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Transport charity finds £20bn in suggested savings ahead of Hunt's financial statement

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Chancellor Jeremy Hunt is likely to be one of the busiest men in the country at the moment. He's got a £56 billion financial hole to plug and every infrastructure project in the country is eyeing his calculator with suspicion. The rest of his party aren't exactly helping either.

He may, however, be interested to read some new research, released today by the Campaign for Better Transport, which has revealed how a green shake up of transport priorities could just help him whittle down a cool £20 billion from the spending bottom line, slashing the entire deficit almost in half (not all of it's immediate though, he's not THAT lucky).

So, how exactly do they advise he does it? The research suggest that cutbacks could be made by:

- Cancelling just five road-building schemes could save a hefty £16 billion
- Taxing fuel for domestic flights (not including lifeline flights such as those to Scottish islands), raising £0.6 billion
- Introducing a pay-as-you-drive scheme which charges electric vehicles a small amount per mile from 2025 – £0.6 billion could be found there
- Not renewing the temporary cut to fuel duty when it ends in March 2023. Saving £2.4 billion.

However, how likely any of these schemes are to be plausible, or indeed popular, is up for debate.

Norman Baker from Campaign for Better Transport said: “The good news for the Chancellor is that by rethinking some outdated ideas about transport he can save nearly £20 billion. Do we really need massive, destructive road-building schemes? Or tax-free fuel for domestic flights when suitable rail options are available? The black hole in the budget says ‘no’, and so does the planet.

“It’s time for a green shake-up of transport priorities. Cutting road building and taxing domestic flights would mean vital levelling-up projects like Northern Powerhouse Rail could go ahead, lifeline bus routes could be saved, and many non-transport public services could also get a reprieve.”

The cancellation of large projects has been a huge headline grabber over recent weeks (looking at you, Northern Powerhouse Rail), and none of them have been overly positive for the PM or Chancellor.

Anything that frees up capital to get rail back on track is clearly a great thing from our industry’s point of view, however proposing the slashing of major road building schemes, such as the Lower Thames Crossing, A303 Stonehenge, A66 Northern Transpennine, A12 Chelmsford to A120 widening and A428 Black Cat to Caxton Gibbet does feel a little like robbing Peter to pay Paul. No matter how you slice it, the rail industry still needs a functioning road infrastructure to thrive.

With road travel in mind, the research also points to shaking up emissions tax, instead moving to a ‘pay-as-you-drive’ alternative. With many drivers shifting from petrol and diesel to electric vehicles which pay no VED or fuel duty, this system would also capture tax income from electric vehicle drivers, albeit at a much lower rate than drivers of ‘more polluting vehicles’.

One in five new cars purchased are electric (although with energy costs shooting up, is this going to continue?), so the charity claim that by charging just 1p per kilometre for electric cars from 2025, with low charges also for electric vans and lorries, you could look to claw in £0.6 billion in the first year alone.

Mr Baker added: “Our research has shown that most people think vehicle taxation needs reforming, and almost three times as many people support the idea of a pay-as-you-drive scheme as oppose it. Pay-as-you-drive can be fair and popular and help to keep public finances afloat.”