



NATIONAL ASSOCIATION  
OF MOTOR AUCTIONS

## NAMA NEWS February 2021

Dear Colleagues,

As the used car market declined in 2020 with 14.9% fewer transactions than the previous year, our latest **NAMA survey** published earlier this month revealed that internal combustion engine vehicle values were strong during the latest lockdowns and should remain relatively robust, please find more information below. The next NAMA survey will go out this week and we appreciate you taking the time to complete it, your feedback is extremely helpful.

This month's newsletter features an update the Prime Minister's "**Route out of Lockdown**" for England and a legal update where MILS discuss whether businesses could require their employees to get a vaccination.

There are also useful **guidance documents** from MHA including a Year-End Tax Planning Guide and a guide on the changes to IR35 coming into effect on 6 April and impacting sub-contract workers. Please find full details below.

The next **NAMA Executive** meeting will take place on 23 March 2021 and is open to all NAMA members. If you have not already done so, please let us know if you would like to join us.

### Keeping in Contact

NAMA is here to support your business during the COVID-19 crisis and beyond. If you need support or advice, please do not hesitate to contact us. If you are interested in any issues raised in the newsletter and would like more information please let us know on 01788 538304 or email [louise.wallis@rmif.co.uk](mailto:louise.wallis@rmif.co.uk).

**Louise Wallis**

**Head of NAMA**

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## **PETROL AND DIESEL VALUES REMAIN STRONG DURING LOCKDOWN DESPITE DECLINE IN USED CAR MARKET**

*The latest NAMA survey, published earlier this month, revealed that internal combustion engine vehicle values have remained strong during the recent lockdown in the United Kingdom.*

Overall, 90% of respondents to the motor auction houses who responded to the survey believed both petrol and diesel values would remain strong or further increase. Auctioneers also said first time conversion rates were performing well, with 67% expecting rates to increase over the next month, with the remaining 33% expecting them to stay the same. Further, 90% of motor auctions found that their on-line sales were 'up considerably' from the same time last year.

NAMA's findings came on the back of the SMMT used car figures for 2020 published in February (*see further details below*).

Louise Wallis, Head of NAMA, commented: "In line with expectations, petrol and diesel values have remained extremely strong. The strong values, coupled with robust conversion rates, demonstrate that there is an appetite for vehicles at auction. As consumer confidence remains high, we anticipate there will be significant pent-up demand for stock once lockdown restrictions are eased".

Motor auctions have continued to operate through the Covid lockdowns by offering on-line auctions to customers who want to dispose of stock or to source vehicles to fulfil customer demand.

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### **Used car sales: Q4 2020**

The UK's used car market declined by -14.9% in 2020 according to the latest figures released by the Society of Motor Manufacturers and Traders (SMMT). 6,752,959 used car transactions took place, 1,182,146 fewer than in 2019.

Despite used car transactions increasing 3.7% in October, a fourth consecutive month of growth, the combination of new lockdowns and tougher restrictions across the UK caused declines of -18.3% and -4.2% in November and December respectively. Combined Q4 transactions fell by -6.2% to 1,693,138.

Alternatively fuelled vehicles (AFVs) bucked the trend, however, with 144,225 of these models sold during the year, an increase of 5.2%, with their market share rising to 2.1%. Battery electric vehicles (BEVs) saw their transactions increase by 29.7% to 19,184 units, but remain a small fraction of all activity at 0.3%. The market for hybrids (HEVs) also rose, by 4.7%, while demand for plug-in hybrids (PHEVs) fell by -5.0%. Used diesel and petrol car transactions also fell, by -15.5% and -15.2% respectively, however, petrol and diesel combined were still equivalent to some 6.6 million units finding new owners.

In 2020, all used car segments experienced declines, however superminis remained the most popular choice with 2.2 million units purchased, accounting for 32.0% of all transactions. Lower medium cars were the next most traded segment, with 1.8 million sales to take 27.0% market share. Luxury Saloon (-5.8%), dual purpose (-7.2%) and specialist sports (-8.4%) saw more modest declines with a combined 1,084,504 transactions.

