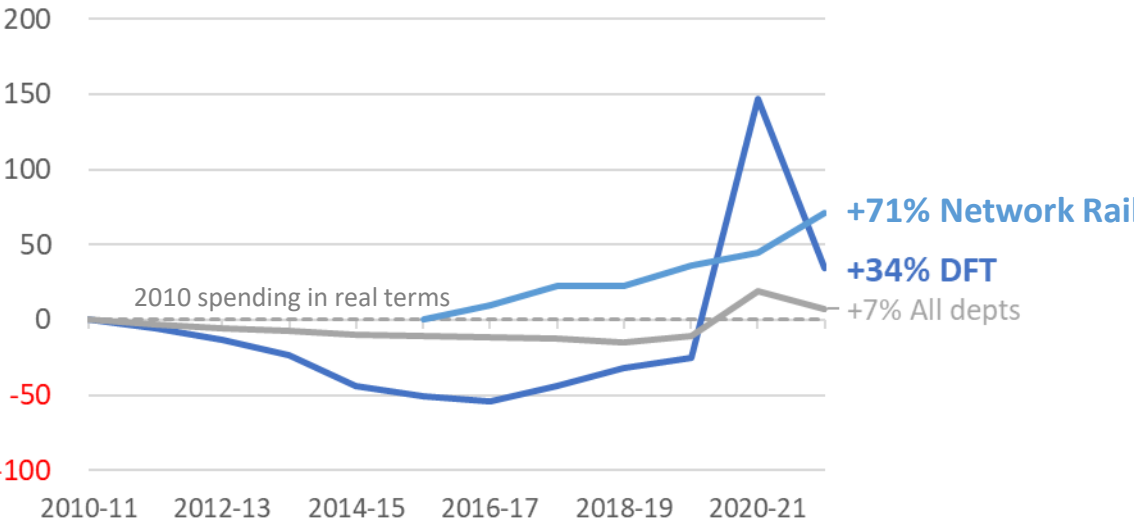


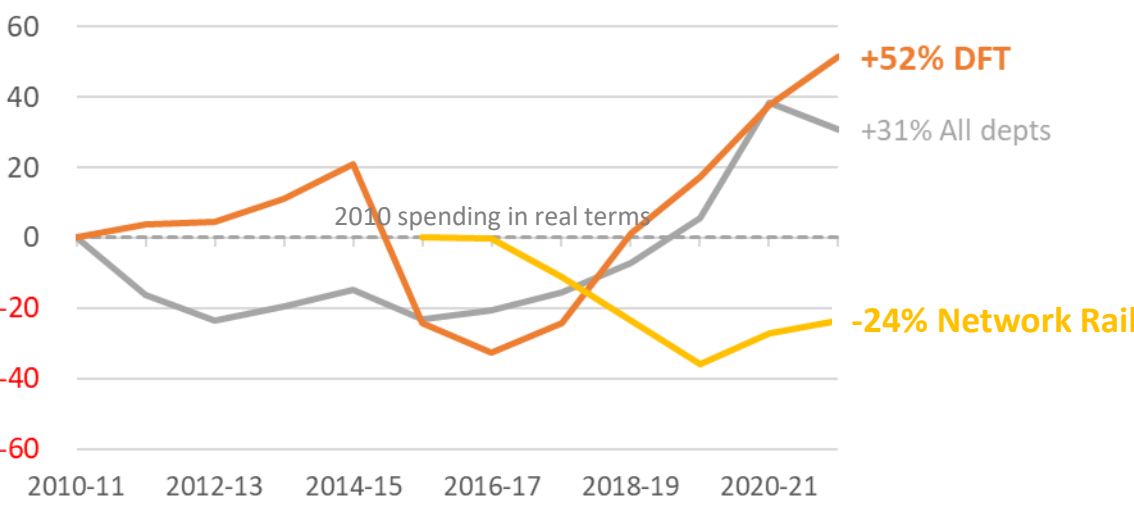
Department for Transport (DfT)

Long-term trends in DfT's spending (in real terms)

Percentage change in **day-to-day spending** compared to 2010 (Resource DEL):



