

Government funding targeted at more affordable zero-emission vehicles

I am making this statement to update the House on changes being made today to the government's [plug-in vehicle grant scheme](#) as well as our plans to regulate to improve the experience for drivers charging electric vehicles.

Plug in grant scheme

For over a decade, the plug-in vehicle grant scheme has helped to boost the uptake of zero and ultra low emission vehicles by offsetting their up-front cost, supporting our goal of eliminating tailpipe greenhouse gas emissions in our drive towards net zero, as well as removing air pollutants that harm human health.

The government has invested over £1.5 billion since 2010, supporting nearly half a million vehicles. The approach has worked – it has helped to kickstart a market that is now moving forward at pace.

Over 150,000 zero emission cars have been sold so far this year, more than 1 in 10 of all new cars sold. Electric van uptake is also accelerating at pace, with grant orders up 250% this year compared with 2020. And almost 50% of mopeds sold in 2021 have been electric, with some models costing the same upfront as an internal combustion engine equivalent.

Last year, the government announced a further £582 million to continue the plug-in grants until at least 2022 to 2023, and more money was allocated at the [Spending Review in October](#). This funding remains in place. However, with demand so strong, it is right that we seek to focus the grants, which are funded by the taxpayer, on the areas where they will have the most impact and where the market still needs government support.

From today, the government will provide grants of up to £1,500 for electric cars priced under £32,000, focusing on the more affordable vehicles and making best use of taxpayers' money.

Wheelchair accessible vehicles are being prioritised, with a higher grant of £2,500 for vehicles priced under £35,000. Small vans will also receive £2,500, and large vans £5,000, with a per financial year limit of 1,000 grants per business to ensure that funding is spread fairly. There will be no changes for small or large trucks, which receive £16,000 and £25,000 respectively.

Motorcycles priced up to £10,000 (L3e category) will receive £500 and mopeds (L1e) will get £150. These changes will allow the scheme's funding to go further, helping more people and businesses to switch to an electric vehicle.

Generous tax incentives, including zero road tax and favourable company car tax rates, which are a strong driver of uptake and can save drivers over

£2000 a year, remain in place. It is expected that the total cost of EV ownership will reach parity during the 2020s compared to petrol and diesel cars.

Improving drivers experience of charging

The UK has been a global front-runner in supporting provision of charging infrastructure along with private sector investment. Our vision is to have one of the best infrastructure networks in the world for electric vehicles, and we want chargepoints to be accessible, affordable and secure.

Government and industry have supported the installation of over 27,600 publicly available charging devices including more than 5,000 rapid devices. Government has also supported the installation of almost 250,000 chargepoints in homes and businesses.

Earlier in the year, government [consulted to improve the consumer experience at public electric vehicle chargepoints](#). Next year we will introduce new rules that will increase confidence in our electric vehicle charging infrastructure. This will mandate a minimum payment method – such as contactless payment – for new 7.1 kw and above chargepoints, including rapids.

Consumers will soon be able to compare costs across networks in a recognisable format similar to pence per litre for fuel and there will be new standards to ensure reliable charging for electric vehicle drivers.

Conclusion

Today's announcement, which is part of a wider package of £3.5 billion funding that this government is investing to support the automotive sector and consumers in the transition to zero emission vehicles, is in response to a market-led acceleration towards greater electric vehicle ownership.