

NMDA Newsletter December 2021



Vmoto SUPER SOCO CPX [Highest Selling Scooter]

Dear NMDA member,

Despite Covid's best efforts to scupper another full year of trading for motorcycle dealers, November's registration figures (up 21.9% year on year) and subsequent 2021 year to date figures (up 12.1%) show a continued demand for Power Two Wheelers (PTWs) and consumer confidence in the sector.

Earlier this month, we also published the results of our latest Dealer Attitude Survey, you will find more details in the newsletter alongside your usual monthly note from NMDA Chairman, Philip Youles, as well as a few briefings following the latest Government announcements.

Guidance & Contact

The NMDA works hard to support you and your businesses. Please do get in touch with us - If you have any legal, employment or questions concerning business advice please contact our helpline on 01788 538303 or email me directly.

We are your trade body, here to help and advise you on regulatory and operational issues facing your business. If there are issues that we have not covered, or you have concerns about, please do contact us.

Thank you for all your support, we look forward to continuing to work together in 2022!

Very best wishes for a Merry Christmas and Happy New Year from your NMDA!

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Your Monthly Note from PHILIP YOULES, NMDA Chairman

Well, it's the last day of work for all of us at Youles Motorcycles and I'm allowing myself a minute to reflect on 2021. For our industry, it seems to have been a real bumper year. The full year's registration figures won't be in until early January but everyone I'm speaking to has been busy in every aspect of their business. This alone validates just how critical new sales are to our industry as without these, we aren't feeding the funnel which is the lifeblood of the industry. There is no doubt that supply is likely to continue to be restricted in the New Year. The winners and losers of 2022 will be defined by how each of our manufacturer partners are able to deal with this.



I have to be honest now. The various laws, regulations and dos and don'ts that are being introduced are ever changing... it must be difficult for anyone in Carlisle or Shrewsbury. At this point, I would probably wear an extra mask on my right foot to ensure that I'm compliant!! But of course, the NMDA has been offering concise and up-to-date guidance to our members, ensuring you are able to keep your colleagues, customers and businesses safe.

Don't forget that the NMDA is here to help with all of your legal and business issues. Also, the Dealer Attitude Survey is available for you to view and assess how your manufacturer is performing or maybe even be used to evaluate a manufacturer that you are thinking of engaging with.

All the best for 2022. Let's get some more bikes sold!!!

Motorcycle sales perform well in November

Despite Covid's best efforts to scupper another full year of trading for motorcycle dealers, November's MCIA registration figures recorded a 21.9% increase year on year, and a

subsequent 12.1% increase for 2021's year to date figures. These figures demonstrate the continued demand for Power Two Wheelers (PTWs) and consumer confidence in the sector.

Sales of Electric Powered Two-Wheeled Vehicles (ePTWs) continued to perform well – especially in the low powered segment, with an increase of 143.1% (530 units), both overachieving year on year and adding to the 5,615 registrations year to date for 2021.

In November, larger engine scooters (51-125cc) were dominated by the Vmoto SUPER SOCO CPX with 174 registered units. Honda was the brand leader in November with 952 units registered, followed by Yamaha (656 units) and Lexmoto (503 units) completing the top three spots.

Paddy O'Connell, Head of NMDA commented, "With the current covid variant causing renewed concern amongst businesses and the public, it remains important that we are welcoming customers into dealerships with personal safety measures in place, in line with Government guidance and dealers' own best practice approaches".

"December is traditionally a less busy month for retail of PTWs. With ongoing supply issues creating increased lead times on some models, we can gain comfort in the fact that the demand is still there. In some instances however, managing customer expectations is creating some operational difficulties. PTW dealers have always been ahead of other sectors in their engagement with customers and we hope to see this continued loyalty extend into the first half of the new year when we are told more product will become available from OEMs".

The NMDA continues to encourage members to join our quarterly meetings to find out about all of the support that NMDA membership can offer, and to get behind the #DestinationDealer campaign. This initiative is to help dealers reconnect with their customers and remind them that motorcycle and scooter showrooms are not just a place to transact, they are also a place to chat, have a coffee, look at the new products and meet up with like-minded people.

