

# Press release: Cross government fraud landscape annual report

Government has increased the amount of fraud it has prevented and detected since 2014, a report published by the Cabinet Office says.

The [Fraud Landscape Report](#), which examines how government is tackling fraud against the public sector, shows progress has been made since a number of initiatives were put in place in 2013 to identify fraud.

Government has detected fraud loss of £73.6 million, recovered £18.4 million and prevented fraud loss of £33 million.

Government is tackling fraud by:

- Increasing its capability by launching the Counter Fraud Profession
- Setting government-wide standards to improve consistency across the public sector
- Actively increasing the use of data sharing and analytics to prevent and detect fraud
- Delivering an internal Fraud Initiative which bans public sector employees dismissed for fraud from working in the public sector for five years.

Minister for the Constitution Chris Skidmore said:

The rise in the amount of fraud that has been detected and prevented has been due to the hard work of public sector workers, but there is always more we can do to tackle this scourge which takes money away from hard-working taxpayers.

Before 2010, government departments were reporting much lower levels of fraud and this is something we should be wary of. Fraud is a hidden crime and from 2010, with the government strengthening activity to look for, identify and report fraud we have seen more of it uncovered.

The government is coming together to increase its capability to detect and deal with fraud through ground-breaking initiatives such as the creation and adoption of standards and the launch of the government Counter Fraud Profession. These actions demonstrate our strong commitment to successfully tackling fraud.

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## **News story: Consultation on proposal to resolve fertiliser merger concerns**

The CMA is consulting on Origin's proposal to maintain competition in fertiliser supply in Scotland, following its merger with Bunn.

Origin and Bunn are 2 of the 3 main suppliers of fertilisers in the central/eastern region of Scotland, supplying farmers and farmers' merchants from their sites in Montrose.

In its initial investigation, the Competition and Markets Authority (CMA) found that bringing the 2 firms together could see prices rise or result in a reduction in the choice of fertiliser available to customers.

Following this decision, Origin has now offered to sell Bunn's Montrose business to Glasdon Grain Limited to prevent any negative impact on competition from the merger.

The CMA is opening a 15 day [consultation](#) on this proposal. The CMA will review responses to its consultation and will then determine whether to accept or reject Origin's proposal. Should this proposal be rejected, the case would be referred for a further in-depth investigation.

All information relating to this investigation can be found on the [case page](#).

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## **News story: Collision between passenger train and equipment near Clapham**

Collision between passenger train and loaded trollies near Clapham, North Yorkshire, 24 August 2017.

At around 09:24 hrs on Friday 25 August 2017, a passenger train struck three stationary engineering trolleys loaded with wooden sleepers at 34 mph (55 km/h). The collision caused damage to the train, the trolleys, the sleepers and the track.

We have undertaken a [preliminary examination](#) into the circumstances surrounding this incident. Having assessed the evidence which has been gathered to date, we have decided to publish a [safety digest](#).

The safety digest will shortly be made available on our website.

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## **Press release: Government launches MERIDIAN to accelerate connected autonomous vehicle technology development in the UK**

- Climate Change and Industry Minister Claire Perry has today announced the launch of MERIDIAN – a new co-ordination hub for connected autonomous vehicle (CAV) technologies testing.
- Government investment, matched by industry, will create the world's most effective CAV testing cluster in the UK's automotive and technology heartlands between Coventry and London.
- MERIDIAN will cement the UK's status as the go-to destination for development of CAV and new vehicle technologies.

Climate Change and Industry Minister Claire Perry has today (Thursday 7 September) launched MERIDIAN, a new government-backed and industry-led brand for the development of connected and autonomous vehicle (CAV) technology in the UK.

MERIDIAN, funded jointly by the government's flagship £100m CAV investment programme and by industry, will create a cluster of excellence in driverless car testing, along the M40 corridor between Coventry and London, to accelerate the development of this technology, grow intellectual capital and attract overseas investment in the UK.

