The Chancellor's Autumn Statement 2015

Fact Sheet 113 – Issued December 2015

The Chancellor has made his annual Autumn Statement, and set out the Government's spending plans for the next three year cycle, as part of the Comprehensive Spending Review.

A summary of the key points of interest to customers is listed below:

Corporation Tax
Since 2010, the headline rate of corporation tax has been cut from 28% to 20%. This will fall to 18% by the end of this Parliament, as announced before the election.

Company Car Tax
The 3% differential between diesel and petrol cars will remain the same until 2021, in order to take account of the delay in the introduction of new and further EU emissions testing procedures.

Capital Allowances
The Government will amend current legislation to counter tax avoidance, involving capital allowances and leasing, which involve businesses artificially increasing the value of their capital allowances or lowering the amount of tax which they pay.

Ultra-Low Emission Vehicles
The Government will invest over £600 million between 2015-16 and 2020-21 to support uptake and manufacturing of UK ultra-low emission vehicles (ULEVs).

Roads Investment Strategy
£61 billion will be invested in transport over the Parliament, including £13.4 billion to continue to deliver the Roads Investment Strategy. This will include:

- Resurfacing over 80% of the strategic road network, and delivering over 1,300 miles of additional lanes
- An additional £250 million over five years to fix potholes
- Future roads investment will be subsidised through a new Roads Fund paid for by Vehicle Excise Duty from 2020-21. A second Roads Investment Strategy will be published before the end of this Parliament, detailing how this Fund will be invested

Departmental spending
Day-to-day expenditure by the Department for Transport will be cut by 37%, with efficiency savings including:

- The DVLA's continuing move to digital services saving an additional £94 million over the current Parliament
- Moving several services and costs incurred by DVSA to a chargeable fee basis (further details to follow)
- Moving Transport for London to the basis of a capital funded organisation, with the resource grant being phased out. This will save £700 million in 2019-20, which will be made up though efficiency savings on the part of TfL, and generating additional income through the 5,700 acres of land which TfL owns in London.

Devolution
The Government will also continue to devolve further transport powers to Mayor-led city regions, including Greater Manchester, Sheffield City Region, Liverpool City Region, the North East, Tees Valley and the West Midlands.