



NATIONAL ASSOCIATION
OF MOTOR AUCTIONS

NAMA NEWS MAY 2021

Dear Colleague,

This month saw the publication of the Q1 used car market figures, and it was not surprising to see that lockdown measures in the UK heavily impacted transactions in the first quarter of 2021. In line with the latest NAMA survey, we are expecting to see the market strengthen and improve further with auction houses now open for business.

This month's newsletter also features **COVID-19 guidance for Automotive Auctions** and a legal update from MILS about **'EU and Overseas Employees'**.

NAMA will now be producing a weekly 'News Digest' to be released every Friday. The purpose of this digest is to provide you with information to key news and events that relate to the automotive sector.

By now you should have received your invite to this year's AGM meeting and dinner. We will be holding a one-day event on Saturday 18 September at The Oakley Court Hotel near Windsor. Due to current circumstances, places will be limited, so please send in your booking forms as soon as possible to avoid disappointment.

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.

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NAMA COMMENTS ON USED CAR MARKET IN Q1

It is not surprising to see that lockdown measures in the UK heavily impacted used car transactions in Q1 of the year commenting on the SMMT's used car figures.

The market was down -8.9% with 1,687,775 million transactions compared with 1,851,919 million sales in the same period last year. The overall decline was largely down to sales in January and February of -27.1% and -19.4%, however it is encouraging to see that performance in March showed signs of recovery with a 32.2% year-on-year rise.

Growth in the market came through sales of hybrid, plug-in hybrid and battery electric cars (BEVs), which had combined sales of 44,792 units. These vehicles are becoming more popular as more models become available in the used car market. However, they still only represent a small part of the overall used car market at just 1%.

In this month's NAMA survey, over 65% of respondents are expecting sales of petrol and diesel cars to remain popular and anticipate values of these cars to increase over the coming month.

Auctioneers are reporting that strengthening conversion rates and a positive impact on vehicle values is having a strong effect in the used car market.

With consumers now ready to buy as lockdown restrictions continue to be lifted, there is a need to fill dealer forecourts with stock. This will ensure strong performance at auctions, as long as there is sufficient supply to fulfil this.

COVID-19 GUIDANCE FOR AUTOMOTIVE AUCTIONS

The National Association of Motor Auctions has developed this guidance and best practice to be used by automotive auctions for use during the COVID-19 outbreak. The guidance should be used alongside a full risk assessment of each business site. The risk assessment would normally be required to be carried out in cooperation with staff or workforce representatives ahead of (re) starting operations. This guidance reflects government guidance as at 29 March 2021.

This guidance is not final and will evolve as improvement and issues come to light and will reflect feedback from staff and customer.

The guidance is intended to compliment official guidance being issued by Government on a workplace specific basis.

[COVID-19 GUIDANCE DOCUMENT](#)

INTEREST RATES MAINTAINED AT 0.1%

This month, the Bank of England voted unanimously to maintain interest rates on hold and revised upwards its GDP forecasts.

The Bank of England's Monetary Policy Committee (MPC) has voted unanimously to maintain Bank Interest Rates at 0.1%; GDP is expected to rise sharply in the second quarter of 2021.

The Monetary Policy Summary reads: "Global GDP growth is likely to have slowed in 2021 Q1 as Covid-related restrictions weighed on economic activity, although growth appears to have been stronger than expected in the February Report. Covid vaccination programmes have progressed and picked up pace in many countries. Recently, however, new Covid cases have increased significantly in India and some other economies, leading to tighter restrictions."

GDP recovery

"UK GDP is expected to have fallen by around 1½% in 2021 Q1, less weak than was assumed in the February Report. New Covid cases in the United Kingdom have continued to fall, the vaccination programme is proceeding apace, and restrictions on economic activity are easing. Reflecting these developments, GDP is expected to rise sharply in 2021 Q2, although activity in that quarter is likely to remain on average around 5% below its level in 2019 Q4. "GDP is expected to recover strongly to pre-Covid levels over the remainder of this year in the absence of most restrictions on domestic economic activity. Demand growth is further boosted by a decline in health risks and a fall in uncertainty, as well as announced fiscal and monetary stimulus. Consumer spending is also supported by households running down over the next three years around 10% of their additional accumulated savings. After 2021, the pace of GDP growth is expected to slow as the boost from some of those factors wanes. The level of activity is higher in each quarter of the forecast than in the February projections".

