

Speech: Getting ready for the automated car revolution

Good morning ladies and gentlemen.

Thank you for that welcome.

I'm delighted to join you for today's (6 November 2017) conference.

To have this chance to talk about how we're getting ready for automated vehicles.

And what they mean for you and your businesses.

You may have seen over the weekend – hundreds of magnificent old cars taking part in the world's longest running motorsport event.

The annual London to Brighton Veteran Car Run.

They were continuing a tradition which goes all the way back to 1896.

The year of the first London to Brighton.

Which was known as the Emancipation Run.

Because it celebrated a recent increase in the speed limit from 4 miles per hour (mph) to an eye-watering 14 mph.

We tend look back on those early motoring years with nostalgia.

Pioneering manufacturers like Daimler and Panhard producing cars for an enterprising and extremely rich clientele.

But 1896 was a landmark motoring year for less romantic reasons too.

It was the year in which a London woman became the first recorded pedestrian to be killed by a car.

When she stepped off a curb and was hit by a gas powered vehicle, driven by a certain Arthur Edsall.

There was no precedent for such an accident.

So Edsall was released without charge.

And the coroner was quoted as saying he hoped such a fatality would never happen again.

Of course it didn't take long to realise that these new horseless carriages were not just temperamental to drive.

They were also dangerous – for a society wholly unprepared for their arrival.

So perhaps it's not surprising that 1896 was also the year when the first UK car insurance policy was sold.

Details of those early policies are long lost.

But the service they provided was fundamental.

To establishing a framework that protected the victims of accidents, and focused attention on road safety.

But that also made car ownership viable, and ultimately allowed the market to grow.

With all the benefits of driving that we take for granted today.

Since then, of course, motor insurance has grown into a massive industry.

An industry that's innovated in response to changing technology.

Changing legislation.

And changing driving conditions.

But despite this progress, we've seen nothing in our lifetimes that can compare with the motoring revolution that's just around the corner.

A revolution that will transform the way we travel.

The way we buy, run and power our cars.

And the way we insure them.

The autonomous, ultra-low emission vehicles that are in development now will be as different to today's family saloons as those early vehicles which participated in the first London to Brighton run.

They represent an unprecedented leap forward in the history of the automobile.

So much so that future generations will see 20th century motoring with a driver at the wheel controlling a vehicle powered by an internal combustion engine as merely a quaint stepping stone on the journey to cleaner, fully autonomous and more efficient road transport.

The potential benefits of these new technologies for human mobility – and for wider society – are tremendously exciting.

Many who can't currently drive will be able to take to the road.

Elderly people.

Or people with disabilities which prevent them from travelling today.

They'll discover a new sense of freedom and independence.

And there is also the potential for us to make much more efficient use of the road network.

There are currently 6 cars for every 10 people in the UK.

But they are only used about 3% of the time.

Connected and autonomous taxis could deliver the same number of trips with just 10% of the vehicles, according to one recent study.

An autonomous car fleet could reduce delays by 40% on the strategic road network, and 30% in urban areas.

But just as importantly, there are huge safety implications.

Self-driving cars should make road travel far safer.

By eliminating the biggest contributory factor to accidents today – human error.

Which in 2016, was responsible for over 85% of all reported UK road incidents.

And these benefits are coming soon.

Sooner than most people expect.

In fact, I expect the first self-driving cars to reach the market – and to be used on UK roads – by 2021.

The government is already taking steps to make this happen and consulting with industry partners for their views.

Never before have we experienced such a profound change in motoring technology in such a short space of time.

And there are major opportunities in this fast emerging market for those who are best prepared.

Exports of low emission vehicles are already worth £2.5 billion to our economy.

But it is estimated that the market for autonomous vehicles could be worth £28 billion to the UK by 2035.

That's why we are so committed to becoming a global leader in the design, development and use of autonomous vehicles.

The UK code of practice for testing automated vehicles on public roads is recognised as one of the most open in the world.

Leading manufacturers like Nissan and Volvo have already announced test

programmes in the UK.

And to support further growth, we're investing £100 million in R&D – match-funded by industry – across more than 50 collaborative projects.

Such as Pathfinder pods in Milton Keynes.

We're also investing £100 million – again match-funded by the industry – to provide a comprehensive range of virtual, yet real-world testing environments for developers and investors to use.

The scheme will be co-ordinated through MERIDIAN.

A new [government-backed and industry-led hub](#).

To co-ordinate and promote connected and autonomous vehicle technology in the UK.

In October we announced the winners of a £51 million government competition to develop self-driving car testing infrastructure.

Including new facilities at 2 of the motor industry's biggest proving grounds.

And our third open R&D funding competition closed just a couple of weeks ago.

Meanwhile colleagues at the [Centre for Connected and Autonomous Vehicles](#) recently attended the Intelligent Transport Systems World Congress in Montreal.

Where they were busy explaining why we're the leading country for the research and testing of new autonomous technologies.

And the 'go to' location for global investors in this field.

So we're making real progress.

Preparing the UK for change.

Though we can't be complacent.

That's what the [Automated and Electric Vehicles Bill](#) is all about.

Keeping ahead of the curve.