Percentage change in **investment spending** compared to 2010 (Capital DEL):



Day-to-day spending trends

- By **2019-20**, DfT's budget (excluding Network Rail) had **decreased by 25%** in real terms compared to 2010-11.
- Network Rail was reclassified from the private to the public sector in 2014. The graph combines Resource DEL and Resource AME funding as this has moved between the two spending lines.
- In **2020-21**, DfT received **£12.8 billion in day-to-day Covid-19 support measures**, driving spending above 2010-11 levels.
- In **2021-22**, **£4.7 billion has been allocated for Covid-19 support**. There is likely to be additional budget cover sought in the Supplementary Estimates in February 2022 - for example, the Transport for London funding package only covers the period up to 28th May 2021.

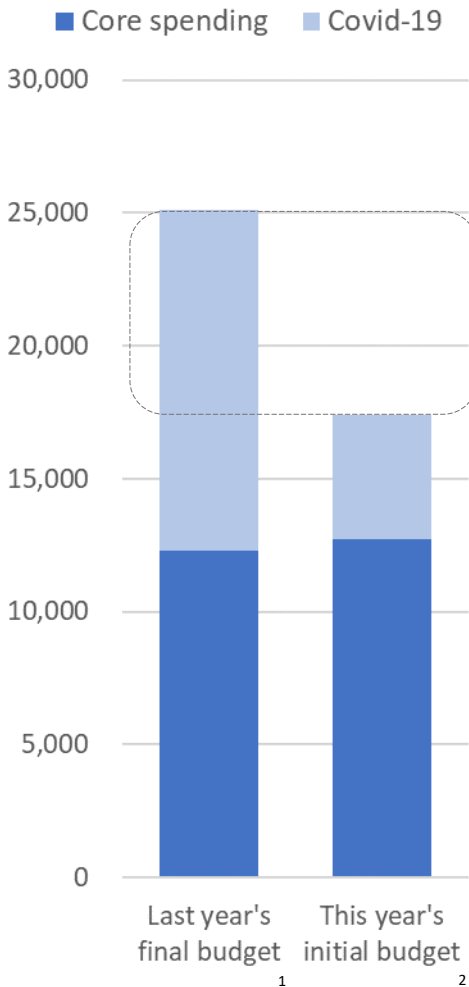
Investment spending trends

- The investment budget has been volatile since 2010-11 but **construction activity on High Speed Two and EU exit costs** have driven spending increases in recent years. Spending is now set to be 52% higher than in 2010-11, in real terms.
- DfT has spent relatively little on capital Covid-19 costs: £190 million has been allocated for 2021-22, compared to £380 million in 2020-21.

How is the DfT's day-to-day spending changing in 2021-22?