NMDA Dealer Attitude Survey (DAS) indicates steady improvement in PTW dealers' satisfaction levels

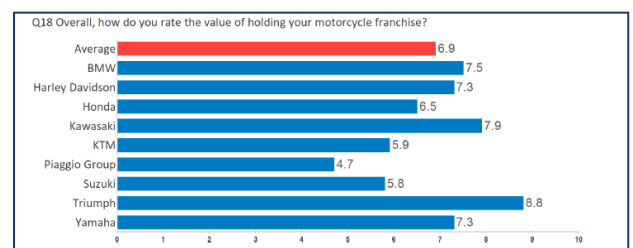
The NMDA Dealer Attitude Survey (DAS) is carried out twice a year and examines how dealers view the major issues currently affecting them, whilst also evaluating how these views are changing over time. It also offers motorcycle dealers and their respective manufacturers a clear idea of the balance of opinion held on a range of views within their networks.

The results of the latest NMDA 2021 DAS were published on Monday 6 December and showed a steady improvement in PTW dealers' satisfaction levels. The survey attracted a response rate of 24%.

Overall franchise value

The findings of the survey show dealers' satisfaction levels with the value of holding their franchise stood at an average of 6.9 points out of 10.

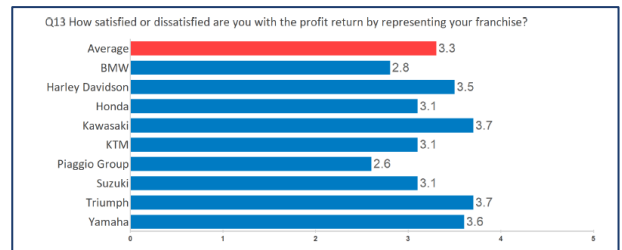
- Triumph (8.8), Kawasaki (7.9), BMW (7.5) were the three highest-rated franchises
- Piaggio (4.7), Suzuki (5.8), KTM (5.9) received the lowest ratings



Profit return

Dealers' satisfaction levels with their current profit return from representing their franchise rose to 3.3 out of 5 points, up from the spring's 2.9 average. The majority of manufacturers who featured in both the spring and autumn surveys saw an improvement, in particular, Yamaha grew from 2.0 to 3.6.

- The top performers were Triumph and Kawasaki with 3.7 points and Yamaha, 3.6.
- Piaggio Group (2.6) and BMW (2.8) had the lowest scores

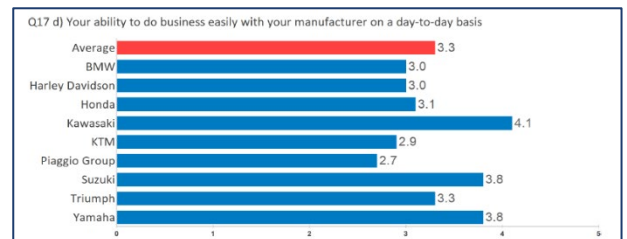


Additionally, dealers were also optimistic about their future profitability, returning an overall average of 3.5.

Ability to do business with manufacturers

The average score in response to dealers' ability to do business easily with their manufacturers on a day-to-day basis was 3.3. This represented a small decline from spring's 3.5 as a number of franchises experienced a decline in score.

- Kawasaki (4.1), Suzuki (3.8) and Yamaha (3.8) had the best ratings
- Piaggio Group (2.7) and KTM (2.9) sat at the bottom of the table



Paddy O'Connell, added: "PTW dealers have repeatedly shown their resilience, coping successfully with all the challenges presented by the pandemic, such as supply issues, and the overall pressure on businesses.

"Dealers have kept morale high and worked hard to boost riders' confidence, with communications and ongoing support from their manufacturers playing a key part in this.

"We look forward to working with all PTW dealers in the UK to assist you with any issues affecting the relationship with your manufacturer to 'ride' the motorcycle market forward".

To download the full NMDA Dealer Attitude Survey, please click [here](#).

NMDA comments on study showing powered light vehicles can support decarbonisation goals

"Whilst consultations with Government are still taking place, [the data provided by Zemo Partnership](#) is a positive step to remind decision makers that our industry is already providing low net emission vehicles for both leisure and business use", said Paddy O'Connell.

"As our sector is having its hand forced into pursuing the Government's net zero targets, the study by Zemo Partnership provides a useful comparison to the reality of the benefits of both Battery Electric (BEV) and Internal combustion Engine (ICE) Powered Two Wheelers (PTWs) as a form of mobility", Paddy O'Connell added.

