Press release: Justice Secretary unveils new bill to cut car insurance premiums

- Clampdown on whiplash claims to save motorists about £35 per year
- The whiplash changes are part of government's wider programme to tackle the compensation culture which is driving up costs to consumers and taxpayers
- Bill includes changes to the way the personal injury discount rate is calculated to bring certainty and transparency to the system, and savings for the NHS

The legislation sets in law measures which will reduce the unacceptably high number of whiplash claims and allow insurers to cut premiums, with motorists anticipated to save on average about £35 per year.

The whiplash measures form a major plank of the Government's wider work to tackle the country's compensation culture, ensuring a more balanced and fair system for all concerned. They follow earlier reforms including the forthcoming ban on cold calling, tougher regulation of claims management companies, and a clampdown on spiralling holiday sickness claims.

The high number of whiplash claims has contributed to increased insurance premiums but these measures will mean about £1 billion in savings which insurers have pledged to pass on to drivers.

Justice Secretary David Gauke said:

> The number of whiplash claims has been too high for too long, and is symptomatic of a wider compensation culture.
>
> We are putting this right through this important legislation, ensuring whiplash claims are no longer an easy payday and that money can be put back in the pockets of millions of law-abiding motorists.

Road traffic accident related personal injury claims are 50% higher than a decade ago, despite the fall in the number of reported accidents and the UK having some of the safest roads in Europe.

This rise has been fuelled by predatory parts of the claims industry that encourage minor, exaggerated and fraudulent claims, driving up the costs of insurance premiums for ordinary motorists.

The whiplash measures are aimed at cracking down on these claims. The measures will ensure fairness to both motorists and claimants by:

Also contained in the Bill are changes to the way the personal injury discount rate for serious injuries is calculated.

The changes, first mooted in September, will provide a more balanced approach to compensation that fully compensates victims of catastrophic accidents, including the most vulnerable, while addressing issues around overpayment which could have a knock-on effect on public services with large personal injury liabilities – particularly the NHS.

The discount rate is the percentage used to adjust compensation awards for victims of serious personal injury, according to the amount they could expect to earn by investing it. Its application is an important part of the calculation of awards. It only relates to compensation for future loss.

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 full compensation.

In February last year the discount rate was reviewed as required by the law and reduced from 2.5% to minus 0.75%. This dramatically increased the size of awards of damages to individuals.

At the time, the government acknowledged that this move was likely to have a significant impact, launching a consultation on the way the discount rate is calculated in March, followed by the publication of draft legislation in September.

We have also carefully considered the report of the Justice Committee on the draft legislation and accepted the majority of its recommendations.

The changes to the discount rate now being introduced through the Civil Liability Bill will create a fairer and better system of setting the discount rate, which will still provide full compensation. To ensure this happens we will:

- set the rate with reference to ‘low risk’ rather than ‘very low risk’ investments as at present, better reflecting evidence of the actual investment habits of claimants;
- establish a regular review of the rate, the first within 90 days of the legislation coming into force and at least every three years thereafter;
- establish an independent expert panel Chaired by the Government Actuary to advise the Lord Chancellor on the setting of the rate.

Notes to editors

The Government’s commitment to tackle the whiplash epidemic has previously been welcomed by the Association of British Insurers (ABI), with leading insurance firms including Aviva and LV= pledging to pass 100% of savings onto motorists.

In February 2017 the discount rate was reduced from 2.5% to minus 0.75%, which has led 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 full 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 full 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.

At the time the discount rate was lowered, 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 legislation published today.

Press release: Environment Agency says that a different approach is needed to tackle flooding over next 50 years

A different approach is needed to tackle flooding over next 50 years, Environment Agency Chief Executive James Bevan has said today

- Country is better protected than ever against flooding
- Every £1 invested in flood schemes saves £10 in damages avoided
- During this century a new approach is needed to tackle flood risk in 21st Century

Over the next century a different approach is needed to protect the country from flooding, the Environment Agency's Chief Executive said in a keynote speech at the annual Flood and Coast Conference today (Tuesday 20 March).

As he revealed that every £1 invested in new flood schemes saves the economy £10 in damages avoided, Sir James Bevan said that despite huge advances in flood protection, what worked so well in the past will not be enough in the future. Rising sea levels and higher populations in built-up areas will mean new approaches are needed to combat increasing flood risk. Since 2015, new flood schemes completed by the Environment Agency have benefitted more than 100,000 homes but to continue building on this success new 21st century approaches are needed.