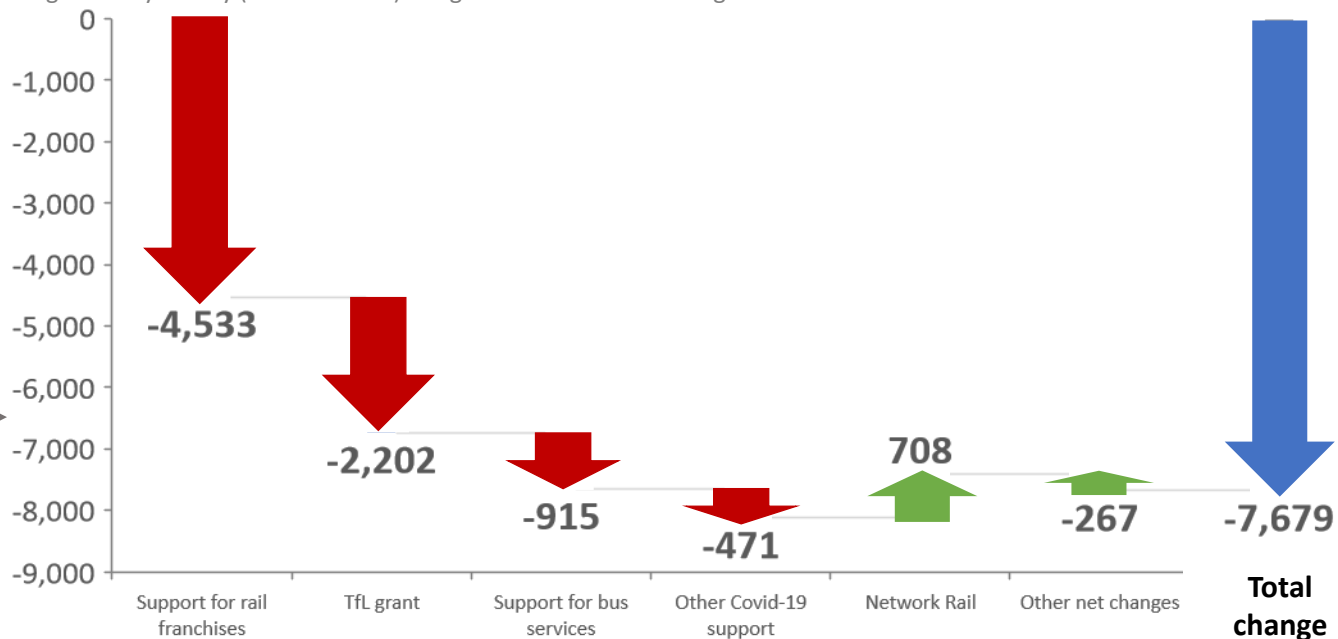
DfT's day-to-day budget is decreasing by £7,679m (-30.6%)

Resource DEL budget in £m



DfT's proposed budget decrease is driven by a reduction in Covid-19 funding (possibly temporarily)

Changes in Day-to-day (Resource DEL) budget in £m since final budget for 2020-21



Changes in 2021-22

- **Support for rail franchises:** £3,722 million provided in emergency support measures in 2021-22, compared to £8,275 million in 2020-21 - although there may be additional budget approved in the Supplementary Estimates.
- **Transport for London grant:** £2,702 million provided in 2020-21, compared to £500 million in the 2021-22 Main Estimates. A further £1,080 million was agreed on 1 June 2021 to cover the period until 11 December 2021.
- **Support for bus services:** DfT provided £1,190 million in 2020-21, compared to £275 million in 2021-22.
- **Other Covid-19 support:** reductions in: local authority transport (£131 million); aviation, maritime, security and safety (£116 million); motoring agencies (£75 million); and other arms-length-bodies (£72 million). The Active Travel Commitment (£77 million) has been reclassified as a business-as-usual budget.
- **Network Rail:** £708 million increase in Network Rail for increased levels of delivery, risk and depreciation costs.
- **Other:** mainly comprises £196 million decrease for Highways England and £76 million reduction in EU-exit costs.

¹ Final Budget in Supplementary Estimates 2020-21 (Feb 2021))

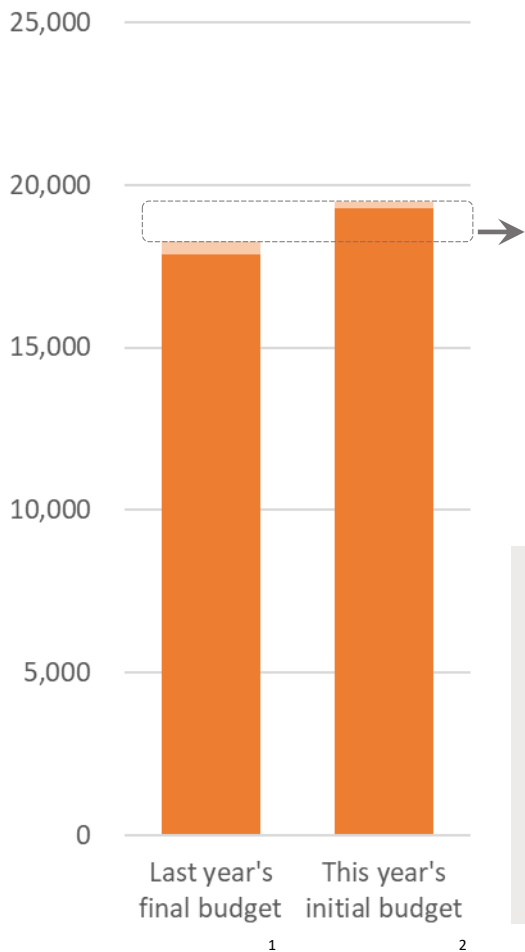
² Initial Budget in Main Estimate 2021-22 (May 2021)

How is DfT's investment spending changing in 2021-22?

