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Transport Spending Review Press Notice

The Government is committed to reducing the deficit, facilitating long-term, sustainable growth and tackling carbon emissions. In the Budget, the Chancellor pledged to make the tough choices that will allow us to maintain investment in new and existing infrastructure that will support a growing economy, while eliminating the structural deficit over the lifetime of the Parliament.

Transport provides the crucial links that allow people and businesses to prosper. Our Spending Review settlement is based on cutting waste and taking hard decisions about priorities that have allowed us to secure the investment in vital transport infrastructure that will support the national economic recovery.

Department for Transport

	£ billion				
	2010-11	2011-12	2012-13	2013-14	2014-15
Resource DEL[1]	5.1	5.3	5.0	5.0	4.4
Capital DEL	7.7	7.7	8.1	7.5	7.5
Total DEL	**12.8**	**13.0**	**13.1**	**12.5**	**12.0**

In this table, Resource DEL excludes depreciation

The Department for Transport will reduce overall spending by 15% in real terms, making savings of 21% from our resource budget and an 11% reduction in capital spending.

1. Tough choices
Efficiency
We have taken big steps forward in improving efficiency –these savings will be delivered through better procurement and management of contracts, improved delivery of front line services, savings in rail costs and reduction of lower priority programmes. We are also reducing the administration cost of the central department by a third.

Refocusing lower priority programmes
Our settlement will deliver savings by reducing expenditure on lower priority activities including some of our marketing and research programmes. This will ensure that scarce resources for government funded research are directed to those projects which most directly benefit the frontline and that only the most effective marketing approaches are continued.

Revenue raising
We have also taken the difficult decision to increase the cap on rail fares and increase the Dartford crossing charge. Raising rail fares means that we are able to secure investment in vital rail projects over the course of the Spending Review including investment in additional rolling-stock to reduce overcrowding and improve passenger comfort. The increase in the charges at Dartford will help fund proposals for a new, additional crossing. We will also introduce free-flow tolling in 2012, scrapping the pay booths, and in the meantime will lift the charges to allow free use of the crossing when there is severe congestion caused by hold-ups at the toll-plazas.

2. Secure investment
We have committed:

- £18 billion of rail investments, including Crossrail;
- £4 billion on HA major projects, capital maintenance and enhancements;
- £6 billion on local transport major projects, capital maintenance and enhancements;
- Funding for a further tranche of PFI projects and
- Funding to ensure the Tube upgrades will go ahead.

Passengers and motorists will benefit hugely from these investments, each of which support our economic growth.

3. Localism
The Coalition Government has made clear that it wants to end the era of top-down government by providing a radical devolution of power and greater financial autonomy to local authorities. Greater local control, participation and accountability is the most effective way to increase the sustainability of local transport systems so they can promote economic growth, minimise the environmental impact of travel, improve public health and address social exclusion.

To deliver this, we are revolutionising the way local authorities receive transport funding. In the past, central Government dictated to local communities how and on what they should spend their transport funding. This will no longer be the case as local communities will now be free to decide what their own priorities are and will be able to set their budgets according to local, not national priorities. That is why we are moving from 26 grant streams to just four grant streams.

4. Sustainability
By prioritising spending on sustainable rail projects such as high speed rail and Crossrail we will be providing commuters and intercity travellers with attractive new options instead of the car. However we recognise that for many people, particularly in rural areas, the car is the only practical choice and that is why we are prioritising spending on making the UK a world leader in ultra low carbon cars. By de-carbonising motoring, we can include the car in our vision of a future, low carbon, transport economy. Our Local Sustainable Transport Fund will enable local authorities to bid for money to address the transport priorities in making their communities safe and sustainable.

Next steps
We will be making further announcements on the details of the settlement and its impact on specific programmes in due course.

Annexes:
Annex A – Rail
Annex B – Highways Agency Roads
Annex C – Local
Annex D – Environment
Annex E – Drivers
Annex F – Aviation and Security
Annex G - Indicative Analysis of Budgets

ANNEX A - RAIL
By making tough decisions on rail fares and by driving through efficiencies and industry reform, the Government will be able to go ahead with substantial rail improvements. Investment in rail will strengthen economic growth, tackle harmful carbon emissions, and improve quality of life.