The bill's making smooth process through Parliament.

And I'm sure that will continue through to Royal Assent.

As you know, one of the key objectives of the bill is to set the legislative groundwork for automated vehicle insurance.

We have worked very closely with the insurance industry to get it right.

So I'd particularly like to thank the ABI and its members today for the support we've received.

The measures in the bill will help us provide certainty to the insurance industry – and clarity to the public – about the changes ahead.

Automated vehicles will make collisions rarer.

But when cases do come to market, our current compulsory insurance framework might not fully protect the people and businesses involved.

As things stand, they may not be covered for collisions caused by autonomous vehicles, because only the driver's use of the vehicle is insured.

Victims might have to take vehicle manufacturers to court, which would be time consuming and expensive, undermining the quick and easy access to compensation that is a cornerstone of our insurance system.

If we fail to address this beforehand, we risk jeopardizing consumer protection, and undermining the competitiveness of our automotive industry.

Having consulted widely, we are creating a new compulsory insurance framework that covers motorists when they are driving, and when the driver has legitimately handed control to the vehicle.

This will ensure that victims have quick and easy access to compensation.

And that insurers can recover costs from the liable party, which in the majority of cases is anticipated to be the manufacturer.

It will allow consumers to buy insurance in the same way they do today.

And in turn, it could also reduce premiums.

One of the UK's largest insurers has said that "as well as making our roads safer, insurance premiums are based on the cost of claims and therefore we expect substantially reduced premiums to follow."

So automated vehicles, introduced alongside the effective insurance framework proposed in this bill, could deliver significant financial and safety benefits for ordinary road users.

We have already had many productive debates when these measures were included in the previous Vehicle Technology and Aviation Bill.

Changes have been made to the current bill that take some of those concerns into account.

However, we know that there are still wider issues to be discussed.

Issues that can't be settled until automated vehicle technology has evolved further.

Since we do not yet know how the technology will fully work, regulating early

could diminish the benefits we want to achieve.

It is imperative that we do not over regulate – or worse, regulate badly – while the technology is still developing.

This could potentially result in regulation that is unsafe for the public.

Or compromise the UK's position in the market.

There are a number of important conversations about regulations taking place at an international level, and it would not be in UK interests to act unilaterally before decisions have been made.

So, our proposed regulatory programme will allow us be flexible and agile in response to future developments.

On the question of data handling.

This is clearly a matter for vehicle manufacturers and service providers.

There is a regulatory framework currently within the Data Protection Act.

But research projects will help provide evidence of how data should be recorded and shared.

Where we see barriers, we will act to remove them in a pragmatic manner.

Where necessary, we will help lead international negotiations.

As we are doing at the moment on harmonising guidelines, standards and regulation on cyber security for the global automotive industry.

So to sum up.

We are well positioned not just to follow changes in motoring technology over the next couple of decades.

But to lead them.

And part of our preparation is to make sure our regulatory framework is ready for the arrival of driverless vehicles.

Just as we saw at the dawn of motoring in the late 19th century, the success of tomorrow's cutting edge automotive industry will depend on an effective and affordable insurance framework.

Once again, insurance will be the enabler that helps the vehicle market to grow.

So millions more people can enjoy the benefits of motoring.

So we can reduce congestion and harmful vehicle emissions.

And so we can look forward to significantly safer road conditions.

There's still a long way to go.

And there's much about the technology we don't yet know .

But I can promise you that we will continue to work closely with you.

To secure a motor insurance framework that is fit for the future.

Not just for consumers.

And for the car industry.

But for you and your businesses too.

Thank you.

Notice: PE21 7TN, Biomass UK No 3 Limited: environmental permit issued

The Environment Agency publish permits that they issue under the Industrial Emissions Directive (IED).

This decision includes the permit and decision document for:

- Operator name: Biomass UK No 3 Limited
- Installation name: Boston Energy Production Facility
- Permit number: EPR/UP3131DF/A001

Notice: S64 8AX, Yorkshire Water Services Limited: environmental permit issued

The Environment Agency publish surrenders that they issue under the Industrial Emissions Directive (IED).

This decision includes the surrender letter and decision document for:

- Yorkshire Water Services Limited: Yorkshire Water Services Limited
- Installation name: Mexborough Swinton Sludge Treatment Facility
- Permit number: EPR/KP3936LF/S004

Notice: S70 4TJ, Yorkshire Water Services Limited: environmental permit issued

The Environment Agency publishes surrenders that they issue under the Industrial Emissions Directive (IED).

This decision includes the surrender letter and decision document for:

- Yorkshire Water Services Limited: Yorkshire Water Services Limited
- Installation name: Worsborough Swinton Sludge Treatment Facility
- Permit number: EPR/KP3136LR/S004

Notice: CW9 7FA, Orsted REnescience Northwich Limited: environmental permit application advertisement

The Environment Agency consults the public on certain applications for waste operations, mining waste operations, installations, water discharge and groundwater activities. The arrangements are explained in its [Public Participation Statement](#)

These notices explain:

- what the application is about
- how you can view the application documents
- when you need to comment by

The Environment Agency will decide:

- whether to grant or refuse the application
- what conditions to include in the permit (if granted)