Demand and supply, and employment

The report highlights the fall in activity over the past year has reflected "a decline in both demand and supply". The unemployment rate fell slightly to 4.9% in the three months to

February, but “it is likely that labour market slack has remained higher than implied by this measure”, the Committee said. Positively, the extension of the Government’s employment support announced in Budget 2021 is expected to limit the near-term rise in unemployment.

Inflation and economy

Twelve-month CPI inflation rose from 0.4% in February to 0.7% in March. As has been the case in recent MPC forecasts, inflation is projected to rise to close to the target in the near term as some of the covid-effects fade.

The report explains the outlook for the economy, and particularly the relative movement in demand and supply, remains uncertain as it continues to depend on the evolution of the pandemic.

“The Committee will, consistent with its policy guidance and as always, focus on the medium-term prospects for inflation, including the balance between demand and supply, rather than factors that are likely to be transient”.

The Committee has also highlighted it does not intend to tighten monetary policy until there is “clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% inflation target sustainably”.

For further details, please visit: <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2021/may-2021>

Access the full report here: <https://www.bankofengland.co.uk/monetary-policy-report/2021/may-2021>

VAT LIABILITY OF CHARGING OF ELECTRIC VEHICLES

The use of electric vehicle charging points is becoming more common in public places. HMRC has received requests from businesses and business representatives to clarify the rules in specific cases, and in particular to confirm:

- if supplies of electric vehicle charging at charging points in public places should be charged at the reduced rate of VAT
- when input tax can be recovered when charging electric vehicles for business purposes

The brief explains HMRC's policy concerning the VAT treatment of charging of electric vehicles, when using charging points situated in various public places.

In particular it clarifies that the standard rate of VAT applies to supplies of electric vehicle charging through charging points in public places. It also explains when input tax can be recovered for charging electric vehicles for business purposes.

[Please click here to read the full briefing](#)

USED CAR PRICES SOAR AS INDUSTRY FACES PERFECT STORM

Secondhand car prices are soaring to unprecedented levels as a perfect storm hits the motoring industry.

Prices have jumped an average of 6.2pc in May following a 2pc rise the previous month amid a scramble to get on the road, according to research by Car Dealer magazine - the biggest increase it has ever recorded.

The surge is being fueled by bumper demand as travellers avoid public transport because of the pandemic, while a microchip shortage holding back new car production means motorists are keeping their vehicles for longer, limiting the number of cars on the market.

The problem is being further intensified by car hire companies, which normally pump large numbers of nearly new cars into the system as they refresh their fleets but are holding back from doing so as Covid hurts demand for their services.

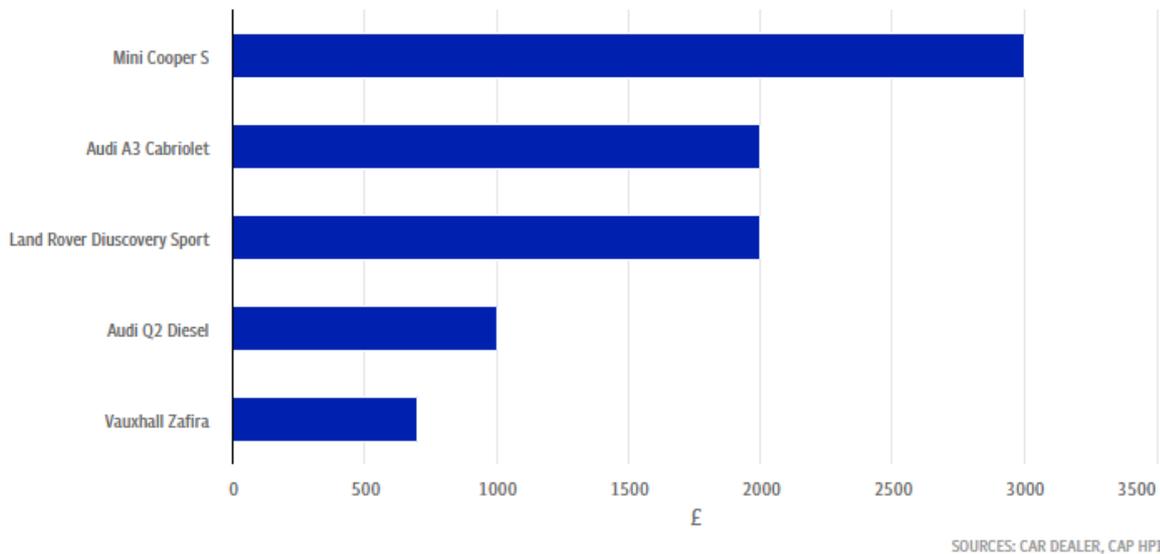
James Baggott, editor-in-chief of Car Dealer, said: "It's incredible, we've never seen anything like this before. People just don't realise that the car parked in their drive is rising in value every day, by thousands of pounds a month in some cases."