Savings/Additional funding for the railways will come from:

- **Rail Fares:** The Government will increase the cap on regulated rail fares from the current RPI +1% to an average annual increase of RPI +3% for three years from January 2012. Because the Government recognises the impact of relatively high inflation at present, it has decided to retain the RPI+1% average cap for 2011. This means fares will increase in real terms by 10% over the next four years. This fare increase will mean the Government can deliver priority capacity improvements on the rail network to relieve overcrowding and improve passenger comfort.

- **Efficiencies:** Through longer, better constructed rail franchises and competitive pressure we will work with train companies to improve efficiency, saving around £100m over four years. Network Rail have agreed to deliver extra savings of £185m – over and above the Office of Rail Regulation efficiency targets in the control period.

- **Industry Reform:** The value for money study being led by Sir Roy McNulty has already begun to identify ways to make the railway more efficient and affordable. Some of these savings could be delivered quickly within the existing industry structure, others may require wider changes. However, we recognise our railways are too expensive for both taxpayers and farepayers, and we are determined to make the railway more affordable in the long term. We will announce our response to Sir Roy McNulty's initial findings and our plans for the future in due course.

This approach will enable many major rail schemes to go ahead, including:

- **Crossrail:** Crossrail will go ahead to the original scope. Working with Crossrail Ltd and the Mayor, Government has already identified substantial, engineering-led, savings to the Crossrail funding package, including through lengthening the delivery programme for the central tunnel works by around a year. Crossrail Ltd will also be doing further work to optimise the scheme's value for money, including reviewing the way in which services come into operation across the route to ensure that Crossrail services commence in a resilient and robust way. As a result, the funding envelope for the project will be reduced by around £1bn, while the scope of the project remains unaltered. We now expect the project to cost no more than £14.5bn.

- **High Speed Rail:** Subject to consultation, the Government will proceed with plans for a national high speed rail network, spending over £750m in the Spending Review period. When complete, this will dramatically reduce journey times and increase capacity on routes between Britain's major population centres. This would benefit the economy nationwide and provide a step change in Britain's transport infrastructure. Public consultation on the Government's overall strategy and on the proposed route from London to the West Midlands will start early in 2011.

- **Major station upgrades totalling £2.1bn:** The Government will continue to fund Network Rail's programme to improve the passenger experience at Birmingham New Street, London Kings Cross, Reading redevelopment and Gatwick Airport stations. Birmingham New Street will be modernised through the Gateway Project which is expected to deliver economic benefits totalling £2bn. The Concourse area at Kings Cross will triple in size and provide better links to the Underground and international services. The track and platform enhancements at Reading and Gatwick Airport stations will improve journey times and ease overcrowding.

- **Network improvements :** We will continue important network enhancement projects. Work on the Midland Main Line will deliver faster, more reliable journeys to Leicester, Derby, Nottingham and Sheffield. While faster more reliable passenger services to Yorkshire, the North East and Scotland will be made possible by a series of enhancements along the East Coast Main Line.

- **Rail Freight:** The Government is committed to encouraging more freight from the nation's road network onto the railways and will continue to fund the ongoing projects to improve rail freight links between Southampton and the West Coast and between Felixstowe and Nuneaton.

The Government is currently considering revised proposals from Agility trains for the **Intercity Express Programme**. An announcement will be made in due course. Because aspects of **Thameslink** and **HLOS** rolling stock programmes, as well as projects to electrify the Great Western Mainline, and the rail routes around Manchester and Liverpool, are interdependent with the IEP decision, a full announcement on all these programmes will be made at the same time.

