Initial take on the Budget

Four key themes

Housing the main focus (implications for UTG members around the focus on urban densification and transport hubs)

More clarity on fiscal regime for diesel but timid - and no sign of a scrappage scheme. Still a lack of clarity around key elements of what the national backdrop for local air quality strategies will be

Well done to Nexus – they got the new Metro trains

Lots of government backing for anything to do with high tech including CAVs

How much money has the DfT got?

DfT transport resource budget goes from £2bn in 17/18 to £2.1bn in 18/19 to £1.7bn in 19/20 whereas the capital budget goes up from £6.5bn in 17/18 to £8.1bn to £11.9bn to £13.0bn by 21/22

NPIF and the Mayoral bonus

Breakdown of what it’s being spent on in table 4.1

The trailed ‘new money’ for Transforming Cities Fund can be found there

Half the Transforming Cities Fund will be allocated via competition for transport projects in cities and the other half will be allocated on a per capita basis to the 6 combined authorities with elected metro mayors – £74 million for Cambridgeshire and Peterborough, £243 million for Greater Manchester, £134 million for Liverpool City Region, £80 million for West of England, £250 million for West Midlands and £59 million for Tees Valley

Other big headings in the transport section – roads and local transport / next generation vehicles / digital railway enhancements /Cambridge to Milton Keynes and Tyne and Wear Metro

Housing

The big theme of the budget. A particular focus on promoting densification around transport hubs and opening up brownfield sites in urban areas

Some reforms of CIL but not really into land value capture territory (although see GM below)

The white heat of technology

Government continues to push for UK to be a leader on tech including AI, vehicles etc. Lots of initiatives on this but key ones include…

Ultra-low emission vehicles – ‘To support the transition to zero emission vehicles, the government will regulate to support the wider roll-out of charging infrastructure; invest £200 million, to be matched by private investment into a new £400 million Charging Investment Infrastructure Fund; and commit to electrify 25% of cars in central government department fleets by 2022. The government will also provide £100 million to guarantee continuation of the Plug-In Car Grant to 2020 to help consumers with the cost of purchasing a new battery electric vehicle. ‘

Connected and Autonomous Vehicles (CAVs) – ‘The government wants to see fully self-driving cars, without a human operator, on UK roads by 2021. The government will therefore make world-leading changes to the regulatory framework, such as setting out how driverless cars can be tested without a human safety operator. The National Infrastructure Commission (NIC) will also launch a new innovation prize to determine how future roadbuilding should adapt to support self-driving cars’.

New National Infrastructure Commission study: Freight. ‘The government is announcing a new NIC study on the future of freight infrastructure, to be published in Spring 2019. The study will look at urban congestion, decarbonisation and how to harness the potential of new technologies. This includes platooning, where trucks travel in convoy using smart technology to communicate.’

‘Tech Nation’ – ‘…and support regional tech companies and start-ups to fulfl their potential. Tech Nation will roll out a dedicated sector programme for leading UK tech specialisms, including AI and FinTech. Regional hubs will be located in: Cambridge, Bristol and Bath, Manchester, Newcastle, Leeds and Sheffeld, Reading, Birmingham, Edinburgh and Glasgow, Belfast, and Cardiff.’

Air quality and vehicle taxation

Diesel cars

‘In support of the National Air Quality Plan published in July, the government will provide £220 million for a new Clean Air Fund. This will allow local authorities in England with the most challenging pollution problems to help individuals and businesses adapt as measures to improve air quality are implemented. A consultation is being launched on how this could work. This would be paid for firstly by a Vehicle Excise Duty (VED) supplement that will apply to new diesel cars first registered from 1 April 2018, so that their First-Year Rate will be calculated as if they were in the VED band above. This will not apply to next-generation clean diesels – those which are certified as meeting emissions limits in real driving conditions, known as Real Driving Emissions. And secondly by a rise in the existing Company Car Tax diesel supplement from 3% to 4%, with effect from 6 April 2018. This will also apply only to diesel cars which do not meet the Real Driving Emissions Step 2 (RDE2) standards.’

So some new tax on diesel but carefully targeted as not to unduly upset existing diesel car drivers

Other measures

Fuel duty frozen

APD frozen

Still haven’t decided what they are doing on alternative fuels

HGV VED frozen

Car VED rises in line with RPI

Forever young

‘The government will work with industry to extend the benefits of discounted rail travel to ensure those aged 16 to 30 can access appropriate concessions. This will include the introduction of a new railcard for ages 26 to 30, which the government anticipates will increase the number of journeys taken. Further details will be announced in agreement with the industry and will be implemented from Spring 2018’

TYNE / WEAR

Government minded to go ahead with North of Tyne Mayoral deal

Midlands Connect

To support the delivery of the Midlands Connect strategy, the government will provide £2 million to develop options to address key constraints on the Coventry – Leamington Rail Corridor, and £4 million for congestion measures. (28)

Land value capture

Could form part of next GM deal

London

The government has agreed a pilot of 100% business rates retention in London in 2018-19. The Greater London Authority (GLA) and London boroughs will come together to form a pool and invest revenue growth strategically on a pan-London basis.

The government recognises the need for investment in London’s infrastructure to support its growth, and will continue to work with Transport for London on developing fair and affordable plans for Crossrail 2, including through an independent review of funding and financing.

Big winners

Oxford to Cambridge corridors remains a flagship

Tyne and Wear Metro gets its new trains

Underneath the arches

On 17 November 2017, Network Rail announced its intention to sell the leases for commercial space under railway arches. 26 The sale is expected to complete in the autumn of 2018.

Enough to fill the Albert Hall?

Pothole fund – The government is investing an additional £45 million in 2017-18 to tackle around 900,000 potholes across England.