### Top 10 models in 2020

Model	No. transactions
1 Ford Fiesta	289,847
2 Vauxhall Corsa	244,602
3 Ford Focus	242,233
4 Volkswagen Golf	224,146
5 Vauxhall Astra	196,034
6 BMW 3 Series	162,593
7 MINI	152,302
8 Volkswagen Polo	132,349
9 Mercedes C Class	108,745
10 Audi A3	108,006

### Top 10 colours in 2020

Colour	No. transactions
1 Black	1,452,942
2 Silver/Aluminium	1,235,847
3 Blue	1,155,852
4 Grey	1,005,008
5 White	854,236
6 Red	674,745
7 Green	138,533
8 Orange	44,020
9 Beige/Buff	39,229
10 Yellow	36,315

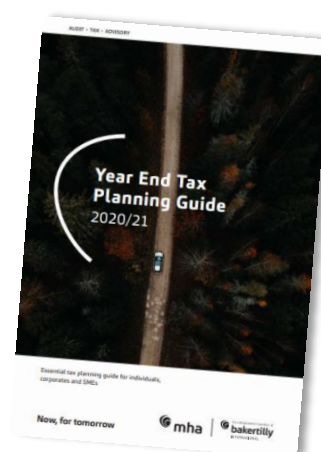
Black was number one in the colour charts, with over 1.4 million models changing hands; silver and blue completed the podium line-up. Grey, which was the top selling new car colour in 2020, only managed fourth place.

## MHA Publishes Year-End Tax Planning Guide

MHA has published its “Year-End Tax Planning Guide” which summarises some key tax and financial planning tips businesses should consider prior to the end of the tax year.

The guide covers the following topics:

- Post-Brexit Planning
- Income Tax
- Capital Gains Tax
- Tax Favoured Investments
- Property Investment Business
- Making Tax Digital for VAT
- Pensions
- Corporation Tax
- Capital Allowances
- Enhanced Tax Reliefs
- Inheritance Tax



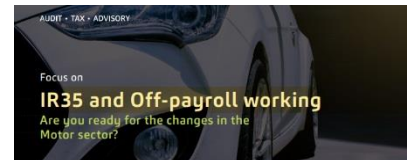
- Scottish Taxes
- Welsh Taxes
- Northern Irish Taxes
- Republic of Ireland Taxes

The guide is available online [here](#)

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## Guidance on changes to IR35 and Off-payroll working

*Are you ready for the changes in the Motor sector?*



Changes to the employment tax intermediaries legislation – usually referred to as ‘IR35’ – will have ramifications across all sectors. This includes the Motor sector, wherever a business uses personal services provided through intermediaries. Businesses need to act now to ensure they are fully compliant with the new rules from 6 April 2021.

MHA MacIntyre Hudson has prepared guidance for our members - download [here](#)

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## PM SETS OUT ENGLAND’S ROUTE OUT OF LOCKDOWN

*The Prime Minister has set out the Government’s approach to reopening England’s economy after lockdown.*

The plan, which is divided into four steps, will see all retail reopen, such as van showrooms, as part of step 2, which will take place no earlier than 12 April. The PM highlighted that the dates of each phase will be subject to an assessment of the data against the Government’s four tests on vaccine deployment, the effect of vaccines on hospitalisations and deaths, infection rates and the risk of new variants.

The first stage will commence on 8 March, which will see schools and colleges open for all students.

See also:

- [PM statement to the House of Commons on roadmap for easing lockdown restrictions in England: 22 February 2021](#)
- [HM Government - COVID-19 RESPONSE – SPRING 2021](#)

## **MILS LEGAL UPDATE**



### **Covid-19: Can employees be required by their employer to get a vaccination?**

With no firm end in sight to the coronavirus pandemic, it continues to significantly impact employers and the workforce. Although the vaccine is not yet available to be purchased privately, employers may want employees to take the vaccine as soon as they become eligible, under the voluntary NHS programme. A high vaccination rate would minimise the number of employees having to self-isolate and minimise the risk of employees becoming infected by workplace transmission.