ANNEX B – HIGHWAYS AGENCY ROADS

Major Schemes

We have made tough choices about investment priorities for the strategic road network. As well as proceeding with existing commitments, the following new schemes are announced today (subject to statutory processes where necessary):

- The A11 in Norfolk – dualling the 'missing link' of single carriageway, between Fiveways junction and Thetford.
- The M4 and M5 north of Bristol – fixing the worst congestion spot in the South West, and easing journeys to Wales.
- The M1 in Derbyshire (junctions 28-31) – improving access to Sheffield using managed motorways technology.
- The A23 in Sussex – dealing with a key bottleneck between London and Brighton
- The M62 near Leeds (junctions 25-30) – adding capacity between Yorkshire and the North West using managed motorways.

The following schemes are not considered realistically likely to receive funding in the current SR period, or the next one, and therefore have been cancelled:

A21 Kippings Cross to Lamberhurst	A21 Flimwell to Robertsbridge
A19 Moor Farm	A1 Leeming to Barton
A19 Seaton Burn Interchange	A47 Blofield to North Burlingham
A21 Baldslow Interchange	

The Highways Agency have been taking forward a number of other schemes whose priority we are still considering, in light of the SR settlement. Some will proceed in this SR period; others will be the subject of further preparation for possible funding in future SR periods. Further announcements will be made in the next few weeks.

These schemes represent sixty year investments. Alongside our policies to decarbonise road transport, our roads plan shows how we are planning for the long-term growth of our economy whilst ensuring we dramatically reduce the carbon impacts of motoring.

The roads programme includes one individual scheme which is estimated to cost over £1 billion to build - the A14 Ellington to Fen Ditton scheme. We recognise that this corridor faces severe congestion, and that mobility along the route is critical for economic success and growth. However, the current scheme is simply unaffordable under any reasonable future funding scenario. The Department is therefore withdrawing the current scheme. We will undertake a study to identify cost effective and practical proposals which bring benefits and relieve congestion - looking across modes to ensure we develop sustainable proposals. This approach will also provide an opportunity for the private sector to play its part in developing schemes to tackle existing problems in the corridor.

Dartford

It is clear that additional capacity is needed at Dartford and that public funding to provide it is unlikely to be available. Therefore, DfT will embark upon a review of the options for future capacity increases at Dartford, funded by charges. In the mean time, we will increase charges for the Crossing. Subject to consultation, prices will increase from £1.50 to £2.00 in 2011 for cars, rising to £2.50 in 2012. Prices for other vehicles will also increase. Given its strategic importance the Department for Transport has decided not to sell the Crossing at the present time.

At the same time, we will introduce free flow charging from 2012. And more immediately, we will lift the charges at times of severe congestion to aid flow through the charging plaza.

New Governance

We are determined to get value for money across the Department and our main focus has been on more efficient working – doing more for less. To support this approach, we will appoint a non-executive chair for the Highways Agency, and will appoint a performance monitoring group to back up the Agency's efficiency drive. Looking to the future, we want to make sure that the Highways Agency is structured in the best way to deliver effective services. We will review the operation of the Agency to see whether broader reform can generate better value for money.

Maintaining the network

We will provide a network that continues to be maintained in a safe and serviceable condition, but at a lower cost. The average annual spend on maintenance in the four year Spending Review period to 2014/15 will now be £714m, compared to spending of £748m in 2010/11. We will achieve this by:

- New contracts and improved commercial management which will drive even better supplier performance and further value for money.

- Making the most of our buying power by adopting a national framework for commodity purchase such as gantries and road surfacing which will deliver cost savings to suppliers and the Agency.

- Investing in our asset management systems to better predict our maintenance needs.

- Reviewing technical standards to specify new assets at lower initial cost and extend the life of the assets we have.

- Reviewing when and where maintenance takes place, looking closely at where less costly maintenance practices – such as day time works - should happen.

- Review of renewal works leading to less frequent replacement of non-critical assets.

Incident Management
We will deliver an effective and efficient Traffic Officer Service at lower cost that prioritises traffic management. This will allow us to respond to, and clear incidents in live traffic lanes more quickly. We will reduce the operating costs of the service by:

- Replacing our current National Traffic Control Centre PFI contract in 2011 with a smaller service-based contract, disseminating core traffic information for strategic traffic management at a lower cost.

