

AA

Creating confidence for drivers

A motoring manifesto
from The AA



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A message from our CEO



Jakob Pfaudler
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The UK is at an important crossroads. A General Election is nearing into view at a time of continued unrest, at home and abroad. Household finances remain severely squeezed and the impact of the pandemic is still affecting how people live, work and travel.

Those changes and pressures have been felt acutely by drivers. From the way they power and pay for their cars, to where and how they use them, the cost and complexity of driving has increased.

As a nation we rely on our roads to connect our communities, grow our economy and keep families functioning. And drivers are looked to, to make a significant contribution to the public purse – as well as play a major part in the transition to net zero.

With so much asked of our motorists, it's vital we understand their asks in return.

There are 50 million people with a driving licence in Great Britain and around 40 million licensed vehicles. Whether it's for school runs or college commutes, work trips or holiday getaways, driving forms a vital part of each of their daily lives. Driving matters to them and their views should matter to us as we head to the polls later this year.

At The AA, nothing matters more to us than drivers.

We've been by their side for over a hundred years and today represent more than 14 million members in the UK – providing support across learning and buying, insurance and servicing, accidents and repair. Our aim is to create confidence for drivers, making sure they have the expert help and support they need at every turn of their driving lives, now and in the future.

But drivers are far from confident currently. Our latest member surveys tell us that many motorists are confused and concerned – unsure about how and when to make the shift to electric vehicles (EVs) and worried about the state of our roads and infrastructure, as well as the affordability and safety of driving overall.

While overarching issues like healthcare and the economy inevitably dominate concerns heading into a General Election, transport is nonetheless a top ten issue for nearly half of all drivers and a top five concern for more than one in five. A further two thirds are worried that an election will trigger an increase to the cost of being a driver.

We've brought that insight together in this manifesto, to set out the needs and perspectives of the driving community and the moves motorists most want to see brought about in the months ahead.

This election, more so than any in recent history, is one where we need to *put motorists in the driving seat*. We call on all political parties to consider the needs of the hardworking families and commuters, the couriers and tradespeople, the first-time learners and the long-time retirees who keep this nation moving and hope this manifesto helps to shape *a better road ahead for all motorists*.



The AA's motoring manifesto



1 Supporting drivers: *costs and affordability*

Many people in the UK are dependent on their cars. The car is not a luxury to most people but a vital means of mobility to help individuals access work, shopping, leisure activities, family, and friends.

In July 2022 we found nearly two-thirds of motorists either drove less or cut back their spending in other areas as record petrol prices hit drivers in the pocket.

Young people and families felt the greatest impact which could have a knock-on effect hurting industries like leisure and retail.

So it's important to keep motoring costs as low as possible for drivers, so we can keep all of society moving.

Fuel duty

Retain current freeze on duty as global prices remain volatile and any increase will hit individuals, businesses and fuel inflation.

Fuel price transparency

Support current proposals in consultation that a new Pumpwatch scheme would legally require all fuel stations to share live information on their pump prices within 30 minutes of any change.

Vehicle Excise Duty (VED)

Rates should only increase in line with inflation and whilst we accept introduction of VED for EVs after 2025, we believe the EV rates should remain lower than for Internal Combustion Engine (ICE) vehicles to act as an incentive.

Insurance Premium Tax (IPT)

IPT is a 12% surcharge on most car, home, and breakdown cover. There is no case for increasing IPT when premiums are high, so we argue for a general 25% reduction in IPT and a 50% reduction in IPT for newly qualified drivers as they are disproportionately hit by high premiums and therefore pay higher amounts of IPT. Many young drivers are already priced out of the market.

Why we say it



Fuel price transparency rates third in our members' transport concerns.



think **motoring taxes will increase** following the General Election.



oppose increased taxes on petrol and diesel cars.

2 Sustainable future: *innovation, environment and EV transition*

Climate change is a critical global challenge in which transport plays a vital part. Our members recognise the need to reduce emissions and improve air quality, but are uncertain about how far and how fast they can change without the right support in place.

So it's vital that information campaigns and incentives are put in place to facilitate this switch.

2030 new car zero emission deadline

The AA supported the original zero emission new car sales deadline of 2030 as 'challenging but ambitious'. Reintroducing the 2030 deadline would enable us to maintain momentum on the net zero transition and improve our chances of delivering the UK's net zero ambition. But drivers will need to be supported with the right incentives, and reassured that we've made significant progress on infrastructure, to make the shift possible.