#### **Can I require a vaccination?**

Under the Health and Safety at Work Act 1974, employers have a duty to ensure the health and safety of their employees so far as is reasonably practicable. To this end, requiring employees to be vaccinated against the coronavirus may seem like a reasonable request, particularly if it is difficult to employ other safety measures such as social distancing. However, the government has not made the vaccination compulsory, and there are a number of reasons why an employee may refuse a vaccine, whether, for example, due to medical or religious reasons. This may put the employer in a difficult position, both legally and in terms of employee relations.

#### **What if an employee refuses?**

An employee's refusal to comply with a reasonable management instruction *may* be grounds for disciplinary action including dismissal. An employer will have to carefully consider the individual circumstances of the employee and whether the refusal is justified. The nature of the workplace will also have to be appropriately risk-assessed and considered by the employer: it may not be reasonable to require an office worker to be vaccinated should remote working be possible; however, it may be reasonable to require vaccination of a healthcare worker, whose patients are particularly vulnerable.

At the present time it would seem likely that disciplinary action would be a risky option for the employer, but the risk will depend on the facts of the case and the disciplinary action taken.

One particular aspect is the Equality Act 2010. Employees should not receive any less favourable treatment, or be put to a detriment arising from not being vaccinated due to protected characteristics such as age, religion, philosophical belief (e.g. so-called 'antivaxers' could seek to argue that an objection to vaccination could be considered a 'philosophical

belief'), pregnancy etc... If, for example, a person had a medical condition that could affect their decision to take the vaccine, any less favourable treatment towards them could result in claims of discrimination on the grounds of disability. This, of course, is only one particular example, and there are other areas of vulnerability for the employer. It is therefore important that you take advice before proceeding.

### **Conclusions**

For now, employers should act cautiously in the mandating of a Covid-19 vaccination for the workforce. In the majority of cases, they may have to make the best of regular testing (not without its own difficulties), protective measures such as screening and sanitising stations, temperature checks and effective compliance with face coverings and social distancing rules.

This advice is general in nature and will need to be tailored to any one particular situation. 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.*

## **COVID-19 VAT Deferral**

### **New VAT Payment Scheme Details announced**

*If your business took advantage of the opportunity to defer VAT payments for the period from 20 March to 30 June 2020, the deadline of 31 March 2021 for making repayment is fast approaching. However, taxpayers will have the option to pay back their VAT over an 11-month period if they meet certain criteria.*

HMRC has announced further details about the on-line service for opting into the new payment, opting into the scheme will be possible until 21 June 2021 (further guidance can be found on the [Government website](#)).

MHA has highlighted that "The VAT registered business that has deferred its VAT payment must opt in – an agent cannot do this on its client's behalf. Businesses will therefore need a Government Gateway account to be able to opt in.

“A condition to being able to opt in is that all VAT returns must be up to date. If any returns are late or have otherwise not been submitted, the business will not be able to opt in to paying by instalments. Existing time to pay arrangements can continue to run alongside the VAT payment scheme”.

### **VAT Instalment options**

Businesses can decide to join between 23 February and 21 June 2021. When a business opts in will determine the number of instalment payments that will need to be made:

<b>Opt in by</b>	<b>Instalment payments</b>
19 March 2021	11
21 April 2021	10
19 May 2021	9
21 June 2021	8

For further details and guidance, please visit:

<https://www.macintyreHUDSON.co.uk/publications/article/covid-19-vat-deferral>

## **NEWS FROM NAMA MEMBERS**

### **Brexit: Lockdown masking new car supply problems**

*February 2021*

*Source: Fleet News*

Current lockdown restrictions are masking new car supply issues caused by post-Brexit trade deal with the EU, according to Cox Automotive, while the used car market continues to outperform expectations.

Philip Nothard, insight and strategy director for **Cox Automotive**, said that trade with the EU is proving far from frictionless and industry leaders suggest there is no easy fix. Despite the decline in 2020, the sector outperformed expectations with a partial recovery towards the end of the year.

