

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Twelfth Delegated Legislation Committee

DRAFT ROAD VEHICLE EMISSION
PERFORMANCE STANDARDS (CARS AND VANS)
(AMENDMENT) (EU EXIT) REGULATIONS 2019

DRAFT ROAD VEHICLES AND NON-ROAD
MOBILE MACHINERY (TYPE-APPROVAL)
(AMENDMENT) (EU EXIT) REGULATIONS 2019

Wednesday 27 February 2019

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The Committee consisted of the following Members:

Chair: MR GEORGE HOWARTH

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| † Brock, Deidre (<i>Edinburgh North and Leith</i>) (SNP) | Killen, Ged (<i>Rutherglen and Hamilton West</i>) (Lab/Co-op) |
| Campbell, Mr Ronnie (<i>Blyth Valley</i>) (Lab) | † Norman, Jesse (<i>Minister of State, Department for Transport</i>) |
| † Dodds, Anneliese (<i>Oxford East</i>) (Lab/Co-op) | † Robinson, Mary (<i>Cheadle</i>) (Con) |
| † Donelan, Michelle (<i>Chippenham</i>) (Con) | † Smith, Royston (<i>Southampton, Itchen</i>) (Con) |
| † Duguid, David (<i>Banff and Buchan</i>) (Con) | † Stewart, Bob (<i>Beckenham</i>) (Con) |
| † Foxcroft, Vicky (<i>Lewisham, Deptford</i>) (Lab) | † Swire, Sir Hugo (<i>East Devon</i>) (Con) |
| † George, Ruth (<i>High Peak</i>) (Lab) | † Turner, Karl (<i>Kingston upon Hull East</i>) (Lab) |
| † Glindon, Mary (<i>North Tyneside</i>) (Lab) | Yohanna Sallberg, <i>Committee Clerk</i> |
| † Hart, Simon (<i>Carmarthen West and South Pembrokeshire</i>) (Con) | † attended the Committee |
| † Heappey, James (<i>Wells</i>) (Con) | |

Twelfth Delegated Legislation Committee

Wednesday 27 February 2019

[MR GEORGE HOWARTH *in the Chair*]

Draft Road Vehicle Emission Performance Standards (Cars and Vans) (Amendment) (EU Exit) Regulations 2019

2.30 pm

The Minister of State, Department for Transport (Jesse Norman): I beg to move,

That the Committee has considered the draft Road Vehicle Emission Performance Standards (Cars and Vans) (Amendment) (EU Exit) Regulations 2019.

The Chair: With this it will be convenient to consider the draft Road Vehicles and Non-Road Mobile Machinery (Type-Approval) (Amendment) (EU Exit) Regulations 2019.

Jesse Norman: It is a pleasure to serve under your chairmanship, Mr Howarth. As the Committee knows, the Government have a responsibility to be prepared for any scenario on EU exit day and will therefore continue to lay before the House EU exit statutory instruments for a no-deal outcome. If they are no longer required on exit day, we expect to defer, revoke or amend them in time for the end of the implementation period.

As the Department responsible for vehicle regulation, the Department for Transport has conducted intensive work to ensure that there continues to be a functioning legislative framework for this important sector of the economy. Although we strongly believe that leaving with a deal is the best outcome for the UK and the EU, it is our duty to make reasonable preparations for all scenarios. The statutory instruments are an essential part of those preparations, and they will ensure that there continues to be a well-functioning regulatory regime in the UK.

Currently, motor vehicles can be registered and placed on the UK market only if they have a valid EU type approval that demonstrates that they conform to EU standards, including safety and emissions requirements. The legislation governing that is a mix of domestic and directly applicable EU regulations.

The draft type approval regulations will ensure that the Government continue to have control over the registration of vehicles in the UK, while minimising the burden on manufacturers. The regulations were tabled under the negative procedure and considered by the sifting Committees of both Houses, which both recommended that they be upgraded to affirmative, given the potential impact on manufacturers. I thank the Committees for their consideration of these and other statutory instruments.

Sir Hugo Swire (East Devon) (Con): This is an ill-informed question, and I would be grateful for the Minister's answer. The legislation seems to pertain to

cars and light commercial vehicles. Will there be similar legislation relating to lorries, buses, motorcycles and so forth?

Jesse Norman: I will come to that issue later, so I will respond to my right hon. Friend then. The most apparently naive questions are always the hardest to answer.

The regulations will require vehicles to be registered using a provisional UK approval, and they allow the Vehicle Certification Agency to issue provisional UK approvals to manufacturers who hold a valid EU type approval without additional costly re-testing. Importantly, the environmental and safety standards to which vehicles will be approved under the UK scheme will remain unchanged from those applicable under the EU regime.