- Focussing regional control centres (RCCs) on incident response, and reducing the number of RCCs managing the network at night.

- Reducing the cost of on-road operations through flexible deployment of staff and vehicles to reflect traffic levels; introducing single crewing when appropriate; and reviewing our Traffic Officer Service vehicle strategy to make the fleet of vehicles cheaper to operate.

Technology
We will continue to operate the network from our Regional Control Centres but will do so with a significantly lower level of capital funding. Our investment in motorway communications, cameras and electronic signage leaves us very well-placed to manage our busiest roads with a lower level of new expenditure.

Traffic Information
We will continue to provide up to date on-road traffic information and disseminate this directly online and through other media. We will replace the National Traffic Control Centre next year with a new National Traffic Information Service that will offer an enhanced service at a lower cost, delivering savings of at least £13m a year.

ANNEX C - LOCAL
We will make 28% savings from local transport revenue funding, in line with the wider revenue savings that the Department is making from its overall budget for transport.

To support the localism agenda, DfT plans to carry out a radical simplification and reform of local transport funding, moving from 26 grant streams to 4 from 2011-12:

I. a local sustainable transport fund (capital and revenue);
II. major schemes (capital)
III. block funding for highways maintenance (capital); and
IV. block funding for small transport improvement schemes (capital).

All other specific grants are being ended[1], with the funding transferred and included in the main Local Government Formula Grant administered by the Department for Communities and Local Government. This approach will give local authorities greater flexibility in how they spend their funding, enabling solutions tailored for the specific needs and circumstances of individual communities. This is crucial if they are to deliver effective and efficient transport for their communities at a time of limited resources.

Details of block funding allocations to individual local authorities will be announced later this year around the time of the Local Government Finance Settlement.

LOCAL CAPITAL

Local Sustainable Transport Fund
We are establishing a £560 million local sustainable transport fund to challenge local authorities outside London to bid for funding to support packages of transport interventions that support economic growth and reduce carbon emissions in their communities as well as delivering cleaner environments and improved air quality, enhanced safety and reduced congestion.

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[1] This excludes the few specific rail grants provided by the Department to local authorities

This replaces a range of previous grants for sustainable forms of travel. It represents a significant increase in funding for sustainable travel, which the Government believes can both support economic growth and reduce carbon emissions.

Responding to calls from local government, the Fund will include a mix of £350m revenue and £210m capital funding over the next four years to maximise the toolkit of options available to local authorities

A small proportion of the fund will be allocated to provide continued funding for the successful Bikeability scheme, which offers high quality cycle training for young people. For the remainder of the funding, we will invite local authorities to develop packages of low cost, high value measures which best meet their local needs and effectively address local issues.

We plan to issue further details on this fund, including the application process and annual availability of funding, by the end of the year. Major projects

We are providing over £1.5 billion for local authority major schemes over the SR period: over £600 million for committed schemes and over £900 million for new schemes. This level of investment is greater than the average annual spend on local authority major schemes over the last 10 years.

Whilst this is a considerable investment, not all previously proposed major schemes are affordable and tough decisions will remain necessary.

The following three schemes have been announced today:

- Mersey Gateway Bridge: a new large suspension bridge over the River Mersey between Widnes and Runcorn to ease congestion and unlock significant development opportunities;
- Midland Metro: extension of tram line through Birmingham City Centre to a new terminus outside New Street station and replacement of the fleet of trams;
- Leeds Station Southern Access: a new pedestrianised access from the rear of Leeds station to minimise journey times to/from the south of the city centre.
- We will accelerate our agreed funding for the Tees Valley Bus Network so that the scheme can be delivered to a quicker timescale. We remain committed to completing the Tyne and Wear Metro upgrades.
- Approvals are subject to project promoters reducing costs and/or increasing local contributions. Further announcements on the funding status of specific schemes will be made over the coming days.
- We will also be looking to develop less bureaucratic successor arrangements to the previous Government’s Regional Funding Allocations for transport that, over time, give a proper voice in scheme prioritisation to elected local authorities and business interests. We hope that Local Enterprise Partnerships will have an important role in this.

