



**GENERAL ELECTION
POLICY STATEMENT
MAY 2017**





POLICY PROPOSALS

HOW THE AUTOMOTIVE INDUSTRY CONTRIBUTES TO THE UK ECONOMY

The automotive industry is a vital asset to the UK economy and the retail motor industry continues to provide an insightful barometer to its strength. Recent figures indicate the magnitude of the industry and how significant a contributor it is to the UK's economic growth:

- 2.69 million new cars were registered in 2016, an all-time high in terms of demand for new cars in the UK.
- Over 800,000 people across the UK are employed in the automotive industry.
- In 2016, the industry generated more than £71.6 billion in turnover.
- Exports from the UK of motor vehicles totalled to £31.5bn in 2016.

THE IMMINENT CHALLENGES TO THE UK RETAIL MOTOR INDUSTRY

The UK retail motor industry has two major obstacles to overcome if it is to sustain the success the sector has enjoyed in recent years. The first is to secure agreements with the EU and WTO so that imported cars can continue to be sold at the same prices to consumers as they are today.

A free trade deal with the EU should enable vehicles to continue to be imported at zero tariffs and with no border checks. The UK also needs to register with the WTO the same system of preference for importing vehicles from other parts of the world as currently applies to the EU.

Secondly, as the vehicle market shifts sales increasingly towards ultra-low emission vehicles (ULEVs), the infrastructure must evolve at the same pace.

A severe lack of apprentices is a potential threat to the standards our industry's workforce currently operates at. Also the deficiency of infrastructure required to ensure a smooth transition to a car market predominantly made of electric vehicles (EVs) is also a problem.

Automotive apprenticeships need to be made far more accessible, whilst equipping apprentices with the capability to work effectively on repairing the latest vehicle technology. Range anxiety, a prominent fear of prospective EV consumers, needs to be alleviated with the provision of a wider charging point network. By investing in the wider industry to prepare it to meet the demands of ULEVs, the government can facilitate a surge in consumer confidence and accelerate the uptake of ULEVs.

RMI POLICY PROPOSAL SUMMARY

With the UK's impending exit from the EU on the horizon, RMI recognises the importance of favourable trade deals with the EU and the rest of the world to protect the UK's economic interests. However, it is also important that the government of the UK looks beyond Brexit, providing an economic environment that our industry can continue to thrive in.

This set of proposals is the RMI's commitment to pursue the interests of our members, ensuring they can continue to prosper in a constantly evolving market. The RMI asks the Government to commit to focusing on and working with us over six key policy areas that are crucial to the continued success of the automotive industry.

The six key components of the RMI Policy Proposal are as follows:

DEFENDING THE UK'S ECONOMIC INTERESTS IN EUROPE AFTER BREXIT

RMI is calling on the government to commit to seeking a free trade agreement with the EU as a matter of urgency. A free trade agreement would be a clear indicator that the UK remains an attractive investment opportunity, therefore alleviating the fears of the wider industry that Brexit will have a negative impact on business. In addition, RMI is seeking assurances that businesses will have unrestricted access to skilled labour within the EU, particularly in sectors such as the motor industry, where there is currently a skill shortage.

Finally, the RMI is calling for an increase to the levy for overseas HGV's to a figure that rectifies the imbalance in the costs between them and UK owned fleets of using the UK road network.

A COMMITMENT TO INCREASING THE OPPORTUNITIES FOR APPRENTICESHIPS IN OUR INDUSTRY

The motor industry faces a massive skills shortage. The lack of new talent threatens to seriously destabilise the consistent growth the industry has enjoyed in recent years, as well as hinder the potential growth of the market. RMI is optimistic to hear about the creation of a new system of technical education, specifically the introduction of clear, high quality routes for technical education. RMI hopes the government seeks to co-operate with the motor industry to establish effective and attractive routes for students to pursue careers as motor technicians, to help fill the considerable employment gap the sector is currently facing.

RMI also calls on the government to make two provisions:

- Include vehicle technician training as one of the government's fifteen proposed core technical routes", as part of the framework for an industry-specific education route.
- As part of the proposed "lifelong learning" approach, provide financial schemes, of which there are currently none, for vehicle technicians to develop their skills and enable them to effectively work with the latest vehicle technology.

MAINTAINING THE CURRENT 3-1-1 MOT TESTING STRUCTURE

Earlier this year, the government conducted a consultation proposing the extension of the first MOT test date to four years. RMI has been resolute in opposing this alteration and calls on the newly elected government to resist changing the current structure the UK has in place. The RMI argues that it is in the best interests for both UK road safety and consumer budgets that the first MOT test is retained at three years. We base our arguments on the following:

- Modern Vehicles are not necessarily safer.
- The poor quality of UK roads.
- Compromising consumer safety.
- Misconceptions regarding the cost of more frequent tests.

A CLEAR STRATEGY TO COMBAT MILEAGE FRAUD

The RMI proposes a three-point strategy for the government to implement to tackle mileage adjustment, involving punishing those who offend and monitoring vehicle mileage records more extensively:

- The outlawing of all mileage adjustments, mileage adjustment equipment & all companies that offer mileage adjustment services.

- Declaring mileage when a vehicle's road tax is renewed should be compulsory, as opposed to voluntary.
- A nationwide, industry consensus to collect mileage data and provide mileage data agencies with the findings.

CREATING A LEVEL PLAYING FIELD FOR BUSINESSES, ALLOWING THEM TO SURVIVE AND THRIVE

RMI is calling for reform in three key areas which are crucial in providing our members with the environment in which their businesses can flourish:

Giving the Small Business Commissioner Legitimate Power

The appointment of a small business commissioner is a welcome move in tackling the increasing practice of late payments.

RMI supports granting the UK small business commissioner the same powers as the Australian small business commissioner, allowing them to champion the rights of small businesses. These powers include:

- The power to insist on binding arbitration.
- To mandate the provision of company records for investigations.
- Failure to comply with commissioners' decisions means fines for persistent offenders.

Business Rates Reform

The recent revaluation of business rates has hit many RMI members due to inconsistencies in the method in which different businesses are rated. RMI calls on the government to re-examine the valuation of business rates to ensure a level playing field for all businesses.

Greater Scrutiny of Businesses Guilty of Labour Abuse

The last Parliament saw the creation of an Independent Anti-Slavery Commissioner and the extension of the Gangmasters and Labour Abuse Authority's powers, two moves the RMI welcomed in helping to crackdown on unregulated hand car washers (HCW). RMI is committed to stamping out all forms of labour abuse across HCWs throughout the UK, with a view to creating a level playing field for car washes run by fair and honest businesses. We expect the UK government will continue to focus on clamping down on unregulated hand car washes by further scrutinizing their wider business practices relating to tax and insurance purposes, as well as environmental regulation.

CLEARLY OUTLINING A CLEAN AIR STRATEGY AND NOT PUNISHING CONSUMERS WHO BOUGHT DIESEL VEHICLES IN GOOD FAITH

RMI is committed to co-operating with the government to bring about a greener economy. However, RMI is also conscious of protecting consumers who purchased diesel vehicles under the assumption that these vehicles were more environmentally friendly. RMI presents two key policy changes that would both protect diesel drivers and best prepare the UK for the emergence of the AFV market:

1. A 3p cut to fuel duty.
2. The Government introduces a centralised, monetary fund allowing for private businesses to apply for funding to invest specifically in rapid charge equipment, mirroring the current EV Homecharge Scheme and Workplace Charging Scheme.