chain manufacturing to re-position.
11. Develop the **Made Smarter** programme nationwide. It is currently only piloted in the North East.
12. Establish a **Supply Chain Reshoring taskforce** with industry, union and academic expertise, this should also be biased towards electrification and future technologies.
13. Establish a **Rules of Origin** provision for UK made cars to contain a higher percentage of UK components, specifically focusing on UK speciality steel and lightweight aluminium. This must form part of the auto industry's response to new free trade deals.
14. Increase **capital allowances** for manufacturers to support new investment in machinery and plant equipment.
15. A **nationwide talent retention scheme for the supply chain** across all employers, supported by government, to assist with redeployment and retraining

16. Public investment in nationwide charging infrastructure and state-backed investment in manufacturing infrastructure such as EV battery factories and recycling facilities.

Unite published a more detailed strategy following the initial announcement of the ban date. The report *Electric Vehicles, Autonomous Technology and Future Mobility*, is available [here](#).

Wider Automotive Sector: Bus Manufacturing

This inquiry must also consider the wider automotive industry beyond cars and vans. The heavy vehicles industry in the UK is predominantly diesel, while the UK is a world leader of low emission bus manufacturing. Alexander Dennis, Optare and Wrightbus produce hydrogen hybrid and EV models for both the UK market and for global export.

In light of the announcement by Alexander Dennis (NFI Group) to cut 650 jobs across UK sites, Unite reiterates the call that the UK and Scottish governments must extend emergency covid-19 funding to the bus industry and supply chain. This can include measures such as government purchasing for lease. These measures must include bringing forward the order for 4,000 low emission buses promised by the Prime Minister in February.

/ENDS

For more information please contact:

Ben Norman
Ben.Norman@unitetheunion.org
07525 590 075
Unite the Union