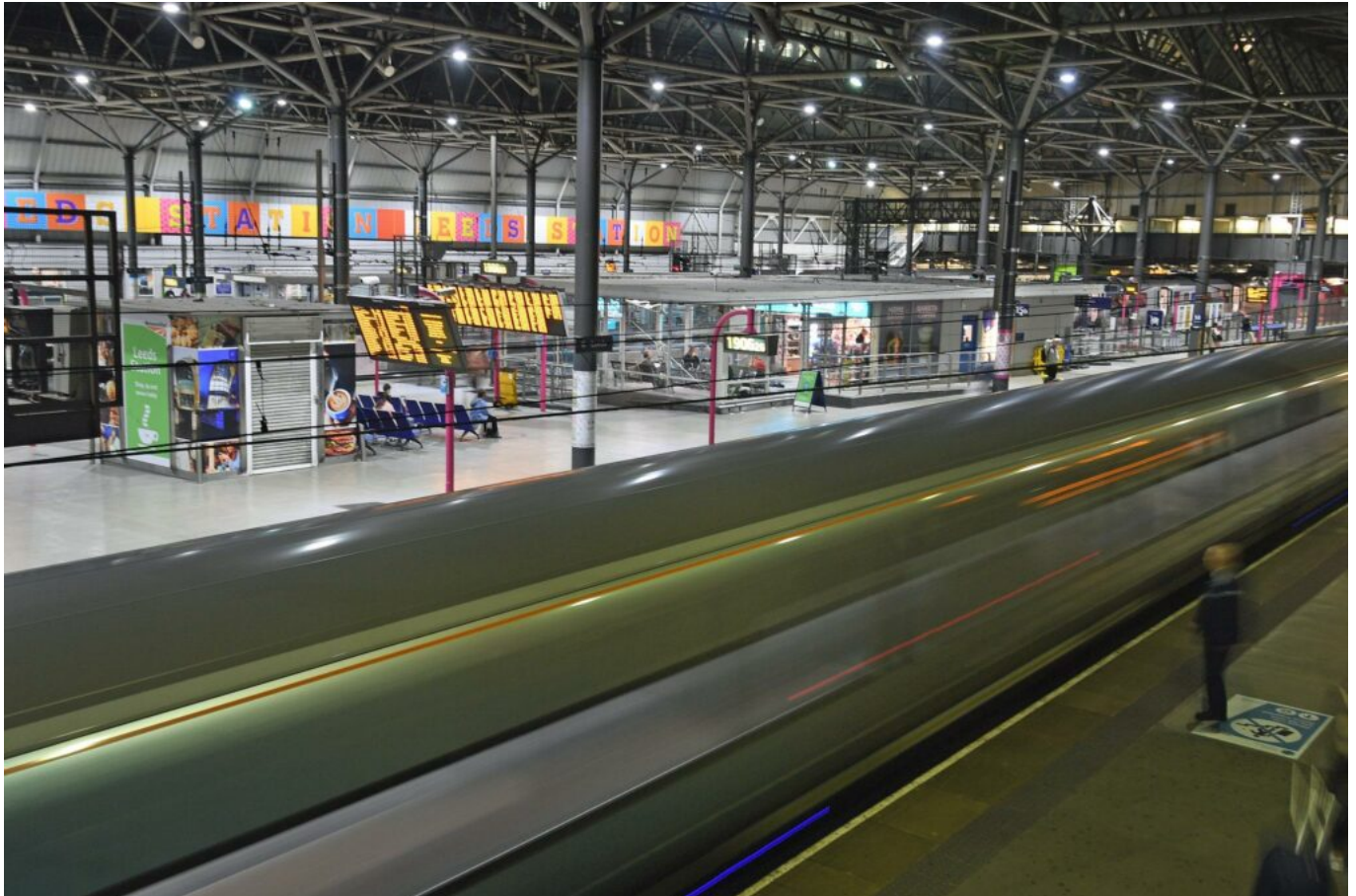


# Railway industry urges greater clarity for upcoming projects in response to the Budget

March 3, 2021



The Chancellor Rishi Sunak MP presented the Spring Budget, setting out a number of policies as the UK looks to an economic recovery post-Coronavirus.

Among the measures mentioned included up to £30 million for the Global Centre for Rail Excellence in Wales, more than £40 million of funding to reinstate passenger services on the Okehampton to Exeter rail line, and funding for five new stations in the West Midlands.

