

Autumn Budget 2026

Campaign for Better Transport representation to HM Treasury

September 2026

About us

Campaign for Better Transport is the leading national transport organisation working across England and Wales to make transport better, greener and fairer. Our vision is for all communities to have access to high-quality, sustainable transport that meets their needs, improves quality of life, reduces inequality, and supports a vibrant, productive and decarbonised economy. We work with politicians, national and local government, civil servants, and industry to maintain, expand and improve the transport offering for all. We welcome the opportunity to contribute to the development of the Autumn Budget.

Summary

High-quality public transport helps to facilitate sustainable economic growth, increase productivity, reduce congestion, improve public health, decarbonise the economy and address regional disparities. HM Treasury should prioritise public transport service improvements and infrastructure projects ahead of roads and airports. The following measures would help grow public transport use and its associated benefits:

- Ensure there is sufficient funding to invest in rail infrastructure maintenance and future climate resilience, capacity expansion and rail freight upgrades
- Reinstatement of the Reopening Your Railway fund or establish an alternative funding pot for reopening local rail lines
- Support cities' aspirations to deliver mass transit schemes with dedicated transport funding and streamlined decision-making
- Establish a funded programme of capacity and capability development in regional and local government
- Allocate an additional £300 million of revenue investment in bus services in this Budget to address the most severe gaps in provision
- Work towards doubling levels of total bus investment by the next Spending Review to bring all areas up to a best-practice level of service and infrastructure provision.

Fairly taxing carbon-intensive modes like flying and driving would both raise much-needed additional revenue and rebalance pricing signals in favour of public transport. The Treasury should:

- Implement a fresh plan to end the 5p fuel duty cut and to revert to inflation-related increases from 2027
- Work with sector representatives to explore different technology options for drivers to report and pay for mileage for the future electric Vehicle Duty system
- Review aviation taxes, and implement a tax on aviation fuel, a frequent flyer levy and a 'super' Air Passenger Duty rate for all private jet passengers.

Prioritising public transport

Improved, expanded and affordable public transport is unequivocally good for the economy, both at a macro and microeconomic level, and for household finances, as well as for our health and wellbeing. Public transport reduces congestion, increases productivity, supports sustainable growth across the country – addressing regional disparities and unlocking opportunities in poorly connected, ‘left behind’ areas.¹

Transport costs are keeping five million people below the poverty line,² but reliable, affordable public transport (combined with improved conditions for walking, wheeling, cycling and shared mobility such as car clubs) provides people with an alternative to costly car ownership and prevents people on low incomes from falling into transport poverty.

Transport investment is an essential enabler of sustainable economic growth and productivity. Both revenue and capital spending on public transport bring a high return on investment. For example, for every £1 spent on bus services and infrastructure, £4.55 of value is delivered.³ It is estimated that improved connectivity through better integration between modes and more frequent and reliable buses across England's six biggest city-regions would unlock £17 billion in annual economic benefits.⁴

We call on HM Treasury to ensure public transport service improvements and infrastructure projects are prioritised ahead of roads and airports.

Rail

Recent rail investment has demonstrated positive economic impacts.⁵ The Elizabeth Line in London, for instance, has not only improved transport accessibility but has also supported the development of 55,000 new homes and is estimated to have added £42 billion to the UK economy.⁶ However, many passenger lines are at capacity and unable to accommodate projected passenger growth. With no plans for replacing HS2 north of Birmingham, the West Coast Mainline is particularly at risk. Bottlenecks on the network also stifle rail freight growth. Network Rail and the future Great British Railways need to be given sufficient funding allocations to plan for growth.