Increased focus on EV charging infrastructure

Highlight the need for more charging in residential on-street parking areas and rural locations. Encourage innovation like using existing street furniture such as streetlights and BT's broadband street cabinets. Consider use of supermarket car parks, local authority premises and even schools for allowing residents to charge at night. This could also generate income for local authorities. Speed up planning and grid connection process to accelerate the roll-out of the motorway electric highway.



Level up on EV charging

Reduce VAT for on-street charging from 20% to match VAT for home charging at 5%. This should help those without off-street parking.

Support charge point operators (CPOs)

Bringing electric charging under the Renewable Transport Fuel Obligation (RTFO) is something the CPOs believe should speed up the roll-out of their infrastructure. RTFO guidance provides support for fuel suppliers, independent verifiers and others involved in the supply of fossil and renewable fuels for use in relevant transport modes in the UK.

Incentives for van charging

Offer business rate incentives for landowners who encourage CPOs to place larger charging units suitable for use of vans on their land.

Accessible charge points

Give incentive to CPOs and landowners to ensure all charge points are accessible for mobility impaired drivers. The PAS 1899 standard, published in October 2022, provides industry with a clear specification for making charge points accessible. As the criteria may require more space for wheelchair access etc incentives are needed.

Introduce EV sales incentives:

Introduce targeted EV incentives like 0% loans on used EVs (as in Scotland), as well as targeted or broader means-tested incentives to help uptake of EVs – like scrappage schemes.

Local authority support

Central government to offer training support for local authority EV transition and guidance to support EV ownership.

Information campaigns

Drivers want accurate and impartial information on EVs to help them make informed decisions about when and how to switch. We call on the Government to consider reinstating the Go Ultra Low joint industry and Government information and publicity campaign.

Gigafactories

Building more gigafactories so EV battery R&D, plus end-of-life recycling and parts stabilisation is the foundation of the UK EV transition.

Connected/autonomous vehicle regulations

Maintain push for regulations to allow access to vehicle data to improve safety, convenience, running costs and environment via connected car services and safety regulations regarding autonomous vehicles. Allow the secure use of AI to enhance the connected car journey. This gives the UK an opportunity to get ahead of the curve by creating new data based business models.

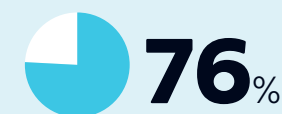
Autonomous car framework

Continue to support the framework in the Automated Vehicles Bill. The new safety framework should ensure clear liability for the user, set the safety threshold for legal self-driving, and establish an in-use regulatory scheme to monitor the ongoing safety of these vehicles.

Air quality

Continue to take measures to ensure air quality compliance i.e. reduced speed limits on motorways near poor air quality areas, but consider whether zero emission vehicles should be exempt.

Why we say it



think it's a **bad idea** to allow the use of fully autonomous vehicles on our roads.



want The AA to actively **challenge misinformation on EVs**:



by providing **accurate EV information**.



by campaigning for **better EV infrastructure**.

3 Smoother journeys: *traffic management and infrastructure*

By far the most important issue for our members, in terms of transport policy, is the state of the roads.

The AA was called out to more than 600,000 pothole-related incidents last year, which we estimate cost drivers almost half a billion pounds on a national scale. That problem is exacerbated for those on two wheels – here it can be a matter of life or death.

Our members are not in favour of massive road building schemes, but believe more can – and should – be done to improve the safety of the current road and motorway network.

Road maintenance funding

This is the number one issue for drivers and a matter of life or death for motorcycle and cycle riders. We argue for more long-term and ring-fenced funding of local road maintenance with funds from £8.3bn HS2 funds brought forward for more permanent repairs. Working together with cycling, motorcycling and industry bodies our Pothole Partnership has called for road repairs to be:

✔ **Permanent**

Local authorities to limit the practice of temporary pothole repairs or patches and, where possible, every pothole or patch to be repaired permanently.

✔ **Precise**

All local authorities / contractors to adhere to UK-wide repair and inspection standards, and report annually on the repairs undertaken.

✔ **Price**

Government to demonstrate greater urgency by accelerating and increasing spending of the £8.3bn pothole funding for England in the first three years – with total clarity on the distribution to local authorities.

✔ **Provision**

Central and local government to guarantee ringfencing of ALL road maintenance funding to help deliver innovations that enable permanent repairs.