Car Dealer worked with Cap HPI, the valuation agency relied on by the industry to gauge prices, to track the changes.

Some of the biggest rises were among everyday cars, with a used Mini Cooper S jumping by £3,000 in the last month, while Audi A3 cabriolets and Land Rover Discovery Sports added £2,000.

Used car prices accelerate

Top average price increases in the secondhand market



Source: The Telegraph

APRIL UK CAR PRODUCTION REBOUNDS, BUT REMAINS SHORT OF RECOVERY

UK car production rose significantly, but artificially, in April. Britain made 68,306 cars compared to just 197 a year ago when Covid restrictions effectively halted manufacturing.

The performance was -3.8% below the April 2019 output. So far this year UK factories have turned out 374,864 cars, with April's performance offsetting earlier declines to drive a 17.3% overall increase, but -15.0% down on the same four-month period in 2019.

CAR MANUFACTURING

	Apr-20	Apr-21	% change	YTD-20	YTD-21	% change
Total	197	68,306	34573.1%	319,449	374,864	17.3%
Home	45	7,975	17622.2%	64,622	62,625	-3.1%
Export	152	60,331	39591.4%	254,827	312,239	22.5%
% export	77.2%	88.3%		79.8%	83.3%	

Source: SMMT

RENEWING TRADE LICENCE PLATES

DVLA's step by step guide to renew trade licence plates

1. DVLA has sent out a reminder letter to renew your trade licence plates which are expiring in June 2021. Apply using this letter as soon as possible to allow time for your application to process before the expiry date.
2. If you do not receive your reminder letter complete the online renewal form [VTL318](#) and post to DVLA. Include the payment and advise DVLA what licences you are renewing. Then sign and date the form to confirm you are a motor dealer, motor trader or vehicle tester.
3. If you have changed your address and not notified DVLA yet please confirm the new details when submitting your application.
4. There is no need to provide a copy of your motor trade insurance for the June 2021 renewal. This is a temporary easement only.
5. Check the amount payable on your reminder letter or www.gov.uk/tradelicence-plates and ensure your cheque or postal order matches this amount. If you send DVLA a damaged or altered payment, your application will be returned to you. Securely attach the cheque or postal order to your application.
6. If you write your mobile number on the application, DVLA will send you a text message to confirm that your application has been received.
7. Applications can take up to 4 weeks to process. There is no need to chase up your application during this time as DVLA will be dealing with all applications as quickly as possible and in the order they are received.
8. If you are no longer eligible or do not wish to renew your trade licence, you must complete form [VTL308](#) to surrender your trade licence. The physical trade plates must be returned to DVLA or an explanation of why they are not available.

Who is eligible?

- **Motor dealer**
You sell or supply vehicles, that is, a new or used car dealer.
- **Motor trader**
This includes manufacturers or repairers of vehicles, including those involved in collection and delivery, and no other activity except as a vehicle manufacturer or repairer.
- **Vehicle tester**
You're eligible if you test other people's vehicles on the public roads.

For more information on trade plates go to: www.gov.uk/tradelicence-plates

MILS LEGAL UPDATE



EU & OVERSEAS EMPLOYEES

We left the EU on 30 December 2020, but I hear something is changing with EU workers on 30th June 2021. That's only a month away, so what do I need to do?

All prospective employees should undergo a Right to Work check, regardless of whether they appear to be from the UK, from the EU or from any other country. There are civil and criminal penalties for employers who fail to do so. Right to Work checks can be carried out in a number of ways, most commonly manually or via the online system at Gov.Uk.

Applicants for employment must produce a document from 'LIST A' which proves an indefinite right to live and work in the UK, or 'LIST B' which confers a limited/conditional right to stay and work.

When the UK was a member of the EU, all EU citizens (and indeed the wider EEA – European Economic Area, plus Swiss nationals) could live and work in the UK without restriction.

Provision therefore of an acceptable document to the Home Office to demonstrate EEA/Swiss nationality was a 'LIST A' document and carrying out the check in the right way, as prescribed by the Home Office, would ensure that they could live and work in the UK permanently.

