

£500m to fuel the UK's electric car plans, on the road to a driverless future

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The government will spend £400m on a new charging infrastructure fund and £100m towards a Plug-In-Car Grant to help people buy new electric vehicles with the goal of ridding cities of air pollution caused by high emission vehicles.

Chancellor Philip Hammond said that funding the electric car transition will be funded through taxes on new diesel cars.

Mr Hammond said: "From April 2018 the first year VED rate for diesel cars that don't meet the latest standards will go up by one band and the existing diesel supplement in Company Car Tax will increase by 1%."

VED is based on a vehicle's CO2 emissions and the cost for the first year ranges from zero to £2,000. New diesel cars – and not vans – that do not meet emissions standards will suffer the tax increase next April.

The Chancellor also announced plans to have fully autonomous driverless vehicles on UK roads by 2020, but not before electric cars take root in the country. Sweeping changes to the regulatory framework will enable the testing of such cars without a human safety operator. His comments were in spite of critics' warning that the technology necessary for driverless cars to succeed is a long way from being ready.

"Our future vehicles will be driverless, but they'll be electric first and that's a change that needs to come as soon as possible."