**BCA** reported a “solid start” to the year as used car values rose despite a third lockdown. Average used car values improved by £154 (1.9%) to £8,464 at BCA during January, the third highest monthly average value recorded since the onset of the pandemic (*further details below*).

BCA’s chief operating officer for UK Remarketing, Stuart Pearson, explained: “While it hasn’t been the January that most in the industry would have hoped for, performance has been solid across most sectors and BCA has seen record numbers of buyers joining our online sales.”

**Shoreham Vehicle Auctions (SVA)** reported used car prices fell by around 3% during January.

Meanwhile, **Aston Barclay's** latest insights report suggests that used car demand fell during January due to lockdown 3 and the market became price sensitive with trade stock costing more than £10,000.

Stock outside of this price bracket has been less desirable with alternative fuel vehicles (AFVs) taking the biggest price hit in January (down by 16.9%, £2,403, to £11,805) while diesels also fell back.

Fleet News reported that there are distinct signs in the UK and across Europe of an oversupply of battery electric vehicles (BEVs) caused by over pricing, which has also impacted stock turn, according Indicata's monthly Market Watch insights report.

Nevertheless, Aston Barclay says that the used car market remains in a good place and while CAP has marked its prices down by nearly 3% over the past two months they are still ahead of where they were this time last year.

However, Aston Barclay's managing director for customer, Martin Potter, is not expecting a big upsurge in prices similar to what was experienced at the end of the first lockdown in June, 2020.

He said: "Prices should remain consistent into Q3 as we don't anticipate new car sales getting back to full strength and deliver its usual volume of dealer part exchanges into the used market."

Aston Barclay is also expecting its first raft of repossessions arriving in the coming weeks which spells good news for finance companies as it coincides with a high demand for sub-£12,000 retail cars.

View the full article [here](#)

## **LCV values remain at record levels at BCA**



*February 2021*

Used LCV values at BCA reached record levels for the third month running in January 2021 as strong demand for light commercials continued. The average monthly value across all LCVs rose above £9,000 at BCA in January, representing the highest average monthly value since March 2020.

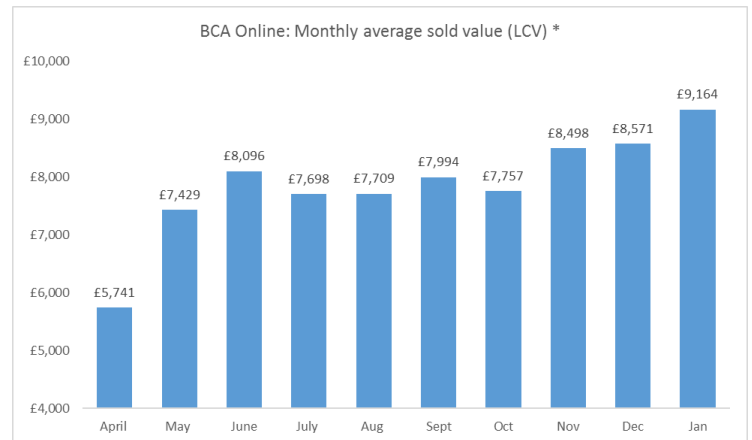
BCA recorded average used LCV values of £9,164 in January, a substantial increase of £593 (6.9%) on what was a strong performance in December. Average values outstripped guide prices by over 6%, highlighting the ongoing demand for LCV stock from professional buyers.

Conversion rates for LCVs remain high, averaging in excess of 70% across the BCA online sales programme during January. BCA has the largest registered professional buyer base for light



commercial vehicles and levels of online engagement in the LCV sales programme continues to increase significantly.

Stuart Pearson, BCA COO UK commented “The rising values for LCVs and high sale conversion levels we are seeing at BCA underline the wider market demand for light commercial vehicles. The signs suggest that these high levels of demand will continue, particularly from the home delivery, final mile and courier sectors serving consumers who are buying online.”