Up until 30 June 2021 (so not long now) the latest government guidance says that a prospective employee from an EEA country can still provide the evidence of nationality under LIST A and if the Right to Work check is undertaken correctly, then the employer can maintain what is known as the "statutory excuse," which means that even if the employee was later found to be illegally working, as long as the employer did not know or have good cause to suspect they were illegally working, then they should escape liability.

After 30 June 2021, that situation for EEA citizens will change:

Provided the prospective employee from the EEA country has applied for Settled Status under the European Union Settled Status scheme (EUSS), then a document will be issued verifying EUSS status (and that should appear on the Home Office online checking system). People with EUSS status can live and work here indefinitely as before, just as they could when we were in the EU. To obtain Settled Status, an EU citizen has to have been living in the UK before 30 December 2020 and have applied successfully under the scheme (closing date 30th June 2021).

If they were not living here before 30 December 2020 and if they don't have settled status, then they will need the appropriate Visa or Permit under 'List B' of the Home Office list of documents (which confer a limited/conditional right to work).

Note: we are also expecting further government guidance before July, so watch this space.

There are exceptions to the above, as immigration rules are complex, so seek advice if needed. 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. 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 Solicitors) 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.

NEWS FROM NAMA MEMBERS

Record numbers of virtual bidders at BCA in April push values to the highest point this year



26 May 2021

Source: BCA

Despite the industry rumblings of stock shortages, BCA's inventory levels swelled again in April with entries surpassing pre-pandemic levels and used car values averaging £8,577, maintaining the strong price performance that BCA has reported over recent months.

Stuart Pearson COO BCA UK commented, "It's fair to say that the market has accelerated faster than many predicted and the strong price performance in April shouldn't really be surprising considering the volume of attractive, high demand inventory we have on offer from the best vendors in the industry. BCA has exclusively won and retained business representing in excess of 150,000 vehicles since the turn of the year and this reflects our innovative and flexible approach to developing remarketing partnerships that really meet the needs of our customers."

"With around 7,000 vehicles being offered daily, huge crowds of virtual buyers are ensuring that there is no shortage of interest across the entire range of product on offer with records tumbling daily. Using technology, we've streamlined the process for new trade buyers to sign up and we're seeing 10,000 buyers each week joining our sales."

[View the full article here](#)

Manheim extends long-running remarketing deal with Santander Consumer Finance to 2024

27 May 2021

Source: Car Dealer Magazine



Manheim has extended its remarketing partnership with Santander Consumer Finance for another three years.

The two companies have been working together now for 19 years and the new agreement will see 80 per cent of remarketing volume sold through the vehicle remarketing provider's UK auction sites.

It means more than 20,000 vehicles will be sold at the venues in Bristol, Colchester, Mansfield, Washington and Manchester over the 36-month period.

[View the full article here](#)

Used car prices stay above £8,000 at BCA as record number of bidders look to stock up

17 April 2021

Source: Car Dealer Magazine



Used car average values at BCA kept above £8,000 in March as its online sales programme saw record buyer activity ahead of showrooms reopening. The auctioneer said the £8,039

average price maintained the steady performance seen during recent months, with sold volumes rising significantly versus January and February. They're now comparable to pre-pandemic levels and activity is likely to increase further over the coming weeks, it added.

Bidder numbers were at their highest since the pandemic began, with average daily online attendance numbers climbing to 5,000. It coincided with BCA continuing to refine and upgrade its digital sales programme.

[View the full article here](#)

A greener approach to remarketing

10 May 2021

Source: Fleet News



Among the many challenges and negatives of the pandemic, the industry has some opportunities to move forward positively.

For many companies, 2020 proved to be a watershed moment.

The digital transformation has been widely reported, with researchers at global consulting firm McKinsey, estimating that companies have accelerated their digital plans by three to four years on average.

From the growth of digital remarketing channels to greater use of data and technology in workshops, the industry is set to benefit from a digital dividend for years to come.

[View the full article here](#)

A return to physical auctions

26 May 2021

Source: Motor Trader



Last month Aston Barclay announced that it was welcome back physical buyers to its auction halls from 12 April.

Its decision to return to physical auctions was supported by a survey of buyers where 84% of the 673 respondents (582 buyers) said they would attend future physical auctions.

