

£1 billion to cut costs for businesses, drive growth and clean up UK roads

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The Zero Emissions Truck and Van grants and the Depot Charging Scheme aim to help businesses make the switch to electric vans and trucks.

- £1 billion boost for British businesses to roll out clean trucks and vans and install new EV chargers at depots – helping to build resilience against fuel price uncertainty
- companies will save up to £81,000 off the heaviest zero emission trucks – covering up to 40% of the cost – and up to £5,000 off new zero emission vans, cutting costs, supporting jobs, and slashing emissions
- Businesses and public authorities will also save up to £1 million when installing chargers for vans, coaches, and HGVs

Businesses across the UK are being backed to roll out electric vans and trucks with £1 billion of funding – saving them cash, cleaning up millions of journey miles, and helping hauliers become more resistant to global price changes.

The Zero Emissions Truck and Van grants and the Depot Charging Scheme (DCS) aim to tackle two of the biggest barriers to businesses making the switch - upfront costs and access to charging.

Global fuel price uncertainty is challenging for businesses, and these grants will support industry to switch to electric, helping to reduce exposure to fuel price uncertainty.

The truck grant will offer savings of up to £81,000 off the heaviest zero emissions trucks, covering up to 40% of the cost. The van grant will continue to offer discounts of up to £5,000 off the cost of electric vans.

On top of that, businesses and public authorities could save up to £1 million, covering up to 70% of the cost, when installing charging infrastructure for vans, coaches, and eHGVs, thanks to a £170 million boost to the government's Depot Charging Scheme.

Aviation, Maritime and Decarbonisation Minister Keir Mather, said:

This £1 billion investment cuts cost for British businesses, supports jobs, cleans up our roads, and gives operators protection against shifting global fuel prices.

The logistics sector is the backbone of the UK economy, worth £170 billion and supporting 2.7 million jobs. We're helping them expand and decarbonise their fleets whilst saving them cash, driving growth up and down the country.

The new funding comes after the government announced an £18 million uplift in January to slash up to £120,000 off the cost of green lorries, making it cheaper for businesses to go electric, with companies like M&S and Wren Kitchens and Bedrooms taking advantage of funding to decarbonise their fleets and reduce operational costs.

Lee Holmes, Transport and Logistics Director at Wren Kitchens and Bedrooms, said:

Government investment gives businesses like Wren the confidence to accelerate fleet decarbonisation while maintaining operational stability, even in periods of economic uncertainty.

With this support, we've brought a number of 44-tonne e-trucks into our fleet alongside a rapid charging infrastructure, reducing our reliance on traditional fuels and strengthening resilience and reliability against ongoing market volatility.

Julian Bailey, Head of Group Transport at M&S, said:

In 2021, we set ourselves the ambitious target of becoming a net zero business across our value chain by 2040. Since then, we've made some great progress, which includes the onboarding of 24 battery electric vehicles across our transport fleet.

We welcome this investment which serves as a reminder of the importance of the logistics sector in the UK and its role in decarbonisation.

Alongside support for operators, the government is also helping families make the switch through the Electric Car Grant which has helped over 80,000 drivers buy an EV, by saving them up to £3750 in the process. This is tackling upfront costs which is one of the biggest barriers to EV adoption.

With 1 in 4 cars sold now electric, it's crucial to expand the UK's charging infrastructure and so the government is spending over £600 million to rollout hundreds of thousands of EV chargers across the country, giving drivers the confidence they'll be able to charge up whether at home, at work or on the go. This will build on the over 118,000 chargers already available.

Toby Poston, BVRLA Chief Executive said:

The Depot Charging Scheme is playing a vital role in helping fleet operators and rental companies to install affordable, reliable charging infrastructure at their depots.

The vehicle rental sector faces one of the most challenging paths to decarbonisation, and this additional support for depot charging will play a major role in building confidence. It will encourage more rental operators - particularly SMEs - to electrify at scale, reduce costs, and contribute to the UK's net zero goals.

<https://www.gov.uk/government/news/1-billion-to-cut-costs-for-businesses-drive-growth-and-clean-up-uk-roads>