There is a good reason why the UK should not simply accept EU approvals, rather than creating the UK scheme proposed in the regulations. Without the UK scheme, the Government could not act to stop another Volkswagen-type emissions scandal—we could not prevent those vehicles from being put on the road, withdraw approval of them or require additional testing to ensure that they conformed to the applicable standards until the EU had acted on the matter.

The regulations temporarily double the limits for the national small series type approval until the end of 2019. That specific measure reduces the burden of regulation on smaller manufacturers who sell only in the UK market. Many are UK companies that provide essential and sometimes unique vehicles and products to our domestic market.

The regulations are subject to a sunset clause, so they represent an interim arrangement that is valid for a maximum of two years. That allows the additional time required to develop a full UK type approval scheme and to correct the remaining deficiencies in the thousands of pages of technical annexes to the retained EU legislation. We will formally consult on those proposals, and we aim to lay the statutory instrument before the House later this year for Parliament to debate and vote on.

The draft regulations will be made for the most part under the powers conferred by the European Union (Withdrawal) Act 2018. To correct a deficiency in existing UK legislation, the powers conferred by the European Communities Act 1972 will also be used to harmonise the legal definition of type approval certification across the UK. The regulations create a UK approval scheme by amending the Road Traffic Act 1988 in Great Britain and the Road Traffic (Northern Ireland) Order 1981. In addition, the regulations amend the Vehicle Excise and Registration Act 1994 to provide that vehicles entering the UK after exit day can be registered only if they have a UK approval. Further minor amendments are proposed to the Road Vehicle (Approval) Regulations 2009 and to the three retained frameworks for motorcycles, agricultural vehicles and engines for non-road mobile machinery, to ensure that that retained EU legislation remains operable after the UK leaves the EU. The amendments will come into force on exit day, except for the harmonisation of the legal definition of type approval certification across the UK, which will come into force 22 days after the regulations are made.

During the development of the regulations, the Department engaged widely across the automotive sector. We have spoken directly with all the major trade associations—the Society of Motor Manufacturers and

Traders, the Motorcycle Industry Association, the Agricultural Engineers Association, as well as those representing specialist manufacturers such as the Wheelchair Accessible Vehicle Converters Association. The meetings have included those who are directly involved in the day-to-day process of type approval, as well as people in managerial roles from manufacturers. Although the industry does not want a no-deal Brexit, it recognises the proposals as a light-touch, pragmatic contingency plan.

I turn to the draft Road Vehicle Emission Performance Standards (Cars and Vans) (Amendment) (EU Exit) Regulations 2019. The existing EU regulations establish mandatory fleet average CO₂ emissions targets for all cars and vans registered in the EU each calendar year. For cars, the target is currently 130 grams of CO₂ per kilometre, and it will reduce to 95 grams in 2020. For vans, the target is 175 grams of CO₂ per kilometre, lowering to 147 grams in 2020. Those requirements have been one of the key drivers towards improving the efficiency of new cars and vans since their introduction.

On the basis of those top-level targets, manufacturers receive individual targets based on a comparison between the average weight of their fleet and the average weight of all relevant vehicles registered in that calendar year. Manufacturers with heavier fleets receive individual targets above the headline target, while those with lighter fleets receive targets below it. As only the manufacturers' fleet average is regulated, they may sell any vehicle they wish provided that the emissions of their fleet balance out to meet their target. Fines of €95 per vehicle per gram of exceedance are levied on manufacturers that miss their target.

The EU regulation contains a number of provisions that give manufacturers flexibility in delivering their target. Those include derogations, which ease emissions reduction requirements on manufacturers registering fewer than 300,000 cars or 22,000 vans a year; pooling, which allows manufacturers that fall under the same umbrella group to combine their registrations, effectively becoming one manufacturer for the purposes of emissions reduction; eco-innovations, which allow manufacturers to receive credits for technologies that reduce CO₂ on the road, but that are not taken into account during vehicle testing—for example, the use of a solar roof—and super-credits, which provide manufacturers with additional incentives for registering ultra-low emissions vehicles.

The regulations align national policy as closely as possible with the existing EU regulation, providing certainty for industry that its already established business plans will not be affected by the UK leaving the EU. The regulations we are considering also ensure that we meet our long-standing commitment to having a post-EU emissions regime that is at least as ambitious as the current arrangements, and they provide the framework for the Government to assume the obligations and functions of the European Commission under the existing EU regulation. That can best be summarised by explaining that these regulations retain the target-setting approach and formulae establishing individual targets, as is already the case under EU law, but they will apply only to cars and vans that have been newly registered in the UK after exit day.