Aston Barclay has introduced physical sales gradually, with buyers able to attend dealer part- exchange, Motability, and light commercial sales to view vehicles and stand and bid in the auction halls across its auction network.

Aston Barclay group managing director Martin Potter said the opening had been phased to cater for the different segments.

[View the full article here](#)

NEWS FROM THE US

GM expects to offer personal self-driving vehicles to consumers this decade

5 May 2021

Source: CNBC

DETROIT – General Motors CEO Mary Barra expects the automaker to offer self-driving vehicles to consumers later this decade.

While autonomous vehicles for deliveries and ride-hailing services are currently undergoing rigorous testing, manufacturing them for retail customers hasn't been a priority for automakers because the technology needed for the systems is prohibitively expensive.

“Later in the decade, I believe, and there's a lot to still unfold, but I believe we'll have personal autonomous vehicles,” she told investors Wednesday during the company's first-quarter earnings call.

[View the full article here](#)



How the pandemic could have a long-term effect on the way you buy a car

5 May 2021

Source: NBC News

Ford and General Motors soundly beat Wall Street's expectations with their first quarter earnings, but the worldwide shortage of semiconductors has left car dealers struggling to come up with the vehicles they need as consumer demand rebounds to pre-pandemic levels.

That is forcing automakers to rethink key business strategies and could see them backing away from established practices — including never fully rebuilding dealer inventories. Such changes likely will impact consumers in a number of ways. Among other things, that may mean a longer wait for the vehicle a customer buys, as well as fewer incentives and other discounts.

[View the full article here](#)



GENERAL AUCTION NEWS

Why online auctions are so popular and how you can bid too

The pandemic has ‘turbo-charged’ the online auction market with sales of art, antiques and property growing exponentially during the past year.

Global online-only sales at the three top auction houses surged by 524%, breaking the \$1 billion (£711m) mark for the first time.

And punters are continuing to bid online in droves rather than travel to auction houses in person.

For first timers, here are some simple steps to help create the best online bidding experience.

[View the full article here](#)

Darth Vader’s helmet raises charity funds in May the 4th auction



In an auction house far, far away (well, Bristol actually), the enduring power of the force was clear.

A Darth Vader helmet sold for £2,200, more than five times the top estimate, and a signed picture of Alec Guinness in his Obi-Wan Kenobi robes was snapped up for £3,100, treble what was anticipated.

Someone, somewhere, paid £9,000 for a prototype lightsabre, the weapon of choice of Jedi knights in the Star Wars saga, which the Earthlings at East Bristol Auctions had judged might bring in £80-£120.

Hundreds of items hoarded and collected by David Prowse, the Bristolian who played Vader in the original Star Wars trilogy, were sold off in his home city following his death, aged 85, last year. The auction raised a total of £400,000.

[View the full article here](#)

Leonardo da Vinci bear drawing expected to fetch £12m at auction



A drawing of a bear by Leonardo da Vinci is expected to fetch up to £12m at auction.

The picture, titled *Head of a Bear*, is being sold in London by Christie's. It will go on display in New York and Hong Kong before being auctioned and is expected to fetch between £8m and £12m, according to the auction house.

Ben Hall, the old master paintings chairman at Christie's New York, described the drawing as "one of the most important works from the Renaissance still in private hands".

[View the full article here](#)

Emily Brontë's handwritten poems are highlight of 'lost library' auction



An "incredibly rare" handwritten manuscript of Emily Brontë's poems, with pencil corrections by her sister Charlotte, is going up for auction as part of a "lost library" that has been out of public view for nearly a century.

The collection was put together by Arthur Bell Nicholls, the widower of Charlotte, who of the six Brontë children lived the longest, dying in 1855 at the age of 38. Nicholls sold the majority of the surviving Brontë manuscripts in 1895 to the notorious bibliophile and literary forger Thomas James Wise. The collectors and brothers Alfred and William Law, who grew up 20 miles from the Brontë family home in Haworth, then acquired some of the family's heirlooms from Wise, including the manuscript of Emily's poems, and the family's much-annotated copy of *A History of British Birds*, a book immortalised in *Jane Eyre*.

The Law brothers' library at Honresfield House disappeared from public view when their nephew and heir Alfred Law died in 1939 and was inaccessible even to academics. Hundreds of items hoarded and collected by David Prowse, the Bristolian who played Vader in the

original Star Wars trilogy, were sold off in his home city following his death, aged 85, last year. The auction raised a total of £400,000.

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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

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 AGM – Saturday 18 September 2021