✔ **Progress**

Full transparency from local authorities on their roads repair backlog, categorised by potholes, patching works and road resurfacing.



Abolish Smart Motorways

From the outset The AA has raised serious safety concerns about 'smart' motorways. Despite efforts to retrofit safety features at great expense (£900m), we supported the decision to stop new smart motorways, but believe that the hard shoulder should be reinstated on existing smart motorway schemes using dynamic hard shoulder technology.

Congestion benefits of smart motorways are currently lost as more than one third of drivers don't use the inside lane due to fear of broken-down vehicles ahead and any incident leads to severe congestion and delays for emergency services getting to the scene of crashes. Reinstatement should come with the instigation of strict lane discipline campaigns to maintain capacity.

Flooding

Increase drainage ditches and target underpasses and regular road flooding hotspots.

The AA was called out to more than 600,000 pothole-related incidents last year, which we estimate cost drivers almost half a billion pounds on a national scale.



Why we say it



think **fixing the roads** (potholes) is the number one transport issue.



would like to see all existing All Lane Running 'smart' motorways scrapped.

4 Safer roads: *saving lives*

On average five people per day are killed on our roads and 82 are seriously injured*. If these numbers were replicated on the railways or airlines there would be a national outcry and public inquiries.

Road death needs to be higher on the political agenda and needs a dedicated multi-agency approach to tackle the issue.

Road safety targets

Reintroduce road safety targets to eliminate deaths and casualties on UK roads.

As in Scotland the government should set out a Road Safety Framework to 2030 laying out a compelling long-term vision for road safety, Vision Zero, where there are zero fatalities and injuries on the UK's roads by 2050.

Road safety commitment

Ensure all Government departments from the Prime Minister's Office, Justice, Health and Transport are aligned in reducing road deaths.

Road Safety Framework

Ensure appropriate assisted driving technology is mandated for new vehicles in the UK.

Roads policing

Increase in road traffic officers and encourage forces to prioritise issues such as car theft/theft from cars. Consider a National Roads Policing Force to help co-ordination.

Graduated Driver Licence (GDL)

Campaign for form of GDL so newly qualified drivers have some restrictions such as no peer passengers for six months once they have passed their test which is supported by AA Driving School and AA Trust.

Driving Test Backlog

Maintain pressure on clearing the driving test backlog, for learners and trainee driving instructors, to improve the safety of new drivers by being able to book tests when they are ready.



*10-year average from 2013 to 2022.

Driver Training

Maintain in-life driver education, and possible reductions in insurance premiums if additional road safety courses have been attended as supported by DriveTech.

Eye tests

Encourage drivers to undertake regular eye tests and target campaigns at over 70s.

Updated rules on vehicle headlights/brake lights

Glare and dazzling from cars is impacting our members. Ask for updated rules on headlights and brake lights.

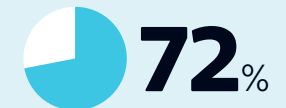
MOT frequency

Following two major consultations on the frequency of the MOT over the last decade, future governments should accept the retention of the annual MOT after three years to maintain safer vehicles and garage trade.



On average *five people per day are killed* on our roads and *82 are seriously injured* (10-year average from 2013 to 2022).

Why we say it



think introducing a graduated licence **limiting passengers** is a good idea.



support **eye tests** for the over 70s.



would like to see **more traffic police**.

5 **Strengthening the industry**

The AA plays a vital role in society by helping individuals across their driving lives from learning to drive, buying, selling, servicing, and maintaining their cars.

We promote cleaner, greener, and safer driving. We are also investing millions of pounds in connected car and AI technology to make driving in the future safer and less damaging to the environment. Implementing measures to strengthen our industry will have the knock-on effect of improving drivers' lives and helping the economy.

Skills

More emphasis on upskilling a new workforce. Consider a new Skills Funding Agency targeted at younger workers in key areas of shortage.

Career paths for young people

Our industry is changing due to electrification and autonomous technologies but there are no options for mechanical subjects for GCSE students. Introduction of mechanical study would open the pipeline of future mechanics earlier in their education and help address some skill shortages.



Free movement of labour/ UK visas

The Institute of the Motor Industry (IMI) report record vacancies in the industry with 26,000 roles unfilled. They predict a shortfall of 131,000 by 2031.