These include a call for greater business investment, quicker emergency response and increased use of natural flood schemes, in addition to 'hard' defences, in order to reduce the impact of flooding on communities around the country. He questioned how these challenges should be dealt with and suggest that more concrete – simply building our flood defences higher and higher – is not the answer.

As he laid out his thoughts on the future of flood protection, Sir James Bevan said that tough questions had to be asked about what to protect. He questioned whether there might be a case for considering future funding priorities.

He said that everyone has a part to play to reduce flood risk and that homeowners in flood risk areas should know the risks and what action they can take – and he praised communities and flood groups who have already taken great steps in this area.

Sir James Bevan said:

> Almost every day in this country, when rivers and tides rise, rain falls and storms blow, thousands of people sleep safe and unaware that they are being protected by flood defences.
>
> But what works so well now – and has done in the past – may not be enough in the future. Over the next fifty years if we are going to give the country the best possible protection against flooding, we are going to need a different approach.

The Environment Agency manages flood risk on over 36,000 km of river, 9,000km raised flood defences and over 22,000 flood structures – from the Thames Barrier to local pumping stations. Since 2016, it has upgraded its response capability with more than 6,500 staff trained and ready to help protect communities when floods threaten, 40km of temporary barriers, 250 mobile pumps, and 500,000 sandbags. Partnerships to help respond during incidents have also been strengthened – including with the army.

Government is investing £2.6 billion in flood and coastal erosion risk management projects between 2015 and 2021.

Now in its third year, the annual Flood and Coast Conference brings together experts from across the globe to share ideas and opportunities to work together to tackle the risk of flooding and coastal erosion. More on the conference here: https://www.floodandcoast.com/.

The Environment Agency is currently working in its next National Flood and Coastal Erosion Risk Management Strategy which will address these challenging questions raised in Sir James Bevan's speech.

Press release: New powers to give greater protection to staff and small suppliers in insolvent businesses

- Directors selling companies recklessly to face tough new sanctions including fines and disqualification
- Creditors could have money returned to them by reversing inappropriate asset stripping
- Directors dissolving companies to dodge debts and avoid facing accusations of misconduct to face investigation for the first time
- Strengthening corporate responsibility will enhance the UK's business environment and ensure it remains one of the best places to start and grow a business

The government today (Tuesday 20 March) will launch a consultation to improve the UK's corporate governance framework and ensure the highest standards of behaviour in those who lead and control companies in, or approaching, insolvency.

The vast majority of UK companies are run fairly and responsibly, but a small number of recent corporate governance failures have raised concerns that company directors can unfairly shield themselves from the effects of insolvency and – in the worst cases – profit from business failures while workers and small suppliers lose out.

Following last year's corporate governance reforms to increase boardroom accountability and transparency of big business, the government will today raise standards even further by setting out proposals to crack down on directors and employers behaving irresponsibly. These include:

- clawing back money for creditors including workers and small suppliers by reversing inappropriate asset stripping of companies on the verge of insolvency
- disqualifying and or holding directors personally liable when found to have sold a struggling company or subsidiary recklessly or knowing it

would fail
- giving the Insolvency Service new powers to investigate directors of dissolved companies
- consideration of the legal and technical framework within which decisions are made on payment of dividends, and how it could be improved and made more transparent
- strengthening the role and responsibilities of shareholders in stewarding the companies in which they have investments.

These reforms seek to respond in a balanced and proportionate way to help reinforce public trust and confidence in businesses and further strengthen the UK's business environment which is a key part of the UK's Industrial Strategy, the government's long-term plan to build a Britain fit for the future. They will also help to ensure the UK remains one of the best places to start and grow a business and is an attractive place to invest.

Business Secretary Greg Clark said:

> Britain has a good reputation internationally for being a dependable place to do business, based on required high standards. This framework has been regularly upgraded and in the light of some recent corporate failures I believe the lessons should be learned and applied.
>
> These reforms will give the regulatory authorities much stronger powers to come down hard on abuse and to make irresponsible directors bear the consequences of their actions.

The government will publish the Insolvency and Corporate Governance consultation later today setting out some of these proposals in more detail. It will also seek views on new ways to protect payments to smaller firms in a supply chain which can be hit hardest when large companies become insolvent.

The government is already taking action on this issue by:

- considering whether further action is needed to prevent the misuse of contract clauses, typically in the construction sector, allowing large firms to withhold payments as a surety against defects
- committing to launch a call for evidence on how to eliminate unfair payment practices to small businesses.

This package of reforms follows last year's corporate governance reforms which sought to increase boardroom accountability.