Similarly, re-establishing rail links to disconnected communities can reverse decades of decline, boost tourism and provide better access to employment opportunities. Recent rail reopenings through the Reopening Your Railway fund, such as the Dartmoor, Northumberland and Camp Hill lines have been hugely popular, with passenger journeys far surpassing original projections. For example, the Northumberland line marked its one millionth journey just over a year after opening in December 2024—five times the 200,000 journeys estimated in its business case—before the last three stations on the line had opened this year.⁷

Investment in maintenance and climate resilience measures (such as improved drainage, strengthened earthworks, reinforced sea defences, and heat-resistant track and overhead lines) is also critical. Extreme weather—whether heatwaves, storms, flooding, or landslips—can severely damage railway assets, disrupt services and create major safety risks. The recent heat waves and, thankfully rare, derailment accidents reinforce the need to ensure that the UK rail network remains safe, reliable and cost effective in the face of growing environmental challenges.

HM Treasury should ensure there is sufficient funding to invest in rail infrastructure maintenance and future climate resilience, capacity expansion and rail freight upgrades. It should reinstate the Reopening Your Railway fund or establish an alternative funding pot for reopening local rail lines. There are strong cases such as Poulton-Fleetwood, Skipton-Colne and the Ivanhoe Line.

Mass transit

Reliable, frequent, accessible and zero emission, trams and other forms of mass transit networks have the potential to transform the UK's transport network and create safer, cleaner urban environments with thriving local economies. Yet countries across Europe are further ahead.

In France, all but two towns and cities with a population of more than 150,000 have a tram service; in the UK, only eight of 53 towns and cities with a population of 150,000 have a tram.⁸ French city leaders are designing tram networks around people and around new housing and economic development opportunities. This model could be replicated in Britain with dedicated transport funding, streamlined processes and enhanced delivery powers at the local level.

We welcome progress already made through the Transport for City Regions devolved settlements for eligible Mayoral Combined Authorities and the establishment of the Mass Transit Taskforce to review how projects can be delivered with greater speed and efficiency. HM Treasury should support cities' aspirations to deliver mass transit schemes with dedicated transport funding and streamlined decision making. The Treasury should also work with the Department for Transport and the Ministry of Housing, Communities and Local Government to establish a funded programme of capacity and capability development in regional and local government. The Government's devolution agenda is welcome, but it will not deliver the Government's policy goals if regional and local authorities lack the ability to plan, deliver and operate improved transport systems.

Bus

Buses are an essential public service and the most used form of public transport. With 70 per cent of trips under five miles, investment in local buses is one of the fastest, high-impact interventions to make tangible improvements to people's everyday journeys.

However, in many areas, services remain insufficient to meet basic needs. Campaign for Better Transport's research shows that one in seven (15 per cent) of people in England live in areas where bus provision falls below an acceptable baseline, while 42 per cent of people live in places that do not meet a best practice level of bus provision.⁹ In addition, four in five people would use public transport more if it was better.¹⁰ Targeted revenue investment to improve frequency, reliability and coverage would enable millions more people to choose the bus for everyday journeys.

To enable even more people to travel sustainably and affordably by bus, service provision must be enhanced so buses are more frequent and reach every community and more places people would like to go. We estimate that £300 million per year—the equivalent of just 0.15 per cent of the annual NHS budget—in targeted investment would address the most severe gaps and meet at least a minimum standard of provision. Meanwhile, £1 billion a year—effectively doubling current levels of bus revenue investment—would bring all areas up to a best-practice level of service.

We welcome the work the Department for Transport is undertaking to develop a new statutory guidance to ensure bus stops are safe and accessible for all. Many bus stops do not currently provide comfortable and accessible infrastructure and information passengers require. The Local Authority Bus Grant funding allocations formula has provided more funding for authorities that previously missed out. Yet additional capital funding will be required to implement the necessary upgrades faster.

HM Treasury should allocate an additional £300 million of bus revenue funding in this Budget to address the most severe gaps in provision, and work towards doubling levels of total bus investment by the next Spending Review to bring all areas up to a best-practice level of service and infrastructure provision.

Reforming transport taxation

Fairly taxing carbon-intensive modes like flying and driving would both raise much-needed additional revenue and rebalance pricing signals in favour of public transport.