A key part of the Industrial Strategy commitment to develop world-class CAV testing facilities and infrastructure, the launch of the MERIDIAN brand follows a call for evidence by the Centre of Connected and Autonomous Vehicles (CCAV) in May 2016 into how the UK can integrate and strengthen its CAV testing facilities and to consider the case for a test bed to provide a focus for the industry.

Responses to the consultation were published in March, reflected broad industry support from the Automotive Council, among other sectors and companies, for coordinating the UK's existing testing facilities and for Government funding to support this work.

Climate Change and Industry Minister Claire Perry said:

At the heart of our Industrial Strategy is a commitment to delivering world class science, research and innovation. The

MERIDIAN co-ordination hub embodies this ambition, creating a globally recognisable brand that will bring the automotive sector, academia and Government together behind a common set of strategic goals.

A report we are publishing today predicts that by 2035 the global market for CAV technologies will be worth £907 billion, and through government investment and collaboration with industry in this area we will ensure that the UK becomes one of the global 'go to' destinations for the development of this technology.

With bases at the Coventry and Stratford branches of the Advanced Propulsion Centre (APC), MERIDIAN will bring together the UK's existing CAV testing centres to create a concentrated cluster of testing facilities that covers all testing requirements for CAV technology. Analysis has identified that through the hub, the UK has a unique opportunity to focus on four strategically important areas:

- advanced CAV testing and development;
- connected environments;
- data and cyber security; and
- new mobility services

Ford Director of Global Vehicle Evaluation and Verification and Chair of the Auto Council Technology Group, Graham Hoare said:

These technologies are coming and will profoundly change our understanding of mobility. The UK has long-standing capabilities across many of the sectors supporting new vehicle technologies and an approach that is more open and collaborative than other markets.

We recognise that these exciting new technologies are broader than the automotive sector and we welcome the different ideas and perspectives that this brings. We look forward to working with MERIDIAN to develop, articulate, and amplify our national offer.

The government has also today published its Centre for Connected Autonomous Vehicles (CCAV) [Global Market Value report](#) which predicts the global market for CAV technology could be worth £907bn in 2035. The report sets out a number of interesting findings and future predictions for the industry:

- By establishing a leadership position for the UK in CAV technologies could see the UK market reach £52bn by 2035
- By 2035 the UK will have over 27,000 jobs involved in the production of CAV technology, including thousands of new highly skilled jobs in the auto sector
- 70% of the jobs related to CAV technology production are estimated to be highly-skilled professional and technical roles in software-related industries

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## Press release: Reforms to compensation payouts announced

The announcement follows a pledge made by Ministers in February to consult on whether there was a fairer way to set the “discount rate” in future.

The reforms will make sure personal injury victims get the right compensation – and could also see significant savings for motorists through lower car insurance premiums and the NHS.

The discount rate is the percentage used to adjust compensation awards for victims of serious personal injury, according to the amount they can expect to earn by investing it.

The adjusted awards should put claimants in the same financial position they would have been in had they not been injured – they should receive neither more nor less than 100% compensation.

In February this year the discount rate was reduced from 2.5% to minus 0.75%, in accordance with the law.

As a result, Ministers launched a full consultation in March and analysis of the feedback, along with other research, has indicated that claimants often take more investment risk than the law currently assumes.

The changes, proposed in draft legislation, mean the rate would be set by reference to “low risk” rather than “very low risk” investments as at present, better reflecting evidence of the actual investment habits of claimants.

The proposals will also ensure the rate is reviewed more regularly in future – at least every three years – and extend the expertise available to the Lord Chancellor in carrying out the reviews by creating a role for an independent expert panel in the process.

Ministers are keen to engage on the issue ahead of a Bill being introduced into Parliament.

Lord Chancellor and Justice Secretary David Lidington said:

We want to introduce a new framework based on how claimants actually invest, as well as making sure the rate is reviewed fairly and regularly.