DfT's investment budget is increasing by £1,230.4m (+6.7%)

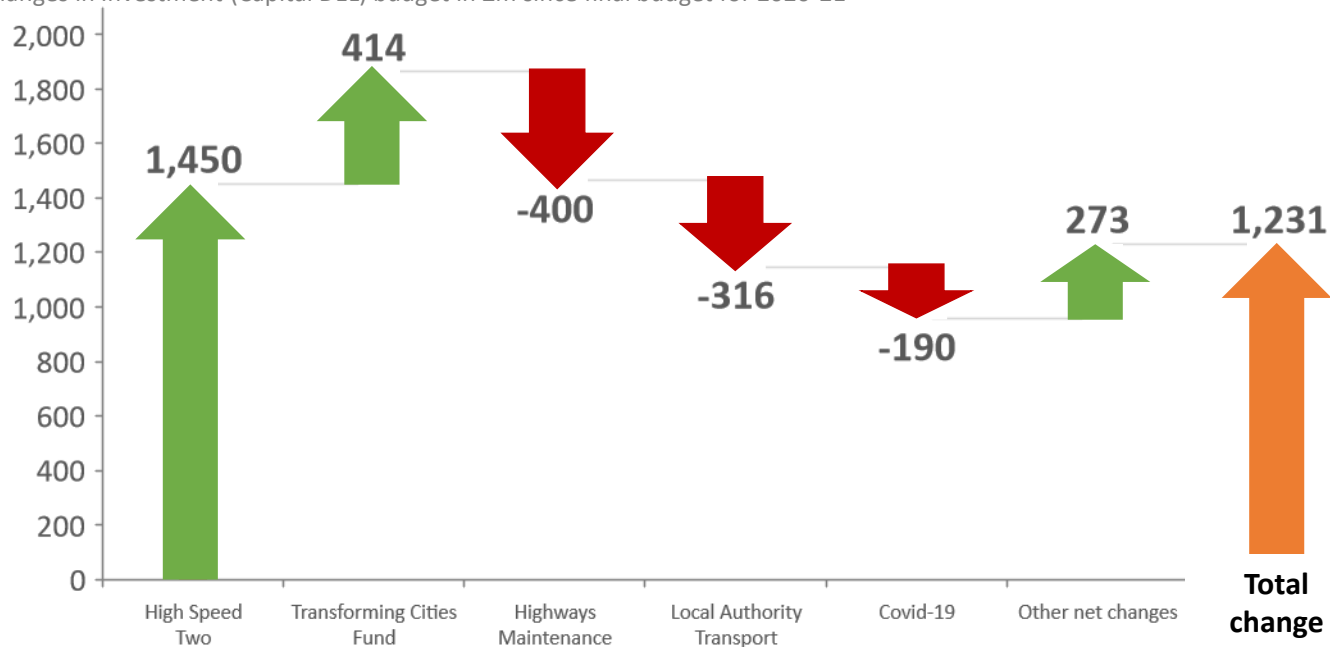
Capital DEL budget in £m

Core spending Covid-19



DfT's investment spending is increasing mainly due to construction activity on High Speed Two