The government has already:

- supported the Investment Association's world-first public register of FTSE-listed companies where more than one fifth of shareholders have opposed resolutions on executive pay packages and other issues
- appointed James Wates to chair a new group drawing up the UK's first-ever set of corporate governance principles for large private companies

- ensuring that employee and other stakeholder voices are heard and taken into account in boardroom decision-making

In the coming months the government will introduce new laws requiring:

- listed companies to reveal the pay ratio between bosses and employees
- all companies of a significant size to publicly explain how their directors take employees' and other stakeholders' interests into account
- all companies of a significant size to make their corporate governance arrangements public

1. Whenever a corporate insolvency occurs the conduct of the directors of the company is considered. Directors can be disqualified for up to 15 years if their conduct is found to make them unfit to be involved in the management of a company.
2. Insolvency Service is a government agency, helping to deliver economic confidence by supporting those in financial distress, tackling financial wrongdoing and maximising returns to creditors.
3. The Insolvency Service disqualifies around 1,200 irresponsible directors a year, protecting creditors from an estimated total £137 million in losses.

Press release: Environment Agency says that a different approach is needed to tackle flooding over next 50 years

- Country is better protected than ever against flooding
- Every £1 invested in flood schemes saves £10 in damages avoided
- During this century a new approach is needed to tackle flood risk in 21st Century

Over the next century a different approach is needed to protect the country from flooding, the Environment Agency's Chief Executive said in a keynote speech at the annual Flood and Coast Conference today (Tuesday 20 March).

As he revealed that every £1 invested in new flood schemes saves the economy £10 in damages avoided, Sir James Bevan said that despite huge advances in flood protection, what worked so well in the past will not be enough in the future. Rising sea levels and higher populations in built-up areas will mean new approaches are needed to combat increasing flood risk. Since 2015, new flood schemes completed by the Environment Agency have benefitted more than 100,000 homes but to continue building on this success new 21st century approaches are needed.

These include a call for greater business investment, quicker emergency response and increased use of natural flood schemes, in addition to 'hard' defences, in order to reduce the impact of flooding on communities around the country. He questioned how these challenges should be dealt with and suggest that more concrete – simply building our flood defences higher and higher – is not the answer.

As he laid out his thoughts on the future of flood protection, Sir James Bevan said that tough questions had to be asked about what to protect. He questioned whether there might be a case for considering future funding priorities.

He said that everyone has a part to play to reduce flood risk and that homeowners in flood risk areas should know the risks and what action they can take – and he praised communities and flood groups who have already taken great steps in this area.

Sir James Bevan said:

> Almost every day in this country, when rivers and tides rise, rain falls and storms blow, thousands of people sleep safe and unaware that they are being protected by flood defences.
>
> But what works so well now – and has done in the past – may not be enough in the future. Over the next fifty years if we are going to give the country the best possible protection against flooding, we are going to need a different approach.

The Environment Agency manages flood risk on over 36,000 km of river, 9,000km raised flood defences and over 22,000 flood structures – from the Thames Barrier to local pumping stations. Since 2016, it has upgraded its response capability with more than 6,500 staff trained and ready to help protect communities when floods threaten, 40km of temporary barriers, 250 mobile pumps, and 500,000 sandbags. Partnerships to help respond during incidents have also been strengthened – including with the army.

Government is investing £2.6 billion in flood and coastal erosion risk management projects between 2015 and 2021.

Now in its third year, the annual Flood and Coast Conference brings together experts from across the globe to share ideas and opportunities to work together to tackle the risk of flooding and coastal erosion. More on the conference here: https://www.floodandcoast.com/.

The Environment Agency is currently working in its next National Flood and Coastal Erosion Risk Management Strategy which will address these challenging questions raised in Sir James Bevan’s speech.

[Press release: Statement on OSCE report on Russian presidential election]

Statement on OSCE report on Russian presidential election – GOV.UK

FCO statement on the OSCE report into the Russian presidential election

An FCO spokesperson said:

> The OSCE/ODIHR election observation mission to the Russian Presidential elections has now issued their initial report.
>
> The report makes clear that restrictions on fundamental freedoms, in particular freedom of expression and assembly, including the detention of activists, resulted in a lack of genuine competition in the election. The Russian Central Election Commission also placed restrictions on candidate registration, and President Putin benefited from dominating coverage in the state media.
>
> We continue to call on the Russian Government to comply with its international commitments in the Council of Europe and OSCE to ensure respect for human rights and fundamental freedoms, including freedom of expression.

Published 20 March 2018

Thank you for your feedback