In developing our proposals, we have listened carefully to the views of others, and we will continue to engage as we move forward.

While it is difficult to provide an estimate, based on currently available information if the new system were to be applied today the rate might be in the region of 0% to 1%.

The move will help ensure that claimants continue to receive full compensation, but will significantly reduce overpayment by more reliably reflecting how the money is actually invested.

## Notes to editors

- In February the discount rate was reduced from 2.5% to minus 0.75%, leading to larger awards and concerns in some quarters that the current law provides more compensation than needed to claimants. The consultation, launched in March, sought to address those concerns by collecting views on how to make the system better and fairer.
- It is a well-established principle of law that individuals should receive 100% compensation for losses suffered as a result of personal injuries that are not their fault. The personal injury discount rate is a percentage used to adjust the lump sum awards for future losses, costs and expenses received by victims of life-changing injuries to account for the amount victims can expect to earn by investing their awards. The discount rate applied to the compensation for future financial loss (such as loss of future earnings and care costs) should ensure that people receive the 100% compensation that they were awarded – no more or less – by taking into account what they are likely to earn on that money before they are expected to have spent it.
- The current framework for setting the discount rate uses real yields from Index Linked Gilts as a proxy for the returns that can be expected from a very low risk investment strategy. However, drawing on expertise from financial advisers, the Government has found strong evidence that in practice claimants are advised to and invest in low risk diversified portfolios.
- In February this year, in accordance with the law, the discount rate was lowered from 2.5% to minus 0.75%. At the same time, a number of pledges were made, including a consultation to consider whether there is a better and fairer way of setting the rate in future. That framework is contained in the draft legislation published today.
- When the current discount rate was announced in February, the Prudential Regulation Authority (PRA) estimated that the reduction in the discount rate from 2.5% to minus 0.75% could cost insurers around £2 billion a year, albeit with a wide range of uncertainty around this figure [1]. PWC predicted an increase of £50-£75 on an average comprehensive motor insurance policy [2]. The Government has set aside an extra £1.2 billion a year to meet the expected additional costs to the public sector (notably to NHS Resolution) [3]
- The proposals make clear that:

a) The rate is to be set by reference to “low risk” rather than “very low risk” investments as at present, better reflecting evidence of the actual investment habits of claimants.

b) The rate should be reviewed at least every three years

c) The Lord Chancellor will consult a panel of independent experts when setting the rate.

- Under the proposed legislation, the discount rate will be set by reference to rates of return on “low risk” rather than “very low risk” investments as at present. This is based on evidence gathered during consultation. Where they expressed a view, consultees advised that claimants do not invest in very-low risk portfolios such as one entirely comprising Index Linked Gilts and many suggested that it is reasonable to expect claimants to invest in low-risk portfolios instead. Representative low-risk portfolios have been constructed from exemplars obtained from consultation responses and a survey of wealth managers and financial advisors. The returns expected from these portfolios are examined in the report by the Government Actuary’s Department and impact assessment published with the draft legislation.
- The proposals envisage that a review of the discount rate would be started within 90 days of the new law coming into force. On this review the Lord Chancellor must consult the Government Actuary and HM Treasury (as at present). On all further reviews the role of the Government Actuary as a statutory consultee will be taken by an independent expert panel (which will be chaired by the Government Actuary). The Government Actuary heads the Government Actuary’s Department, which is a non-ministerial department, whose mission is to support effective decision-making and robust reporting within government as the first choice provider of actuarial and specialist analysis, advice and assurance.
- The draft legislation will be published on gov.uk later today and will be open for public comment.

[1] [Office for Budget Responsibility \(March 2017\). Economic and Fiscal Outlook](#) [2] For example, Cecil N, Lynch R (27 February 2017). Insurance payouts shake-up ‘to land NHS with £1 bn bill and hit drivers’. Evening Standard [3] [Economic and fiscal outlook, March 2017](#)