The related provisions that I have outlined—for example, the derogations and pooling provisions—are also amended by the regulations to make sure that those provisions

will work sensibly in the UK context while maintaining existing standards. All minor deficiencies have also been corrected as appropriate—for example, by replacing “Commission” with “Secretary of State”. Six related delegated regulations and 25 implementing decisions that will be retained are also amended by this statutory instrument to ensure their continued function in the UK. The amendments will come into force on exit day.

Legislation on CO₂ targets does not directly exist in the EU at present, so the targets are for vans and cars only. Provisions on the monitoring and reporting of data from heavy goods vehicles have been laid before the House in a separate statutory instrument.

Although we want a deal that recognises the equivalence of UK and EU type approval schemes, the changes made in the type approval regulations and the new car and van CO₂ emissions standards regulations will ensure that we retain control of the registration of vehicles; that we maintain continuity of vehicle approvals and emissions; that we minimise costs to industry; and that the legal framework continues to work after the UK's withdrawal from the European Union, while maintaining the Government's commitment, set out in the strategy “The Road to Zero”, to

“a future approach as we leave the European Union that is at least as ambitious as the current arrangements for vehicle emissions regulation.”

I hope colleagues will join me in supporting the regulations, and I commend them to the Committee.

2.41 pm

Karl Turner (Kingston upon Hull East) (Lab): It is a pleasure to see you in the Chair, Mr Howarth, and it is always a privilege to serve under your chairmanship. I do not intend to detain the Committee too long. The proposed changes to the road vehicle emissions performance standards are designed to ensure that after the UK withdraws from the EU, CO₂ emissions of new cars and vehicles registered in the UK continue to be regulated in a manner that is at least as ambitious as the current arrangements. Regulations are maintained to match the current arrangements in the UK as closely as possible. That will minimise any burden in relation to administration and environmental performance as a direct consequence of the UK's withdrawal from the EU. The emission performance standards regulations are entirely sensible, and for that reason the Opposition support them.

The Road Vehicles and Non-Road Mobile Machinery (Type-Approval) (Amendment) (EU Exit) Regulations 2019 will ensure that the type approval regime is effective after we withdraw from the EU. A range of road vehicles as well as non-road mobile machinery are currently subject to obligatory EU approval to ensure that they conform to high standards of safety and environmental protection. The instrument will enable the UK type authority, the Vehicle Certification Agency, to issue provisional UK type approvals to manufacturers that produce vehicles or engines under an EU vehicle or engine type approval issued by the EU27 authorities. Additional testing or inspection will not be required unless the VCA becomes aware of evidence that raises doubts about compliance. That is entirely sensible and will keep disruption to a minimum, and for that reason we support the regulations.

[Karl Turner]

That arrangement is an interim one, pending a review and reworking of the UK's type approval arrangements. The legislation is planned for mid-2019, which seems quite vague. Can the Minister give us a clearer idea of when exactly the legislation will be introduced?

2.44 pm

Deidre Brock (Edinburgh North and Leith) (SNP): It is a pleasure to serve under your chairship, Mr Howarth. I certainly hope that Punxsutawney Phil will be along soon, because if this is not "Groundhog Day", it is just a failed and unfunny joke that is being practised on the people we represent. We are once again debating legislation that we need and already have, but that we are going to get rid of and replace with identical legislation, except for the wee bits we have to change because we are doing something utterly bonkers with the constitution. There are still about 300 of these pieces of legislation to come from the Department for Environment, Food and Rural Affairs alone, so we will be spending an awful lot of time doing very similar things to achieve something that is not sensible in the first place—taking back control by doing exactly the same thing but giving it a different name.

That is an incredible use of the millions of pounds spent on consultants, the thousands of new civil servants hired, and the hours and hours spent here doing the legislative equivalent of watching paint dry. This is all for the sake of a last hoorah at the echoes of global significance. We lost an empire, could not find a role and decided to dive off a cliff, all because of a sense of British exceptionalism that is unsupported by evidence or analysis—an empty, cracked and broken bell that peals only in the imagination of fervent Brexiters.

But let us pass this legislation, which we already had but did not like because some people suspected that it might have been imposed on us. Let us prepare for a chaotic exit from the EU that was brought even closer by yesterday's manoeuvres by a Prime Minister who cannot control a Government that barely exist, and that are surviving only because—

The Chair: Order. I hesitate to interrupt the hon. Lady, but she is making a speech about the process rather than the regulations that we are considering. She is perfectly entitled to do that, but the Committee would be grateful if she moved on to the substance of the regulations.

