

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Seventh Delegated Legislation Committee

DRAFT ROAD VEHICLES AND NON-ROAD
MOBILE MACHINERY (TYPE-APPROVAL)
(AMENDMENT AND TRANSITIONAL
PROVISIONS) (EU EXIT) REGULATIONS 2022

DRAFT ROAD VEHICLE CARBON DIOXIDE
EMISSION PERFORMANCE STANDARDS (CARS,
VANS AND HEAVY DUTY VEHICLES)
(AMENDMENT) REGULATIONS 2022

Wednesday 23 November 2022

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Sunday 27 November 2022

© Parliamentary Copyright House of Commons 2022

This publication may be reproduced under the terms of the Open Parliament licence, which is published at www.parliament.uk/site-information/copyright/.

The Committee consisted of the following Members:

Chair: PETER DOWD

- | | |
|--|--|
| † Brennan, Kevin (<i>Cardiff West</i>) (Lab) | † Jones, Fay (<i>Brecon and Radnorshire</i>) (Con) |
| † Cairns, Alun (<i>Vale of Glamorgan</i>) (Con) | † Mullan, Dr Kieran (<i>Crewe and Nantwich</i>) (Con) |
| † Clarke, Mr Simon (<i>Middlesbrough South and East Cleveland</i>) (Con) | † Newlands, Gavin (<i>Paisley and Renfrewshire North</i>) (SNP) |
| † Fletcher, Colleen (<i>Coventry North East</i>) (Lab) | † Poulter, Dr Dan (<i>Central Suffolk and North Ipswich</i>) (Con) |
| † Furniss, Gill (<i>Sheffield, Brightside and Hillsborough</i>) (Lab) | Sheerman, Mr Barry (<i>Huddersfield</i>) (Lab/Co-op) |
| † Graham, Richard (<i>Gloucester</i>) (Con) | † Sturdy, Julian (<i>York Outer</i>) (Con) |
| Hamilton, Mrs Paulette (<i>Birmingham, Erdington</i>) (Lab) | † Whittaker, Craig (<i>Calder Valley</i>) (Con) |
| † Higginbotham, Antony (<i>Burnley</i>) (Con) | Stella-Maria Gabriel, Foeke Noppert, <i>Committee Clerks</i> |
| † Hillier, Dame Meg (<i>Hackney South and Shoreditch</i>) (Lab/Co-op) | |
| † Holden, Mr Richard (<i>Parliamentary Under-Secretary of State for Transport</i>) | † attended the Committee |

Seventh Delegated Legislation Committee

Wednesday 23 November 2022

[PETER DOWD *in the Chair*]

Draft Road Vehicles and Non-Road Mobile Machinery (Type-Approval) (Amendment and Transitional Provisions) (EU Exit) Regulations 2022

9.25 am

The Parliamentary Under-Secretary of State for Transport (Mr Richard Holden): I beg to move,

That the Committee has considered the draft Road Vehicles and Non-Road Mobile Machinery (Type-Approval) (Amendment and Transitional Provisions) (EU Exit) Regulations 2022.

The Chair: With this it will be convenient to discuss the draft Road Vehicle Carbon Dioxide Emission Performance Standards (Cars, Vans and Heavy Duty Vehicles) (Amendment) Regulations 2022.

Mr Holden: It is a pleasure to serve under your chairmanship, Mr Dowd.

As the Department responsible for vehicle regulation, we have conducted intensive work to ensure that there continues to be a functioning legislative framework for this crucial sector of our economy. The EU type approval scheme for road vehicles—in other words cars, buses and goods vehicles—is being converted to an independent GB type approval scheme, to replace the current interim arrangements whereby EU type approvals have been accepted following scrutiny by our Vehicle Certification Agency, the VCA. Alongside that, these regulations create an interim GB approval scheme regulating emissions from machinery engines, which, like the existing interim schemes for motorcycles and agricultural tractors, will be aligned with EU requirements until the end of 2027, by which time we intend to have independent GB approval schemes for these sectors, too.

The purpose of type approval legislation is to ensure that motor vehicles and machinery engines meet prescribed safety and environmental standards. EU law previously set out the regimes under which a new vehicle, engine or part was required to be tested. A substantial proportion of the standards come from an international body based in Geneva, the United Nations Economic Commission for Europe, or UNECE. The UK will of course continue to play a prominent role in that body, alongside our excellent VCA, which works internationally.

The Road Vehicles and Non-Road Mobile Machinery (Type-Approval) (Amendment) (EU Exit) Regulations 2019—which I shall refer to as the interim SI—introduced an interim provisional approval regime lasting two years, until the end of this year. That allowed manufacturers of motor vehicles to submit evidence of an EU type approval to the British authority, the VCA, to enable vehicles to be submitted for registration. Trailers, machinery engines and replacement parts continued to be sold on the basis of an EU type approval issued by a member state or the VCA.

Kevin Brennan (Cardiff West) (Lab): So far the Minister has referred only to GB approvals, but the explanatory memorandum refers to the whole of the UK. Can he clarify for the Committee why he is making that distinction when the explanatory memorandum refers to the whole of the UK?

