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Driving Forward the UK Automated Vehicles Sector: Priorities for a New Government

techUK and The Society of Motor Manufacturers and Traders

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Introduction

techUK and The Society of Motor Manufacturers and Traders (SMMT), representing the UK's technology and automotive sectors, are strong supporters of automated vehicles (AVs) in helping create safer roads, economic growth and a cleaner environment for the UK.

AVs will revolutionise the way we move people and goods and transform industrial operations, boosting economic growth by delivering annual economic benefits as high as £66 billion by 2040 and an estimated additional 342,000 jobs in the economy.

They are also expected to deliver social and environmental benefits by improving road safety with 3,900 lives saved and 60,000 serious accidents prevented between now and 2040 while supporting our progress as a clean energy superpower through the deployment of electric AVs that could improve traffic efficiency, air quality and reduce carbon emissions.[1]

The passing of the Automated Vehicles Act, which was the result of years of dedicated work by the Centre for Connected & Autonomous Vehicles, the Law Commissions of England & Wales and the Scottish Law Commission, was underpinned by extensive engagement with the technology and automotive sectors, road user groups, and civil and civic society both in the UK and overseas.

1. SMMT (2023), Connected and Automated Mobility: The UK Economic and Market Opportunities, available at https://www.smmt.co.uk/reports/connected-and-automated-mobility/

With primary powers now in place, this new government has a unique opportunity to establish the UK's leadership in AV development and deployment, as well as setting the agenda in global regulatory discussions.

Putting in place a world-leading regulatory system should be the 'north-star' to ensure the UK keeps pace with other leading markets, such as the United States, and unlocks the widespread benefits of the technology.

This process will take time to establish, as detailed regulations guided by international negotiations need to be consulted upon and approved by Parliament. The new government should aim to complete this process by 2026 whilst exploring interim measures to support the UK's leading AV sector today.

There are several tools at the government's disposal that it can use to achieve this that we strongly recommend are put in place as soon as possible. This brief paper outlines what we consider these actions to be and we look forward to collaborating with government and stakeholders across multiple sectors in the months ahead.

ACTION 1 | Establish a full regulatory system through secondary legislation

The Automated Vehicles Act sets out the legislative framework for approval, authorisation, operator licensing, in-use monitoring and incident investigation, underpinned by a set of national safety principles, to ensure a safe and responsible deployment of AVs.

However, the benefits of AVs cannot be delivered without the supporting secondary legislation. The new government has a unique opportunity to deliver these benefits and show international leadership.

Developing these will require extensive engagement with industry, road user and civil society groups and the public through a series of consultations. Engagement with local authorities and obtaining their support for eventual deployment is equally important for certain use cases. This is expected to take time, as will implementing the final regulations by relevant authorities. Therefore, bringing forward plans to consult and expediting the development of secondary legislation and statutory guidance is crucial to ensure industry is in a position to commercially deploy AVs by 2026.

Any delay could jeopardise the attractiveness of the UK as a location of choice for AV investment and deployment, as other key competing European and global markets have completed, or are about to complete, their own regulatory reforms for the same purpose.

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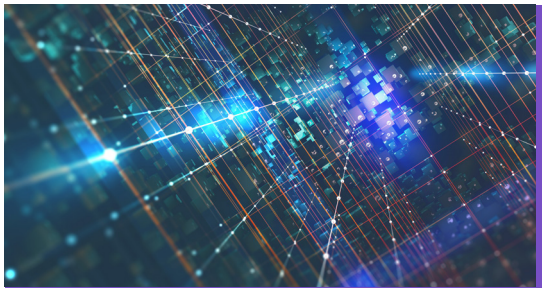

Bring forward plans to launch public consultations with a view to developing secondary legislation and statutory guidance.

ACTION 2 | Develop a mechanism to provide legal certainty and guidance for advanced trials

Advanced trials, where technology developers and operators have progressed far enough to be confident of trialling AVs without a safety driver, is a crucial phase that charts the path towards eventual full commercial deployment. They are also key for allowing businesses to explore commercial models and business cases.

However, advanced trials are currently not possible under the existing legal regime. In the near term, an optimal legal mechanism should be put in place to enable advanced trials, with a view to facilitating a seamless glidepath into full commercial deployment under a comprehensive regulatory framework that should be completed by 2026. Government should explore every possible option – including making early use of the powers afforded by the Automated Vehicles Act, amending the Code of Practice for AV Trialling or introducing special regulation to facilitate advanced trialling.