It should be made easier for mechanics and HGV drivers to be recruited from EU and beyond to help address the shortfall of skills.

Review of apprenticeship levy rules and requirements

The AA can only use 50% of the levy on current apprenticeship schemes so would welcome reform to allow us to use the remaining levy to fund shorter qualifications/return to work schemes and skills training. Currently, we can't use apprenticeships for our patrols as they work for four years in a garage. A more flexible levy would help to train newly qualified mechanics.

Upskilling

The apprenticeship levy should be reviewed to allow for upskilling our existing patrol workforce in areas such as EV and using connected car diagnostic equipment.

Full expensing

Full expensing allows companies to write off the cost of investment in one go. Under full expensing, for every pound a company invests, their taxes are cut by up to 25p. We support this initiative and think it should be maintained but broadened out to encompass software and data investments.

Insurance

We have supported the regulatory intervention in the motor and home insurance markets in the last 2 to 3 years, notably GIPP and the Consumer Duty.

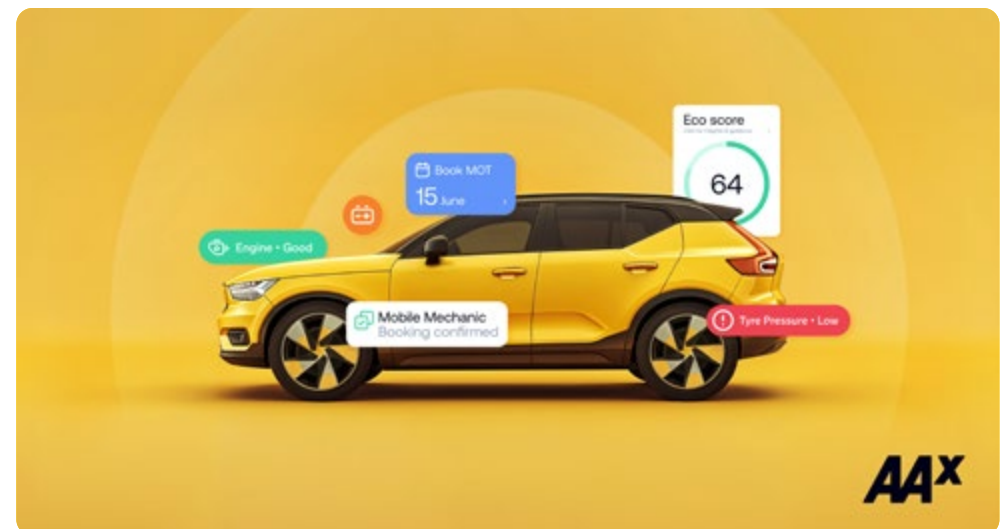
Insurance Premium Tax (IPT)

Motor insurance cover was 25% more expensive on average across the whole of 2023 than in 2022 according to the ABI. Consideration should be given to cutting the regressive 12% IPT, particularly for younger drivers whose risk-related premiums tend to be considerably higher than the average.

Insurance payments

The ability to offer customers flexibility on insurance payment terms should be continued as monthly payments are attractive to some consumers. This should only be done in conjunction with the affordability guidelines.

We are also investing millions of pounds in *connected car* and *AI technology* to make driving in the future safer and less damaging to the environment.



About The AA

The AA is the UK's leading provider of roadside assistance, serving 14 million members with approximately 2,700 patrols attending an average of 9,000 breakdowns daily.

The AA has been recognised by Which? as a Recommended Provider for the last six years and is rated by drivers as the first choice for electric vehicle breakdown.

The AA's mission is to create confidence for drivers now and for the future – anticipating drivers' needs since 1905 and striving to be always ahead. The AA provides services across its roadside businesses from AA Driving School and BSM, to DriveTech, the leader in driver education. In addition, AA Smart Care provides bookings for MOTs, maintenance, service, and repair in AA approved garages.

AA Cars is a trusted vendor of used cars with free history checks and breakdown cover. The AA's insurance broker offers motor and home policies, operating a diverse panel of underwriters including the AA's in-house underwriter, plus AA Financial Services and Accident Assist. The AA continues to invest in connected car innovation and digital services.

Survey sources

AA Yonder General Election online survey of 11,963 AA members, 11 to 23 January 2024. AA Yonder EV online survey of 1,567 AA members, 6 to 12 October 2023. Yonder is a founding member of the British Polling Council and abides by its rules.