Mr Holden: I certainly will. I should come to that issue further in my speech, but if the hon. Member is still unsure and wants to raise it again, I would ask him to please speak again.

Under the European Union (Withdrawal Agreement) Act 2020, the body of EU law on type approvals is retained in UK law. These are around 2,500 pages setting out approval processes and detailed technical standards for cars, buses and goods vehicles. This morning's SI corrects deficiencies and creates GB type approval, although I would emphasise that at present the technical standards are essentially identical to those across the EU, so for manufacturers this is essentially, initially at least, an administrative exercise. This SI will require manufacturers of cars, buses and goods vehicles to transition into the GB type approval scheme no later than 1 February 2026, with approval being available from 1 January 2023, assuming the Committee's agreement. With respect to the Northern Ireland protocol and unfettered access, this instrument will continue to exempt vehicles that meet EU rules that are made in or approved in Northern Ireland from the GB type approval regime. I hope that clarifies matters slightly for the hon. Member.

The SI gives Ministers powers to amend the retained direct minor EU law on road vehicles—in other words, the detailed technical specifications originally set by the European Commission. There will be a statutory requirement to consult representative bodies such as the Society of Motor Manufacturers and Traders, and similar groups, whenever Ministers are seeking to amend the technical standards. This will ensure that the vehicle industry and interested non-governmental organisations are able to have their say on any proposals that we make.

Machinery engines placed on the market from 1 January will be required to obtain GB approval under a new interim provisional approval scheme for machinery engines, which will recognise an EU approval with oversight from our VCA. These arrangements are already in place for agricultural tractors and motorcycles. The provisional schemes for all three groups of product will continue until the end of 2027, by which time we expect to have an independent GB type approval regime available for all those groups of vehicles.

The draft Road Vehicle Carbon Dioxide Emission Performance Standards (Cars, Vans and Heavy Duty Vehicles) (Amendment) Regulations 2022 amend various retained EU new car, van and heavy duty vehicle carbon dioxide emission regulations to ensure that they can continue to function appropriately.

The new car and van carbon dioxide emission regulations were retained following EU exit and establish mandatory average carbon dioxide emission targets for manufacturers of new cars and vans across the UK. The regulations set out how the carbon dioxide emission scheme is to be monitored, reported on and enforced. They also include provisions to help manufacturers to meet their carbon dioxide targets, including derogations for smaller volume manufacturers, the awarding of more credits for producing

low emission vehicles, and allowing manufacturers to join together to be considered as one entity to meet carbon dioxide targets, *inter alia*.

The HDV carbon dioxide emission regulations were also retained following EU exit; however, they do not set mandatory carbon dioxide emission targets on HDV manufacturers until 2025. Until that time, manufacturers are legally required to report specific data points on their vehicles annually to the enforcement body, the VCA.

This draft instrument primarily amends references to EU type approval in the regulations to EU, GB or UK (NI) type approval, where appropriate, to reflect the creation of the GB type approval scheme. As the car, van and HDV carbon dioxide emission regulations apply UK-wide, it is appropriate to reference all three type approval schemes; due to the protocol, vehicles registered in Northern Ireland will continue to receive EU type approval or, now, UK (NI) type approval.

Kevin Brennan: That interests me. Am I right in saying that the regulations will have no effect whatsoever in practice, because EU type approval will continue to be legal in GB due to the Northern Ireland protocol, and vehicles that are subject to UK (NI) type approval will continue to be legally available in GB? Is that a correct interpretation of what the Minister is saying?

Mr Holden: The changes in regulations are merely, at the moment, moving from one to the other. Obviously, there are broader discussions around the Northern Ireland protocol, what that will mean down the line and whether there is any derogation in the future, but at the moment the regulations are essentially the same for both GB and Northern Ireland under the protocol.

Kevin Brennan: It says in the Minister's own explanatory memorandum, in paragraph 7.9:

"As a result of EU exit and the GB type-approval 2022 Regulations vehicles with either GB, UK(NI) or EU type-approval can be sold on the UK market."

What I just said was right, was it not?

Mr Holden: That is correct, but what I said was right as well. Manufacturers have a choice in Northern Ireland to place products on—

Kevin Brennan: And GB.

Mr Holden: Yes, indeed—on markets using EU approvals issued by an EU approval authority, or to seek approval for EU rules from the VCA, known as a UK (NI) approval. GB-based manufacturers will have the same choice when selling in Northern Ireland. Whichever route manufacturers choose, they will be able to sell products—the hon. Gentleman is absolutely right—throughout the rest of Great Britain without additional approval. The point at the moment is that we want to get these regulations on the statute book in advance of anything further. Particularly with respect to bus manufacturing, which has a significant presence in Northern Ireland, we may wish at some further point to derogate.

References to type approval are fundamental to the regulations as they determine which vehicles are in scope of either scheme, as well as defining who will receive a carbon dioxide emissions target, including a fine for any non-compliance. A number of minor EU

exit-related deficiencies, and a simple typo made in a previous statutory instrument, are also corrected by this instrument.