Fuel duty

We applaud HM Treasury's decision at the last Autumn Budget to gradually end the 5p fuel duty cut and to revert to inflation-related increases from 2027. This would help rebalance transport costs in favour of public, active and shared transport. We understand the decision to delay the increase planned for September, prompted by the war in the Middle East. However, HM Treasury should now implement a fresh plan to pre-cut levels of fuel duty and inflation-related increases in the near future.

Electric vehicle taxation

We welcome HM Treasury's consultation on a plan to implement electric Vehicle Excise Duty (eVED) as an alternative to fuel duty for electric vehicles (EVs). We were pleased to see the Government's response to the consultation remain firm on its implementation from April 2028. Any delay would have made it harder to implement in future years when EV drivers would make up a bigger proportion of the driving population. However, delivering a system that works for all drivers remains a challenge. HM Treasury, alongside the DVLA, should work with sector representatives to explore different technology options for drivers to report and pay for mileage, offered in addition to odometer checks.

Aviation taxes

Flying is the most carbon intensive and polluting form of travel. Yet demand for plane travel is driven by a small proportion of the population. In the UK, 15 per cent of people take 70 per cent of all flights, while nearly 50 per cent of the population do not fly at all.¹¹ Private jet travel is 20-30 times more carbon-intensive per passenger than economy-class commercial flights.¹² HM Treasury should review aviation taxes, and implement a tax on aviation fuel, a frequent flyer levy and a 'super' Air Passenger Duty rate for all private jet passengers.

¹ Campaign for Better Transport (2024), Better transport is better for growth, <https://bettertransport.org.uk/wp-content/uploads/2024/10/Better-transport-is-better-for-growth.pdf>

² Social Market Foundation (2023), Getting the measure of transport poverty: Understanding and responding to the UK's hidden crisis, <https://www.smf.co.uk/publications/transport-poverty-hidden-crisis/>

³ CPT & KPMG (2024), The economic impact of local bus services, <https://www.cpt-uk.org/campaignsreports/economic-impact-of-local-bus-services/>

⁴ Centre for Cities (2025), Integrated transport: The size of the prize for mayors, <https://www.centreforcities.org/reader/integrated-transport/the-size-of-the-prize-for-mayors/>

⁵ Campaign for Better Transport (2025), Making the connection: Rail and the sustainable growth opportunity, <https://bettertransport.org.uk/research/making-the-connection-rail-and-the-sustainable-growth-opportunity/>

⁶ Transport for London (24 May 2024), The Elizabeth line continues to transform travel in London on its two-year anniversary, <https://tfl.gov.uk/info-for/media/press-releases/2024/may/the-elizabeth-line-continues-to-transform-travel-in-london-on-its-two-year-anniversary>

⁷ Campaign for Better Transport (2025), op. cit.

⁸ Create Streets, Campaign for Better Transport, & Freewheeling (2026), Towns and Trams: Learning from the French, <https://bettertransport.org.uk/research/towns-and-trams-learning-from-the-french/>

⁹ Campaign for Better Transport (9 July 2026), New online interactive bus mapping tool reveals one in seven people in England lack a decent bus service, <https://bettertransport.org.uk/media/new-online-interactive-bus-mapping-tool-reveals-one-in-seven-people-in-england-lack-a-decent-bus-service/>

¹⁰ Campaign for Better Transport (7 November 2023), Survey finds 79 per cent of drivers would use public transport more if it was better, <https://bettertransport.org.uk/media/survey-finds-79-per-cent-of-drivers-would-use-public-transport-more-if-it-was-better/>

¹¹ New Economics Foundation, Possible (2021), A frequent flyer levy: Sharing aviation's carbon budget in a net zero world, <https://new-economicsf.files.svcdn.com/production/files/frequent-flyer-levy.pdf>

¹² Campaign for Better Transport (2023), Plane speaking: Moving journeys from air to rail, <https://bettertransport.org.uk/research/plane-speaking-moving-journeys-from-air-to-rail-july-2023/>