Regional Growth Fund
The Department for Transport is contributing around a third of the funding for the £1.4bn Regional Growth Fund. Bids for local transport schemes that unlock sustainable economic growth will be eligible for submission to this fund.

Highways Maintenance
With limited resources available, the Department believes that it is essential that we continue to prioritise highways maintenance, reflecting its economic and social importance to local communities and safeguarding the largest single local public asset.

We are therefore providing over £3 billion over the next 4 years. This takes account of the significant scope for efficiencies, for example through combining purchasing power of local authorities to drive down prices.

To help local authorities achieve these efficiencies, we will work with local government professionals to embed sector-led best practice widely, with a time-limited fund worth £3 million in each of 2011/12 and 2012/13.

Integrated Transport Block
DfT intends to provide over £1.3bn over four years for small transport improvements, on top of the capital funding provided through the Local Sustainable Transport Fund and in addition to what is available through the Regional Growth Fund.

Integrated transport block funding (£450m in 2010/11) is crucial to help local authorities improve road safety, stimulate local economies by reducing congestion, and deliver social justice to their local communities. Research has shown that investment in such measures can provide very high value for money.

The funding will be allocated according to a needs-based formula agreed with local authorities. In line with our principles of localism, local authorities will be able to spend ITB funding based on their own priorities.

While this represents a reduction on the very high recent levels of ITB funding, taken together with capital funding from the Local Sustainable Transport Fund authorities will share an average £400m per year over the next four years.

Local authority PFI
DfT has re-assessed local transport PFI schemes in development or procurement and identified those that can proceed, taking into account value for money, affordability and their relative stage of development.

Our intention is to proceed with the remaining schemes from the 2nd round of the Streetlighting programme, subject to them remaining value for money. These are:

- Knowsley
- Oldham & Rochdale
- Croydon & Lewisham
- Eastern Shires (Cambridgeshire & Northamptonshire)

We also intend to proceed with PFI projects to extend the Nottingham tram network with two new lines and deliver sustained improvements in highways maintenance in Sheffield, Hounslow and the Isle of Wight. As resources are tight, government needs to ensure that every pound is spent to the maximum benefit. We will therefore be working urgently with the four local authorities to establish how we can deliver these projects affordably.

It is important that PFI schemes are subject to the same spending scrutiny as other schemes. The previously approved and subsequently suspended 3rd round of Streetlighting schemes can no longer be supported, saving £1.1bn over the life of the projects. These are:

- Hertfordshire
- Essex
- Kirklees
- Warrington
- Gloucestershire
- Durham with Stockton

LOCAL RESOURCE
Including concessionary travel, overall we will make 28% savings from local transport revenue funding, in line with the wider revenue savings that the Department is making from its overall budget for transport.

Concessionary travel
We are committed to protecting the England-wide concessionary travel scheme for older and disabled people. So while we have identified substantial efficiency savings in this area, they are focused on the way the scheme is administered, rather than on the benefits received.

Bus Service Operators Grant (BSOG)
From 2012/13, DfT plans to make a reduction in the subsidy paid to bus operators by reducing the rate at which subsidy is paid by 20%. The incentives for smartcards, low carbon buses and automatic vehicle location will be maintained.

The current non-statutory arrangements that enable long distance coach operators to claim BSOG in return for offering a half price concession to older and disabled people will be ended by October 2011, although the industry may wish to continue to offer this on a commercial basis. This does not in any way affect the statutory national concession which offers free travel on local bus services throughout England.

We are considering options for the long-term future distribution of bus subsidy and will make an announcement in due course.

ANNEX D - ENVIRONMENT

The Department for Transport remains committed to delivering on the Government’s environmental objectives. We will stop non-essential research activities, and refocus our research programmes particularly on those projects which directly support the development of a green economy, and which deliver robust information to guide our policy making and international negotiations.

We have made the following tough choices:

- We are committing no new funding for any further DfT “Act on CO2” advertising campaigns. We do not believe that spending millions on advertising and marketing would be appropriate or sustainable in the current economic climate. Existing material continues to be available via the Government Act on CO2 website.

