

Transport charity says Spring Statement fuel duty cut is “detrimental”

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The charity Campaign for Better Transport has said the Spring Statement’s fuel duty cut will not help those most affected by the cost-of-living crisis — and added it will do nothing to cut dependence on oil or help people switch to more sustainable transport.

Chancellor Rishi Sunak said fuel duty will be cut by 5p a litre for the next year.

Paul Tuohy, Campaign for Better Transport’s chief executive, said: “The financial impact of today’s fuel duty cut on people’s pockets will in fact be minimal, whereas the message it sends – that driving is preferable to using public transport – is much more detrimental. Whilst drivers are given help with the cost-of-living crisis, people that rely on public transport get no help with rising fares and face ongoing cuts to services.”

Campaign for Better Transport points out that since 2012, rail fares have risen at a higher rate than fuel costs, yet rail passengers faced a 3.8% increase in fares this month (4.8 per cent in London), despite calls for a fare freeze. It notes bus fares have risen at a far higher rate, 54% in the last decade. If the cost of fuel for car drivers had risen at the same rate as bus fares, it would cost well over 200p a litre by now

instead of an average of 167p.

Campaign for Better Transport is warning that lower-income households are bearing the brunt of spiralling travel costs. A third (35 per cent) of the lowest income households have no access to a car. People in the lowest-income households make three times as many bus journeys as people with the highest incomes.

Paul Tuohy added: “The Department for Transport has been busy supporting bus and rail travel, but the Chancellor’s announcement today has pulled the rug out from underneath public transport.”

Government “cannot make rail less competitive”

Responding to fuel duty cut, Andy Bagnall, director general of the Rail Delivery Group, said: “We recognise the desire to help those being hit by short term fuel price rises with a temporary cut in duty.

“In the long term, if the government is serious about meeting net zero targets it cannot make rail less competitive. Passenger and freight trains help to clean up the air in towns and cities and reduce congestion. “That’s why we need an even approach to taxes, fares and charges across all modes of transport, so the cost of each reflects its environmental impact.”

Could have been “more certainty”

Darren Caplan, Chief Executive of the Railway Industry Association (RIA), said: “The railway industry appreciates we are in turbulent economic times, and so it is welcome that Chancellor Rishi Sunak today set out some helpful support for businesses generally, including on innovation.

“However, the Chancellor’s statement could have provided more certainty for key economic sectors like rail. Certainty has little financial implication for the Government but really does play a crucial part in supporting rail sector jobs and investment.

“Whilst there were of course many areas for the Chancellor to address, the fact that rail is not mentioned anywhere in his speech or supporting documents is concerning, when one considers rail contributes £43bn in economic growth, sustains over 700,000 jobs and generates £14 billion in tax revenue for the UK.” This issue of certainty really is crucial to rail businesses right across the country. Whether not publishing the Rail Network Enhancements Pipeline almost 900 days after it was due, or visibility of specific plans to decarbonise and digitalise the railway in the years ahead, certainty and visibility for the future costs very little, but has a major impact on rail business confidence and its ability to deliver most effectively for the taxpayer.”