Changes in Investment (Capital DEL) budget in £m since final budget for 2020-21



Changes in 2021-22

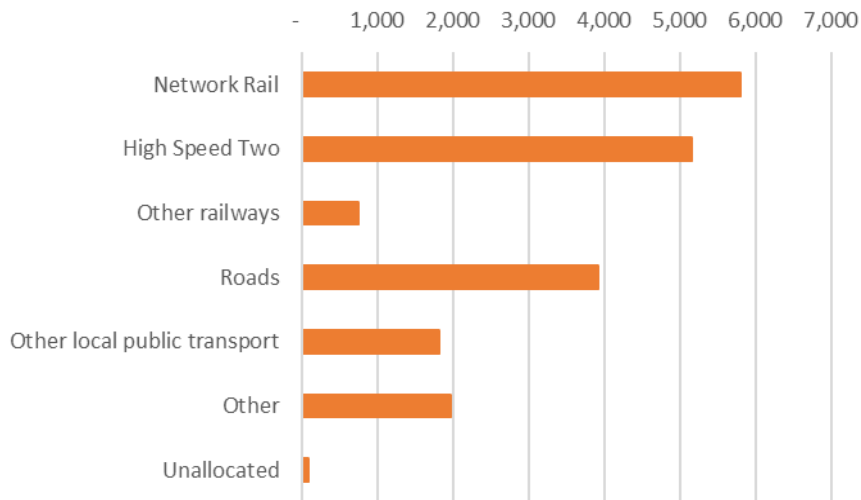
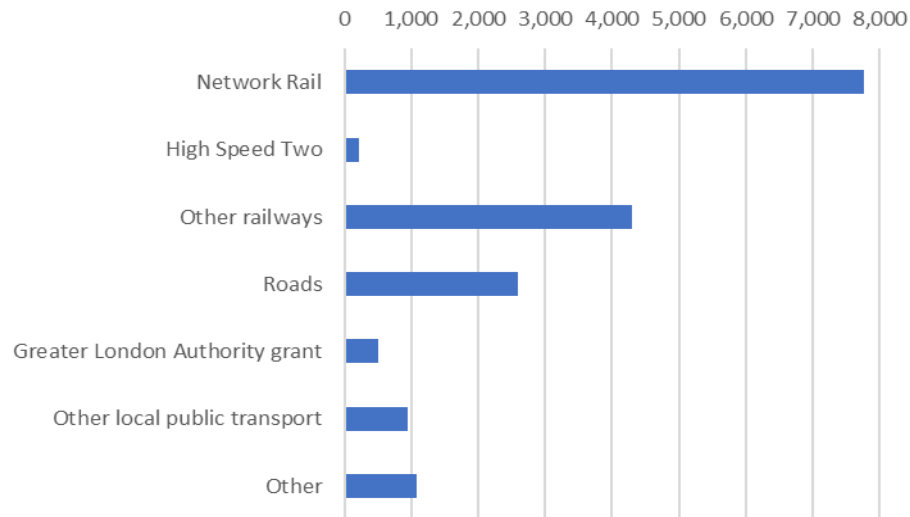
- **High Speed Two:** £1,450 million increase for High Speed Two following Notice to Proceed approval in 2020.
- **Transforming Cities Fund:** £414 million increase in line with the fund's multi-year settlement profile.
- **Highways Maintenance:** £400 million decrease, agreed in the 2020 Spending Review.
- **Local Authority Transport:** £316 million decrease, mainly due to the funding profile of major programmes.
- **Covid-19:** £207 million decrease in emergency support for rail franchises offset by £17 million increase for the Active Travel Commitment. Additional budget will be approved in the Supplementary Estimates.
- **Other:** this includes £362 million increase for Highways England due to delivery of the Road Investment Strategy 2 £187 million increase for Network Rail; offset by £132 million decrease due to reduced EU exit costs; and £180 million decrease in support for passenger rail services (non Covid-19)

¹ Final Budget in Supplementary Estimates 2020-21 (Feb 2021)

² Initial Budget in Main Estimate 2021-22 (May 2021)

Most of DfT's budget is for the railways, and Network Rail in particular

Breakdown of DfT initial budget for 2021-22 (£ million)*



Day-to-day spending (Resource DEL)

- **Railways (including Network Rail and High Speed 2)** continues to be the largest element of the day-to-day budget at 71% (£12,282 million), just under two thirds of which relates to Network Rail.
- **Roads** comprise 15% (£2,594 million) of the Department's budget which is mostly for Highways England.
- The **Greater London Authority grant** is £500 million in funding for Transport for London, covering the period from 1 April to 28 May.
- **Other funding** mainly comprises £521 million for aviation, maritime and security costs, as well as £347 million for administration costs and arms-length-bodies, and £144 million for sustainable travel.

