To: the Treasury, public.enquiries@hmtreasury.gov.uk

From: Steve Dawe, Cowley Area Transport Group – [www.catg.org.uk](http://www.catg.org.uk)

53 Bulan Road Oxford OX3 7HU – 20th September 2021

**BUDGET AND SPENDING REVIEW: CONSULTATION RESPONSES**

Most of this submission is concerned with transport. However, some general points about taxation are made here:

A comprehensive spending review needs a complete review of the UK tax base in the light of current circumstances. Essentially, we feel that the tax base is insufficient for a modern, complex economy or society and needs fundamental reconsideration. Neither health nor the environment are supported by current levels of taxation, and local government is being crippled. Tax options needed include: Land Value Taxation to replace Council Tax and business taxation; rise in Corporation Tax to EU average; sugar and salt taxes for health promotion and to support the NHS; Big increases in cigarette and alcohol taxation as a contribution to public health and the NHS; a financial transaction tax to radically cut tax haven activities, covering the UK and all its Overseas Dependent Territories; higher Aviation Passenger Duty to cut aviation emissions and force quicker technological change; charges on shipping fuel; Electronic Road Pricing; higher taxes on highest incomes to address gross inequalities; increases in fuel duty to encourage switching to electric vehicles.

With regard to transport:

Electronic Road Pricing, supported amongst others by the RAC, is an essential step -following the model of Singapore which has had such a system since 1998. Diminishing returns as a result of freezing fuel duty since 2011 are now accompanied by the transition to hybrid and electric vehicles. The entire road system, with its c14 year backlog of road repairs, is plagued with high bus fares and astronomical rail fares. ERP can be used to charge polluting vehicles travelling in the most polluted and congested spaces, and provide funds for lower bus fares. This group has prepared a report on Electronic Road Pricing for the Oxford City Region, which can be seen under reports at [www.catg.org.uk](http://www.catg.org.uk)

Renationalisation of the rail system is an essential step to ensure rail fares are reduced by at least half in order to respond to the Climate Emergency. The pandemic included Government support for the public to avoid public transport, leading to bus and train occupancy still tending to run at about 40% less than pre-pandemic levels, with the result that many areas have higher levels of car use, including some regions with car use above pre-pandemic levels. It cannot be considered cost-effective to generate more need for road repairs, or more costly trunk road building which induces traffic, so trunk road building should be blocked permanently as being not cost-effective and a contribution to both more carbon dioxide and to air pollution in general. To emphasise:

Trunk Road building should be stopped, as its:

* Too expensive (and unaffordable)
* makes things worse - it increases traffic, congestion and pollution
* increases carbon emissions at the very time we need to be reducing them and fast
* diverts scarce resources away from sustainable solutions
* undermines the Government’s levelling up / reducing inequality agenda

Working from home expanded in the pandemic and has considerable potential to prevent stress and illness from commuting burdening the NHS; improve use of SMEs in local economies; increase productivity as has already been attested; help avoid spending on transport infrastructure, helping reduce the need for repairs to such infrastructure if use is diminished; decreases business spending on office space in particular, allowing resources to be retained or used more productively. Consequently, the Treasury should strongly support working from home and support a legislative initiative to extend flexitime to as many sectors as possible as well.

Cost effective measures could include:

* active travel - levels of investment are far too low to make a significant difference quickly enough in the interests of public health, productivity and the Climate Emergency. Spending on walking and cycling should be a minimum of £2bn per year, not £2bn over 5 years, to radically increase health promotion and diminish forms of ill-health arising from low levels of physical activity. Containing necessary increases in NHS spending, including increased NHS staffing, is only likely to occur if health promotion is taken more seriously as a social investment.
* Promotion of electric vehicle hire over vehicle ownership to avoid the scenario of vehicles increasing in the next few decades by as much as one third. Active travel and public transport must increase to prevent this, and diminished immediate access to a vehicle will help.
* buses - more investment is needed to give people real choice with better and cheaper services so that we avoid a car led recovery which will impact negatively on the economic recovery post pandemic. We recognise that estimated costs of running buses with free fares for all are remarkably low and could have benefits in addressing serious traffic congestion and pollution. We suggest the research on this is investigated. Car use is a sedentary activity which can promote ill-health and burden the NHS.
* rail - cheaper services are needed so it is competitive with driving and air transport. This is not possible without re-nationalisation, to allow a big cut in rail fares – perhaps to the EU average, preferably lower.
* freight on rail - if HGVs are not going to be charged for the damage they cause then rail freight needs to be subsidised to create a more level playing field. ERP can encourage rapid electrification of HGVs, and far greater use of cargo bikes and electric cargo bikes in urban areas.
* investing in sustainable transport will save the NHS and social care billions in the future with a healthier and happier population and workforce.

We note:

In July, the High Court quashed the planning permission for a highly damaging £2bn dual carriageway through Stonehenge World Heritage Site. Given the change in circumstances since the scheme was first drawn up, it’s the perfect moment to reclaim the money and to invest in sustainable alternatives instead or to reduce public debt.

Similarly, the £8.2 billion Lower Thames Crossing is the biggest, most expensive, most carbon-emitting road scheme for a generation. It is highly damaging while providing few benefits (only a marginal drop in traffic levels at Dartford) and is reliant on further road building to function properly. As it hasn’t started the planning process it would be easy to call a halt to it now.

The £27bn roads programme has around £14bn allocated for new roads - the rest goes on maintenance and renewal, debt on PFI borrowing and National Highways operations. It can be seen from this that these two roads alone, both in the south, swallow up most of this budget. Hardly fitting with the Government’s levelling up agenda and that’s before considering all the other roads in the south that it wants to build.

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