- We will require efficiency savings from both the Energy Saving Trust and Low Carbon Vehicle Partnership. We believe that these reductions are challenging, but sensible and sustainable, and will not affect the carbon savings that the programmes will drive.

- The functions of the Renewable Fuels Agency are being transferred to the Department for Transport. The DfT will work with the RFA to consider how best to achieve this transition and to ensure that potential administrative savings are realised.

This has allowed us to focus financial support on key priorities that will reduce transport emissions and support low carbon economy growth. These include:

- Making provision for over £400m for measures to promote the uptake of ultra-low carbon vehicle technologies. These include:

- supporting consumer incentives for electric and other low emission cars throughout the life of this Parliament. We will continue to monitor the most effective way to deliver this investment, with the first review of the Plug In Car grant in 2012;

- continued investment in electric vehicle recharging infrastructure (Plugged In Places);
- research and development.
- Supporting the key elements of the carbon-saving transport programmes that are delivered by the Energy Saving Trust and Low Carbon Vehicle Partnership, while working with both organisations to achieve efficiencies. Details will be confirmed shortly.

ANNEX E - DRIVERS

Road Safety
As part of the simplification and radical devolution of local government finance, the Coalition Government will no longer be providing a specific ring-fenced grant to support road safety delivery and enforcement – including camera enforcement - at local level. This funding stream is being wrapped up into the wider local government funding settlement, and allocated by formula. These reforms will give greater autonomy and flexibility to local authorities in deciding how best to tackle their road safety problems. Additionally, the Local Sustainable Transport Fund will offer local authorities the opportunity to bid for funding for schemes offering safety as well as other local benefits.

Nationally, we are reducing the resources allocated to road safety research and marketing, distributing more of the available money instead for use in local targeted initiatives. We will reduce the THINK! budget by £12m per annum by 2014/15, so we will be focusing national marketing activity on those road users which represent the highest risks to others, and for whom a marketing approach is proven to be effective. We will also be making full use of lower cost mechanisms – such as social networking and the new educational courses – to target delivery cost-effectively and working closely with commercial partners to communicate key road safety messages. This approach has already proved successful; for example, 32,000 motorcyclists have joined a THINK! BIKER Facebook page launched earlier this year.

Freight
As set out above, the Department will undertake a study to identify cost effective and practical proposals to relieve congestion on the key A14 freight corridor.

We are making savings to the freight research budget, focusing on priority issues such as carbon reduction. These total £1m.

We will target our available resources on roadside enforcement of HGVs and drivers who pose the biggest risk to road safety.

ANNEX F – AVIATION, MARITIME AND SECURITY

We are seeking to ensure that policy objectives can be met within a reduced budget by taking a more focused approach to delivery in line with the following principles:

- extending the "user pays" principle – by shifting costs and responsibility for certain activities to the most appropriate body. Sometimes that will be the industry itself, sometimes the independent regulator, such as, the Civil Aviation Authority, where they might fit more logically;

- being more efficient – for example ensuring our resources are focused firmly on UK priorities and eliminating overlaps in UK representation at international meetings;

- making the Overseas Territories more accountable for the cost of their own aviation safety; and,

- limiting the spend on aviation research through better targeting of our research programmes.

Passenger safety remains our highest priority, and transport security continues to play a key role in the Government's wider counter-terrorism strategy. We intend to use the opportunity of the Spending Review to explore ways of maintaining and improving security standards by modernising our approach to regulation.

The MCA will no longer provide Emergency Towing Vessels (ETVs) at taxpayers' expense from September 2011. Emergency towing vessels are mainly deployed when vessels break down. The Government believes state provision of ETVs does not represent a correct use of taxpayers money and that ship salvage should be a commercial matter between a ship's operator and the salvor. Removing ETVs will save £32.5m over the Spending Review period.

