

Decarbonisation-related grants and funds

Briefing note

The UK government has legislated for the country to be a net zero economy by 2050, with Scotland legislating to meet net zero by 2045. This commitment has consequences for all sectors and industries, including transport and logistics, which must reduce its emissions. Currently, the transport sector is responsible for the largest share of UK emissions at 37.1%. Light commercial vehicles (LCVs) and heavy goods vehicles (HGVs) are collectively responsible for around 23% of these transport emissions.

Overview

For road, the UK government has multiple funding streams in place to support the uptake of zero-emission vehicles (ZEVs), in particular battery-electric vehicles (BEVs). For example, the Zero-Emission Vehicle Grants (ZEVG), the Zero-Emission HGV Infrastructure Demonstrator Programme (ZEHID) and the Depot Charging Scheme (DCS).

For maritime, rail and aviation, the UK government supports research and innovation in low-emission technology development. This includes investment in low emissions technology development through the UK Shipping Office for Reducing Emissions (UK SHORE) programme. UK SHORE has multiple funding streams including the Zero Emission Vessels and Infrastructure (ZEV) competition and Clean maritime demonstration competition (CMD). In 2026, the government announced a further £43m to research cleaner aviation.

Road

Zero-Emission Vehicle Grants (ZEVG)

[Zero-Emission Vehicle Grants](#) (ZEVG) can help bridge the price gap between newly purchased BEVs and internal combustion engine (ICE) vehicles by giving operators a grant towards new BEVs. The aim of this government grant is to help alleviate the additional financial burden from the upfront cost of purchasing new vehicles. The ZEVG is taken off the purchase price¹ of the vehicle. Eligible vehicles must have been approved by the government – the types of eligible vehicles are updated by the government and published [here](#).

For LCVs, the discount depends on size (please see [here](#)). The maximum discount for small vans is £2,500. For large vans, the maximum discount is £5,000.

For HGVs, the discount depends on the weight of the vehicle. Please check [here](#) for the latest grant limits. Grants will be capped at:

- 20% of the upfront cost of the vehicle for trucks over 4.25 and up to 12 tonnes.
- 40% of the upfront cost of the vehicle for trucks in other weight categories.

[Northern Ireland](#): SMEs are eligible for the same grants as Scotland, England and Wales (subject to the supply of a signed declaration confirming a company's status as an SME). For large enterprises, due to state aid rules, this grant is limited to:

- 20% of the upfront cost of the vehicle for trucks over 4.25 and up to 12 tonnes.
- 30% of the upfront cost of the vehicle for trucks in other weight categories.

¹ For private, business, fleet or demonstration models the purchase price means the actual price paid by the customer, including any discount, not the recommended retail price. The purchase price includes: number plates, vehicle excise duty (as applicable), VAT (as applicable), any discount (including rebates and manufacturer discounts).

Depot Charging Scheme

The [Depot Charging Scheme \(DCS\)](#) supports the uptake of zero-emission HGVs, vans and coaches by part-funding the installation of charging infrastructure at fleet depots across the UK, including [Northern Ireland](#)². In March 2026, the scheme was extended following a trial from July 2025³.

The first application window is from 25 March 2026 to 27 October 2026 and will fund 70% of charge point and civil costs, up to £1 million across all sites. Projects will have until 31 March 2027 to complete works.

The second application window will open on 28 October 2026 and close on 29 January 2027 for projects starting from April 2027, to be delivered by 31 March 2028. Grant rates for this phase of the scheme have not yet been confirmed.

Maritime and rail

UK SHORE

The government announced £271 million for maritime decarbonisation through the Clean Maritime Demonstration Competition (CMDc) Round 7 and the Zero Emission Vessels and Infrastructure (ZEVI) Round 2. This is part of a wider £448 million UK SHORE commitment running to 2030.

The CMDc Round 7, which funds alternative fuel and vessel innovation, port and harbour decarbonisation solutions and digital and AI systems to help reduce emissions closed on 15 July 2026. Project costs can range from £100,000 to £15m depending on strand. Up to 70% of costs can be funded, depending on project type and business size.

The [ZEVI programme Round 2](#) funds the deployment over three years of zero-emission vessels including battery-electric and hydrogen-powered craft, with investments up to £150m in innovation projects. ZEVI also supports shoreside infrastructure such as charging systems, hydrogen bunkering and shore power installations to accelerate maritime decarbonisation. Applications opened on 26 March 2026 and close on 16 September 2026.

Mode shift grants (GB only)

The Mode Shift Revenue Support (MSRS) scheme and the Waterborne Freight Grant (WFG) are currently closed to new applications, but funding will continue to be provided to operators who applied before the deadline [until March 2027](#). These grants were only available in GB, not in Northern Ireland.

- MSRS supports modal shift to coastal freight movements and where they are more expensive than road but deliver environmental benefits.
- WFG provides financial assistance to encourage the transfer of freight from road to rail or water, offsetting operating cost disadvantages.

Aviation

Green Aviation R&D Fund

In February 2026, the government launched a [£43m green aviation fund](#). The ambition is to fund projects looking at zero-emission aircraft technology including hydrogen and electric flights, research into reducing contrails, as well as sustainable aviation fuel (SAF)-related research. The fund aims to accelerate net-zero aviation by 2050. The first round of [Zero Emission Flight Demonstrators](#) closed for applications on 1 April 2026.

² This does not include the Crown Dependencies (Isle of Man, Jersey or Guernsey).

³ In July 2025, the DCS was launched as a £30 million scheme to provide support to fleet operators towards the costs of installing charging infrastructure for electric HGVs, LCVs and coaches at depots. The government has committed to covering up to 75% of charge point and civil costs (up to a maximum £1 million) per organisation.