The Chancellor's three-point plan to protect jobs and strengthen public finances

- billions to support businesses and families through the pandemic
- investment-led recovery as UK emerges from lockdown
- future changes to strengthen public finances

Chancellor of the Exchequer Rishi Sunak said his immediate priority continues to be supporting those hardest hit, with extensions to furlough, self-employed support, business grants, loans and VAT cuts – bringing total fiscal support to over £407 billion.

He also set out plans to drive jobs, growth and investment to help the economy rebound – and spoke honestly about the tough choices required to put the public finances on a more sustainable path.

Delivering the budget in Parliament Chancellor of the Exchequer Rishi Sunak said: “This Budget meets the moment with a three-part plan to protect the jobs and livelihoods of the British people.

“First, we will continue doing whatever it takes to support the British people and businesses through this moment of crisis.

“Second, once we are on the way to recovery, we will need to begin fixing the public finances – and I want to be honest today about our plans to do that.

“And, third, in today’s Budget we begin the work of building our future economy.”

To protect the livelihoods of those hardest hit, the Coronavirus Job Retention Scheme will be extended to September and the Self-Employment Income Support Scheme (SEISS) will continue with a fourth and a fifth grant. The Chancellor announced that more than 600,000 people, many of whom became self-employed in 2019-20, may now be able to claim direct cash grants under SEISS.

In addition, the business rates holiday in England has been extended by an additional three months.

Responding to the budget, Darren Caplan, Chief Executive of the Railway Industry Association, said: “It is good to see the Chancellor clarify a number of the Government’s plans for infrastructure, including the establishment of a UK Infrastructure Bank based in Leeds and the £4.8 billion ‘Levelling Up’ fund opening for infrastructure around the UK. It is also positive to see funding announced for test track facilities at a new Global Centre for Rail Excellence in Wales – the UK vitally requires more test track facilities, and the Centre will help deliver a new cluster for the industry in the region, supporting jobs and investment. We would hope that all rail businesses – whether related to rolling stock or infrastructure, and whether large or SME – benefit in some way from these announcements.

“However the Chancellor himself said in his speech that “for business, certainty matters”, and with today marking 500 days since the Rail Network Enhancement Pipeline was last published, we would once again urge the Government to provide the rail sector with visibility of upcoming rail schemes, so crucial to the UK developing a world-class network for the future. This is not about seeking more budget; rail suppliers simply need the updated pipeline of rail upgrades to be published, along with the Integrated Rail Plan and the Transport Decarbonisation Plan, to help them build up capabilities and skills, and ultimately support jobs and investment at what is a very difficult time for everyone.

“With every pound spent on the railway generating £2.20 GVA in the wider economy, being open about – and progressing – the rail enhancements pipeline not only benefits the railway industry but also ensures the UK can deliver new rail infrastructure much more efficiently and cost-effectively for the taxpayer, helping the country to build back better following the Coronavirus pandemic.”

Following the Chancellor’s Budget statement, John Smith, Managing Director at GB Railfreight said: “We welcome the Chancellor’s Budget statement, which will be key to put the economy back on track.

Investment in the future of the rail sector through a £30 million investment in a Global Centre for Rail Excellence is also welcome.

“Given the huge advantages that shifting freight from road to rail offers in terms of reduced emissions, this Budget is a missed opportunity to do more to support this shift through an increase in the current Mode Shift Revenue Support scheme.

“We eagerly await the publication of the Government’s Integrated Rail plan which we hope will be published shortly.”

Andy Bagnall, Director General at the Rail Delivery Group, representing rail companies, said: “Britain’s rail companies are committed to driving a green economic recovery from COVID-19. The investment set out in the budget means the railway is on track to support job creation and bring people together after the pandemic.

“Funding for the new Global Centre of Rail Excellence in Wales, the re-opening of Okehampton to Exeter for passenger services and the creation of new stations in the West Midlands builds on the continued delivery of improvements during the pandemic. Investment in new free ports, and the transport links to them, allows rail freight companies to increasingly support British businesses and future trade opportunities.

“We know passengers want an easier fares system and we want to work with government to push forward reform. Raising the contactless payment limit will save people time when buying tickets and, if introduced alongside retail reform which sees pay as you go introduced across more of the network, has the potential to transform how passengers travel with the tap of their card – changing the game for longer distance commuters, levelling up the regions and helping to catalyse a truly national recovery.”

[Click here for more details about the Budget.](#)

*Photo credit: Rail Delivery Group*