The study, commissioned by the Motorcycle Industry Association (MCIA), looked at eight typical use cases where Private Light Vehicles (PLVs) and PTWs could replace existing cars and vans. Looking at vehicles in both ICE and BEV form, the study considers greenhouse gases created during the

overall lifecycle of a vehicle including manufacturer, vehicle use, fuel production, electricity production, battery replacement and vehicle end of life.

In almost every case, where load requirements mean that using a PLV is a viable option, substantial greenhouse gas savings would occur.

Paddy O’Connell concluded: “It is encouraging that the Zemo Partnership’s report further shines a spotlight on PTWs as a greener form of mobility. NMDA continues to represent dealer members in talks with Government to ensure that any transition away from traditional fuels is neither to the detriment of our industry nor their loyal riders and customers”.

NMDA Coronavirus Briefing

Statutory Sick Pay Rebate Scheme (SSPRS) – 21 December 2021

The Government has announced that it will be reintroducing the Statutory Sick Pay Rebate Scheme (SSPRS) across the **UK**.

The SSPRS will help small and medium-sized employers – those with fewer than 250 employees – by reimbursing them for the cost of Statutory Sick Pay for Covid-related absences, for up to 2 weeks per employee.

Firms are eligible for the scheme from **Tuesday 21 December** and they will be able to make claims retrospectively from **mid-January**.

Please find the link to the full business support - [HERE](#).

Eligibility criteria

Employers will be eligible for the scheme if:

1. They are UK-based.
2. They employed fewer than 250 employees as of 30 November 2021.
3. They had a PAYE payroll system as off 30 November 2021. 3. They have already paid their employees’ COVID-related SSP.

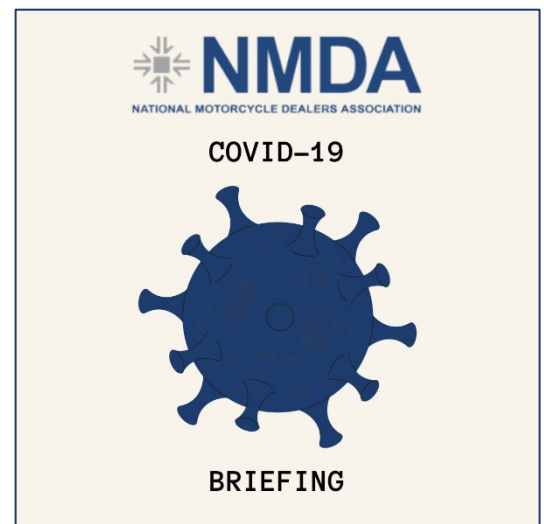
Employers will be able to claim the costs for up to two weeks of SSP per employee that has to take time off because of COVID-19. This two-week limit will be reset so an employer will be able to claim up to two weeks per employee regardless of whether they have claimed under the previous scheme for that employee

Compliance measures

Employers must keep records of Statutory Sick Pay that they’ve paid and want to claim back from HMRC.

Employers must keep the following records for 3 years after the date they receive the payment for their claim:

- the dates the employee was off sick
- which of those dates were qualifying days



- the reason they said they were off work due to COVID19
- the employee's National Insurance number

The fully detailed SSPRS fact sheet can be found - [HERE](#).

Government announces Plug-in Grant cut

The Government has announced a number of changes to the **Plug in Motorcycle Grant (PIMG)** rates and eligibility criteria. The new terms have come into play from Wednesday 15 December 2021.

Previous rates/ eligibility criteria:

- 20% of purchase price up to £1,500 for Mopeds
- 20% of purchase price up to £1,500 for Motorcycles

New rates/ eligibility criteria:

- 35% of purchase price up to £150 for Mopeds
- 35% of purchase price up to £500 for Motorcycles
- Mopeds and Motorcycles must cost less than £10,000. This is the recommended retail price (RRP) including VAT and delivery fees

NMDA hold the stance that the decision to reduce the availability of the plug-in grant strongly disincentivises EV adoption across the UK. This move has the potential to derail the progress our sector has made in decarbonising transport by sending the wrong message to the consumers and will adversely impact less affluent motorists that are seeking a transition to a greener method of transport.

Additionally, NMDA has urged Government to consider a number of issues that will be affecting dealers and customers at an operational level:

- **Price transparency:** The sudden cut to the grant penalises those customers who were in the midst of choosing an electric bike but have not yet ordered one and will now see a price change overnight.
 - **Consumer communications:** Without prior notice, dealers now need to go quickly through all of their dealer systems and advertised prices/marketing materials to change prices to ensure they keep customers satisfied.
 - **Stock:** Dealers will be left holding stock that overnight has become more expensive for the consumer.
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MILS Legal Update: Can I discipline an employee for raising numerous unfounded grievances?