Investment spending (Capital DEL)

- Investment spending is slightly higher in total than the day-to-day spend due to several construction-intensive projects such as High Speed Two.
- **Other funding** mainly comprises £850 million for the Transport Development Fund, £822 million for Sustainable Travel and £225 million for aviation, maritime and security costs.

Groupings

- **Other railways:** Other Railways; East West Rail Company Limited; and Support for Passenger Rail Services.
- **High Speed Two:** High Speed Rail; and High Speed Two Limited.
- **Roads:** Highways England; Motoring Agencies; and Tolloed Crossings.
- **Other local public transport:** Local Authority Transport; and Bus Subsidies and Concessionary Fares

*Day-to-day spending includes depreciation; totals above will overstate cash spending as a result

DfT's spending beyond 2021-22

The most recent spending plans were published in **Spending Review 2020**, with some further announcements in **Budget 2021**. Due to uncertainty caused by Covid-19 plans were only given for 2021-22 and some specific multi-year capital programmes.

- Major future commitments have included*:
- £22.6 billion for High Speed Two (to 2024-25)
 - £18 billion for the Road Investment Strategy (to 2024-25)
 - £17.5 billion for Network Rail (control period 6 to 2023-24)
 - £4.2 billion for Intra-City Transport Settlements from 2022-23 through 5-year consolidated funding settlements for 8 city regions.
 - £3 billion to transform bus services
 - £1.9 billion for electric vehicle charging infrastructure (to 2024-25)

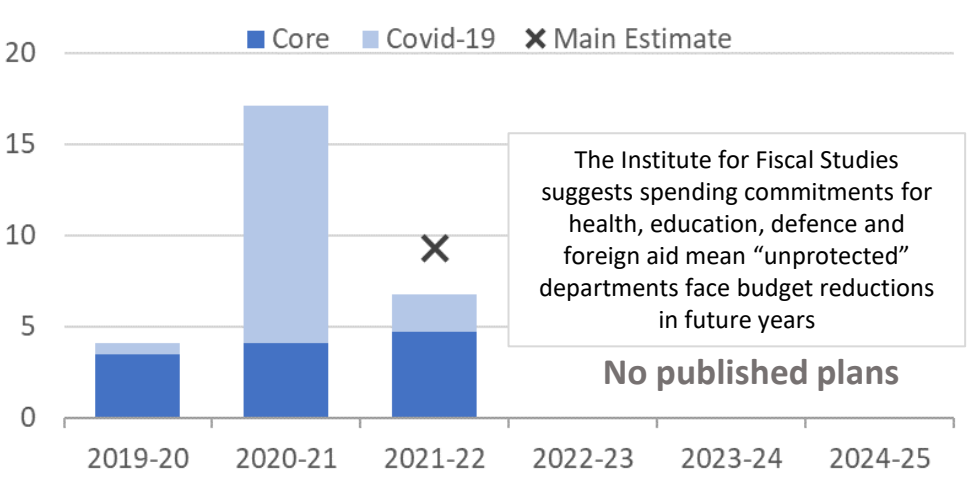
- Day-to-day spending:**
- £4.7 billion is allocated for Covid-19 support measures in 2021-22. The Main Estimate is higher than the £2.1 billion in Covid-19 support measures in 2021-22 allocated in the 2021 Budget.
 - Overall, the Main Estimate is £2.5 billion higher than the Budget 2021 settlement.
 - DfT's RDEL budget is not allocated beyond 2021-22 and may be facing future spending reductions as a result.

- Investment spending:**
- The Main Estimate is £0.7 billion higher than the 2021 Budget.
 - Most of the 2021-22 investment budget is for previously announced commitments, as outlined above.
 - Further Covid-19 budget may be approved later in the year.

*May involve day-to-day and investment spending over several years

DfT's future day-to-day spending is largely unknown

£ billion, Resource DEL budget excluding depreciation



Home Office's future investment spending includes one major project

£ billion, Capital DEL budget