Pearson added “While there is no sign of overall demand softening currently, we have seen some buyers being a little more selective when it comes to condition. BCA’s insight and intelligence capability continues to closely monitor the marketplace to keep abreast of any changes in market sentiment and ensuring vendors are valuing stock realistically.”

## Record year-on-year price performances for January fleet market

February 2021



The wholesale van market began the year with a strong and stable start, with record year-on-year price performances and the second highest monthly average sales price on record. That’s according to the latest Commercial Vehicle (CV) tracker released by Cox Automotive, analysing data collected by Manheim, the UK’s number one CV remarketing business.

The tracker shows the average selling price has risen by an unprecedented 36% since the start of 2020, despite all the difficulties the year presented. It is also up month-on-month, by 3% (+£241) from December 2020, with vans sold in January typically 1.3 years younger with 1,880 more miles. The average selling price was the second highest monthly value on record at £8,768, following October 2020’s £8,936 peak.

There are further promising signs the van market is remaining resilient with CV tracker data also revealing:

- The average year-on-year selling price is 36% higher than the same time last year
- January’s conversion rate was very strong, falling just 4% from 86.7% to 82.7%
- The average selling price for Euro 6 vans grew 25% (+£2,443)
- Euro 5 vans also recorded an average price increase of 32% (+£1,370)

The findings align with the latest data from the SMMT, which revealed UK van registrations were 2% ahead year-on-year with the most significant reductions in pickups and vans below two tonnes.

Matthew Davock, director of CV at Manheim, said: “Despite uncertain conditions, these are unprecedented record-breaking performances from the wholesale van market. As we would expect in a seasonal market, it is the older, more damaged and highest mileage vans that typically soften in terms of price and conversion rates. We believe Euro 5 has found its price point, still significantly higher year-on-year, whilst Euro 6 promises to remain in the highest demand.”

View the full article [here](#)

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## **US online car auctions see pandemic boost**

*An interesting article from The New York times explores how the ongoing pandemic has boosted the online sales of car auctions in the US, as connoisseurs of vintage vehicles found more time to spend with their socially distanced hobby.*

Rather than back away from classic automobiles because of the pandemic, buyers flocked to them, sometimes in stunning numbers. Online auto sales and auctions, starting to gain acceptance among collectors before the virus took off, and some tent-pole auctions with limited attendance claimed new records.

Spencer Trenery, president of Fantasy Junction, a longtime classic-car broker in Emeryville, Calif commented, “We feel really sorry for the many businesses that are suffering,” he added, “but that just hasn’t been our experience.” While foot traffic in Fantasy Junction’s showroom plunged 90 percent or more, gross sales — many from online international buyers — were higher in 2020 than in 2019”

The article goes on to reference a handful of successful online auctions that took place during the pandemic.

- An eight-day Mecum auction in July in Indianapolis — previously postponed by the pandemic — notched record sales of \$74 million.
- In a two-day auction that combined online buyers with a limited audience in Elkhart, Ind., the firm sold 240 cars for some \$44.4 million, drawing 2,500 bidders from 53 nations.
- The event, at the historic Hampton Court in London, after being cancelled in April, proceeds topped \$44 million, with a 93 percent sell-through rate.

Full article can be found [here](#)

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## Your NAMA membership benefits

- NAMA Grading Scheme
- NAMA Vehicle Appraiser Training scheme
- Lobbying and engagement with Government
- Legal services
- HR and employment advice
- COVID-19 Guidance
- Health and Safety advice
- Dedicated helpline and online member area
- Discounted rates for commercial services
- Alternative Dispute Resolution (ADR)
- Finance and Insurance advice
- Monthly newsletter
- Regular member meetings

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## NAMA ON SOCIAL MEDIA



Follow your trade association on social media to receive all the latest updates from us.

- [LinkedIn - National Association of Motor Auctions \(NAMA\)](#)
- [Twitter - @NAMA Auctions](#)

### 2021 DATES FOR YOUR DIARY

#### NAMA Executive Meetings

23 March 2021 – further details will follow

#### NAMA AGM – NEW DATE FOR 2021

14-16 May 2021