The type approval instrument creates an independent GB type approval scheme for cars, buses and goods vehicles, continues the interim regime for other categories of motor vehicle, and creates a similar interim regime for machinery engines.

Richard Graham (Gloucester) (Con): Can my hon. Friend just clarify something for the slower members of the class, i.e. me? Page 16 of the regulations refers to the differences between GB type approval, UK (NI) type approval and EU type approval. Were, for example, the bus manufacturers in Northern Ireland to decide that they wished, for all sorts of good reasons, to have different regulations surrounding their bus manufacture, and if that were approved by the Government, that would change GB type approval and UK (NI) type approval, and the resulting buses would be available for sale under those rules here across the UK, but would they also be available for sale in the EU, if they differed from the EU type approval?

Mr Holden: No, because if in future the regulations differed, they would affect the UK, but not the rest of the EU, so they would potentially be different regulations. At the moment, the regulations are essentially the same in the EU and Northern Ireland. For example, although Nissan, near my constituency, which has experience of this, imports several parts of cars and cars from Japan, they are not made in the UK under the Nissan badge. They have to meet UK or EU standards at the moment, whereas there are different standards when Nissan is selling to, say, to east Asia. At the moment, those are not the same as those we see in the EU. We have had the same regulations. The UK (NI) regulations and the GB regulations are going to be the same as in the EU at the start, however in future we will see what happens and what differences there might be.

Richard Graham: I am grateful to the Minister for allowing me to come back on this. If we were to manufacture buses in Northern Ireland with the intention of selling them in south-east Asia, for example, would the Department do research on whether the Asian standards required for their buses were compatible with whatever changes we might want to make to GB and UK law?

Mr Holden: I think if a company is manufacturing purely for export, it can manufacture purely to the standards of the other country it is exporting to, so it would totally depend. The VCA works internationally and has offices in eight countries, including in all our major manufacturing partners that export cars or car parts to the UK, including India. We do a lot of international work, and a lot of it comes through the VCA, because Britain is recognised, even post EU exit, as an important and independent international body when recognising such regulations.

Richard Graham: So is the overall purpose simply the conversion of EU law into UK law, or is the intention to do that, but also pave the way for further changes that may be beneficial to manufacturers?

Mr Holden: At this point, it is the first, because these provisions do not cover all the additional areas, including motorcycles and stand-alone engines. Down the line, and obviously with regard to the protocol and Northern Ireland issues, there might be further moves, but these regulations essentially mirror where we are within the EU at the moment. I hope that answers my hon. Friend's questions.

The type approval instrument creates an independent GB type approval for cars, buses and goods vehicles, continues the interim regime for other categories of motor vehicles, and creates a similar interim regime for machinery engines. The carbon dioxide instrument ensures that the existing carbon dioxide monitoring scheme can cater for vehicles approved under the GB type approval scheme. The GB approval scheme is vital to provide the platform to ensure that we have control over vehicle standards in areas ranging from environmental protection to automated and self-driving vehicles. I commend the regulations to the Committee.

9.39 am

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): It is a pleasure to serve under your chairpersonship, Mr Dowd. I welcome the Minister to his place. Tackling high and illegal levels of air pollution is a key battleground in our fight against the climate crisis. Therefore, we will not be opposing these instruments, which relate to type approval for road vehicles.

However, unfortunately, I do not believe that the Government have gone far enough on environmental targets. For instance, I am concerned that the UK has not adopted World Health Organisation targets on air pollution into domestic legislation. As a member of the Bill Committee for the Environment Act 2021 two years ago, I voted in favour of such a measure, but that was unfortunately voted down by the Government. Still, we are seeing the measures of the Environment Act being watered down or ignored. The delayed 2040 target to

tackle PM2.5 particulate pollution sends the message that that is not a priority for this Government. It is not just us saying that; even the Government's own watchdog has criticised the delay and stated that targets are too weak.

Our communities cannot afford to wait another 18 years for clean air. As we all know, the impacts of dangerous and illegal levels of air pollution are not felt equally across our society. Those in the most deprived areas often have to breathe the most toxic air, and disproportionately suffer from the worst health risks as a result. Clean air is therefore not just an environmental issue; it is a social issue, an economic issue, and a levelling-up issue.

We can already see Labour in power delivering on cleaner air. Our local councils, Mayors and Welsh Government are putting in huge efforts to fix the problem today, not decades from now. But they are being held back by a UK Government that is showing a lack of ambition in that area.

To conclude, we will not be opposing today's instruments to create a new system for the type approval of road vehicles. However, I hope the Minister can address those points, and put in a renewed effort to go further in tackling dangerous and illegal levels of air pollution.

Question put and agreed to.

**DRAFT ROAD VEHICLE CARBON DIOXIDE
EMISSION PERFORMANCE STANDARDS
(CARS, VANS AND HEAVY DUTY VEHICLES)
(AMENDMENT) REGULATIONS 2022**

Resolved,

That the Committee has considered the draft Road Vehicle Carbon Dioxide Emission Performance Standards (Cars, Vans and Heavy Duty Vehicles) (Amendment) Regulations 2022.—
(*Mr Richard Holden.*)

9.42 am

Committee rose.