Employment law, generally speaking, seeks to put in place fair rules necessary to ensure a smooth working environment. Where both parties approach the process constructively, they can resolve many disputes. However, these processes can also break down to such an extent the working relationship is harmed. What happens when the employee's approach to the process is frivolous and designed to cause trouble? Can the employee be disciplined and ultimately dismissed? In *Hope v British Medical Association*, the Employment Appeal Tribunal (EAT) was asked to consider just that and their answer was "yes".



H was employed by BMA from June 2014. During the period of employment H brought a number of grievances, including against senior managers who, among other things, failed to include him in meetings that he thought he should attend. H wished to discuss his grievances informally with his line manager, M, but was informed that as this involved decisions of more senior managers M could not resolve the issue. H was invited to escalate his concerns to the formal stage or withdraw them. However, H refused.

A formal grievance meeting was scheduled, but again H refused to attend. The meeting proceeded in H's absence and his grievances were not upheld. The BMA considered that H's conduct of bringing numerous vexatious and frivolous grievances, and his refusal to attend the grievance hearing was a refusal to comply with a reasonable management instruction and therefore amounted to gross misconduct. The BMA took disciplinary action against H and eventually dismissed him for gross misconduct.

An employment tribunal found that H's dismissal was fair. It considered that it was reasonable for BMA to conclude that H's conduct was vexatious and unreasonable and that BMA had acted reasonably in dismissing H on that basis. H appealed to the EAT arguing, among other things, that the tribunal had erred by failing to consider whether his conduct was capable of amounting to gross misconduct in the contractual sense. H appealed.

The EAT dismissed the appeal. Mr Justice Choudhury, President of the EAT, held that the test for determining whether a dismissal is fair or unfair within the meaning of S.98(4) ERA involves consideration of all the circumstances, which might, in some misconduct cases, include the fact that the conduct relied upon involved a breach of contract amounting to gross misconduct. The tribunal had been entitled to find that BMA had acted reasonably in treating the reason for dismissal, namely H's conduct as described, as being a sufficient reason to dismiss in all the circumstances.

In conclusion

The key to this finding is that the employer had clear policies in place and complied with them. The employer followed these processes in order to consider the employee's concerns in spite of the employee's actions. The employee's actions in refusing to co-operate was sufficient for his employer to find that the grievances were vexatious and frivolous. Whilst we would not normally advise to go as far as dismissal, this case shows clearly that disciplining an employee where their actions are designed to cause trouble rather than resolve a dispute can sometimes be an option.

As always, 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.

Coffee Break: OLA are looking to electrify the scooter market...

A special thanks to Michael Todd at Chelsea Motorcycle Group for this coffee break article.

Indian manufacturer OLA are pushing to increase production of their electric scooters in their mega-factory, where production could reach 2 million units per year... with plans to hit 10 million units in the future.

Benefitting from these economies of scale globally, could bring the product RRP to as low as £1500.

Access the full article: [HERE](#)



What you get for your membership fee

- **Legal services** – Free legal advice from in-house lawyers
- **HR & Employment advice** – Resources for providing HR documentation
- **Trading Standards** – Guidance advice handling legislation
- **MOT Training** – Training centres to update and instruct MOT testers
- **Conciliation & Arbitration** – Resolving trade and consumer disputes
- **Government Lobbying** – Ensuring we are in consultation over law changes
- **FCA Advice** – Keeping up to date with F&I knowledge
- **DVLA Partner** – Working with DVLA to assist future projects
- **DVSA Advisor** – Advising on MOT test requirements
- **Utility packages** – Reviewing potential on saving energy costs
- **Banking & Credit Cards** – Possible savings on banking charges
- **Business advice** – On call to assist dealers with day-to-day issues
- **BDN EXPO Trade Show** – Attend the annual motorcycle trade show
- **Monthly Sales Report** – Review of monthly motorcycle registrations
- **Monthly Newsletter** – Updating on issues, trends & results affecting your business
- **Quarterly member meeting** – Reviewing issues affecting the industry
- **Biannual Attitude Survey** – Monitoring dealer/manufacture relationship
- **NMDA Website** – Easy way to check on updates



For more information, please contact Ed Buckley (Membership Manager) on 07919576306 mobile or email ed.buckley@rmif.co.uk.