The Maritime Incident Response Group (MIRG) will be reviewed. The MIRG was formed to respond to incidents at sea for which firefighting, chemical hazard and/or rescue teams may be required. The teams are drawn from 15 Fire and Rescue Services and since the MIRG teams began operating in 2006 they have not been involved in any significant incidents. All ships' crews are trained in basic firefighting techniques and there is little evidence that MIRG has changed the outcome of ship fires. A consultation will follow on the detailed proposals but it is estimated that ending all the MIRG would save the Department £340,000 annually.

ANNEX G - Indicative Analysis of Budgets
DfT Capital and Resource Budgets
Major Programme Areas

£m nominal expenditure	Baseline 2010-11 Capital[1]	2011-12 Capital	2012-13 Capital	2013-14 Capital	2014-15 Capital
National Roads (Highways Agency)	**1,571**	**1,244**	**921**	**877**	**1,040**
Rail (including net rail income)	**3,778**	**4,109**	**4,896**	**4,662**	**4,532**
Local government funding	**1,618**	**1,554**	**1,503**	**1,465**	**1,664**
o/w Local Sustainable Transport Fund	*n/a*	*30*	*40*	*60*	*80*
o/w maintenance	*871*	*806*	*779*	*750*	*707*
o/w Integrated Transport Block grant	*450*	*300*	*320*	*320*	*450*
o/w Major local enhancement schemes	*199*	*418*	*364*	*335*	*427*
London transport grants	**n/a**	**424**	**352**	**184**	**0**
Other programmes	**719**	**400**	**410**	**292**	**281**
o/w Regional Growth Fund	*n/a*	*165*	*100*	*-*	*-*
TOTAL	**7,686**	**7,731**	**8,082**	**7,480**	**7,517**

£m nominal expenditure	Baseline 2010-11 Resource	2011-12 Resource	2012-13 Resource	2013-14 Resource	2014-15 Resource	2014-15 % Reduction[2]
National Roads (Highways Agency)	**1,124**	**1,118**	**1,016**	**998**	**947**	**-23%**
Rail (including net rail income)	**-337**	**-87**	**-247**	**-483**	**-435**	**n/a**
Local government funding[3]	**473**	**378**	**401**	**413**	**420**	**-28%**
o/w Local Sustainable Transport Fund	*n/a*	*50*	*100*	*100*	*100*	*n/a*
o/w transferred to CLG formula grants[3]	*n/a*	*303*	*276*	*288*	*295*	*n/a*
Local PFI[4]	**170**	**195**	**239**	**311**	**320**	**71%**
London transport grants	**2,764**	**2,804**	**2,803**	**2,699**	**2,404**	**-21%**
o/w General TfL grant	*1,934*	*1,943*	*1,922*	*1,795*	*1,517*	-28%
o/w Investment grant	*892*	*861*	*881*	*904*	*928*	*n/a*
Other programmes	**1,091**	**1,007**	**907**	**1,131**	**884**	**-27%**
o/w Regional Growth Fund	*n/a*	*-*	*-*	*200*	*-*	*n/a*
o/w Departmental Administration	*295*	*272*	*252*	*233*	*216*	-33%
VED Collection &						

Enforcement[5]	**191**	**189**	**190**	**191**	**191**	**-9%**
TOTAL	**5,141**	**5,299**	**5,033**	**4,971**	**4,436**	**-21%**

1- The Government's spending review process allocated capital according to a bottom-up appraisal methodology; baselines for 2010/11 for individual programmes are therefore estimates and inflated baselines for subsequent years are not available. Therefore savings against baseline do not apply.
2- % reductions compared to the 2010/11 baseline adjusted for inflation
3- These payments transfer to CLG budgets and are therefore not included in DfT's total DEL. The baseline includes funding for demographic pressures on Concessionary Fares in later years
4- Private Finance Initiative (PFI)
5- Vehicle Excise Duty (VED) Collection & Enforcement

Transport Press Enquiries: 020 7944 3066 (Roads, Local Transport and Environment); 020 7944 3108 (Rail); or 020 7944 3118 (Maritime and Security).

Overall Spending Review press enquires should be directed to the Treasury Press office on 0207 270 5238.

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