Deidre Brock: I will. Forgive me, Mr Howarth, but I sometimes get to the point where I need to vent my frustration at the nonsense that goes on in this place.

Let us pass this legislation so we continue to have some standards on the emissions of vehicles and some control over the quality of motor vehicles, for a while at least, until some maverick Minister decides to remove them all. To cut to the chase, this is rushed legislation with no impact assessment and, like so much of what we are doing, it is needed only because of the chaos caused by the mad dash to Brexit.

There is no impact assessment, because the Department reckons that one is not needed, but the Transport Secretary's track record does not instil confidence in that judgment.

Without a proper policy trail or proper thought about what we are doing, we are asked to nod this legislation through. Proceedings in this place are descending into full-blown farce, so the SNP will abstain on the two statutory instruments.

Mary Robinson (Cheadle) (Con): Will the hon. Lady give way?

Deidre Brock: I have finished my speech.

2.48 pm

Anneliese Dodds (Oxford East) (Lab/Co-op): It is a pleasure to serve on the Committee with you in the Chair, Mr Howarth. I rise to speak briefly on the type approval regulations, because I have a strong constituency interest in the matter. As the Minister indicated, type approval, which is known in the trade as homologation, is essential to the automotive industry. Without type approval, it is impossible for cars to be marketed in different jurisdictions.

That is a particular problem for highly customised models. Every single Mini on the production line at BMW's Cowley factory in my constituency is produced for a specific customer, and thus individualised, from the beginning. Without type approval, it would not be possible for any of those cars to leave the factory and go to their new owners. Given that the production process starts weeks before the cars leave the factory, and that the Government continue recklessly to entertain the possibility of no deal, we need arrangements to secure the continuity of type approval in the event of no deal, as was mentioned by my hon. Friend the Member for Kingston upon Hull East.

It is important to ensure that British-approved cars can still be marketed in the EU27 and that EU27-approved cars can still be marketed in the UK. There has been considerable concern in the industry about the lack of legal certainty in the area. In fact, getting the arrangements sorted out has been an urgent requirement for some time. I hope that the arrangements can be speedily enacted in the worrying eventuality that they might be needed.

2.49 pm

Jesse Norman: I thank all hon. Members who have contributed. The hon. Member for Kingston upon Hull East asked about the timing of legislation, and I assure him that we expect to lay a second statutory instrument before the House by the end of the summer. That is well in hand.

I am not sure what question the hon. Member for Edinburgh North and Leith asked. She denounced us for being bonkers with the constitution when it is, of course, SNP policy to do exactly the same thing with the UK. I have no doubt that a considerable body of legislation would have to be homologated in Scotland's own constitutional arrangements, whatever they are, once that had taken place.

The Chair: This is all very interesting, but I am sure the Minister will now move on to the regulations.

Jesse Norman: I will indeed, but I think it is important to give the hon. Lady the proper scope, and to acknowledge and recognise her venting. I wondered why she was venting, but then I realised that she had appeared in an episode of “Home and Away”, and therefore it came with the turf. It is right to say that these are serious pieces of legislation. In fact, work has been done on the impact assessment—I think that was the one substantive point that the hon. Lady raised—but it is of a de minimis kind.

The hon. Member for Oxford East rightly raised a point about the urgency of and need for the legislation, and I share her view. That is why we are taking the matter as seriously as we are doing, and it is why we are pressing ahead with the statutory instruments that we are considering and those that are to come.

Question put.

The Committee divided: Ayes 8, Noes 0.

Division No. 1]

AYES

Donelan, Michelle
Duguid, David
Heapey, James
Norman, Jesse

Robinson, Mary
Smith, Royston
Stewart, Bob
Swire, rh Sir Hugo

NOES

Question accordingly agreed to.

**DRAFT ROAD VEHICLES AND NON-ROAD
MOBILE MACHINERY (TYPE-APPROVAL)
(AMENDMENT) (EU EXIT) REGULATIONS 2019**

Motion made, and Question put,

That the Committee has considered the draft Road Vehicles and Non-Road Mobile Machinery (Type-Approval) (Amendment) (EU Exit) Regulations 2019.—(*Jesse Norman.*)

The Committee divided: Ayes 8, Noes 0.

Division No. 2]

AYES

Donelan, Michelle
Duguid, David
Heapey, James
Norman, Jesse

Robinson, Mary
Smith, Royston
Stewart, Bob
Swire, rh Sir Hugo

NOES

Question accordingly agreed to.

2.55 pm

Committee rose.