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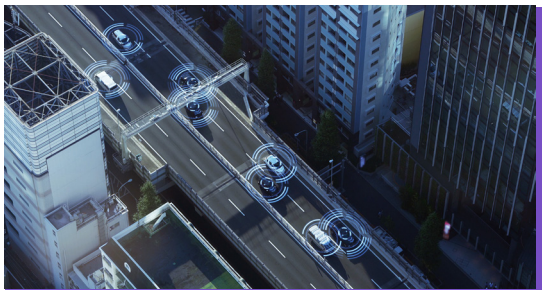

Convene industry representatives to discuss and develop an optimal legal mechanism in the near-term to enable advanced trialling.

ACTION 3 | Position the UK as an international leader on harmonised automated vehicle regulation

The Automated Vehicles Act is a comprehensive piece of legislation that has received strong support from a wide set of industry, policy and political stakeholders. It is recognised by jurisdictions abroad as an innovative approach to AV regulation which should be seized upon as an opportunity for international leadership.

The Department for Transport should leverage its reputation within global forums such as the UN to ensure that forthcoming international frameworks, principally those that are simultaneously being developed under the auspices of the UN Working Party on Automated/Autonomous and Connected Vehicles (GRVA), align with the UK's approach.

International harmonisation of AV technical regulations reduces cost, enhances speed to market and promotes cross-border trade. Divergence, or indeed a patchwork of national regulations, is highly undesirable and makes compliance very costly, in addition to potentially jeopardising the exportable capabilities of British AV technology.

Next step

Use the UK's international leadership to ensure technical regulations developed at GRVA align with the development of secondary legislation.

ACTION 4 | Unlock the potential of the UK's AV manufacturing sector

In anticipation of a full regulatory framework removing the final obstacles to commercial deployment of AVs, government financial support should now be carefully targeted at encouraging British supply chain development. Crucial to the scaling of promising AV technology is the availability of native drive-by-wire electric vehicle platforms. Government support in this key area of the supply chain is fundamental to driving economies of scale for developers for whom retrofitting on conventional vehicle platforms is either unsuitable or economically unviable.

As the initial outlay for the development of these native platforms may be prohibitively high and risky in an emerging sector, government should provide appropriate funding to de-risk investment by vehicle manufacturers or Tier 1 suppliers in development and manufacture that can ultimately create multiplier growth effects throughout the sector. A recent study commissioned by the SMMT shows that, with the right conditions and support, as many as 12,250 British manufacturing jobs could be created by the AV industry by 2040. The UK can become the location of choice for not just AV development and deployment, but also manufacturing.

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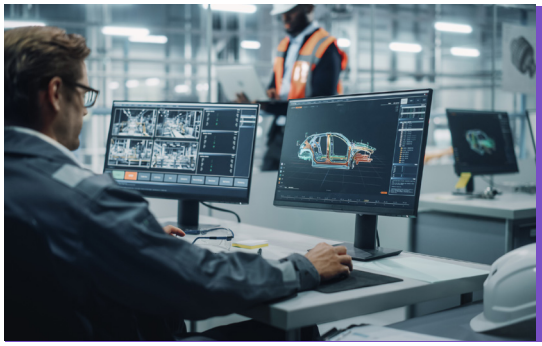

Ringfence funding from the 'CAM Pathfinder' fund (up to £150m) specifically for developing and manufacturing native drive-by-wire electric vehicle platforms for automated driving.

techUK

techUK is a membership organisation launched in 2013 to champion the technology sector and prepare and empower the UK for what comes next, delivering a better future for people, society, the economy and the planet. It is the UK's leading technology membership organisation, with more than 1,000 members spread across the UK. Collectively, techUK members employ 1.1 million people and had a combined turnover of £329bn in 2023.

We are a network that enables our members to learn from each other and grow in a way which contributes to the country both socially and economically. By working collaboratively with government and others, we provide expert guidance and insight for our members and stakeholders about how to prepare for the future, anticipate change and realise the positive potential of technology in a fast-moving world.

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The Society of Motor Manufacturers and Traders (SMMT) is one of the largest trade associations in the UK, supporting the interests of the UK automotive industry at home and abroad. SMMT represents more than 800 member companies, including all major vehicle manufacturers, automated driving technology developers, component and system suppliers, the aftermarket, services and engineering firms, and autotech and mobility start-ups.

The automotive industry is a vital part of the UK economy, integral to growth, the delivery of net zero and the UK as a global trade hub. It contributes £93 billion turnover and £22 billion value added to the UK economy, and invests around £4 billion each year in R&D. With 198,000 people employed directly in manufacturing and some 813,000 in total across the wider automotive industry, we account for 12% of total UK goods exports with more than 140 countries importing UK produced vehicles, generating £115 billion of trade. SMMT members currently deploy automated vehicles on a commercial basis in five locations in the United States and six airports around the world.

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