

March 2026

The impact of removing the Plug-in Motorcycle Grant

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Summary

Overall, we estimate that the removal of the Plug-in Motorcycle Grant (PiMG) could lead to close to 6,500 fewer zero-emission motorcycles being sold between now and 2030/31.

Based on existing sales, this equates to losing two and half years of electric L3 sales. In financial terms, this loss of sales equates to around £50 million lower sales in electric L3 vehicles.

The scale of this impact, and the signal that the lack of support from the Government sends, makes it likely that the removal of the PiMG will have a significant impact in terms of the attractiveness of the UK as a place to invest in and grow the market for zero-emission motorcycles and L-category vehicles more generally.

Given the potential importance of L-category vehicles for the future of affordable urban mobility, including for businesses, and for the transition to net-zero transport, this lack of commitment to the scheme clearly cuts against the Government's priorities on growth and decarbonisation.

Context

The PiMG was introduced in 2017 to incentivise the purchase of electric mopeds (L1) and motorcycles (L3). Unless the Government acts now, the scheme will close in April 2026. This short note demonstrates why failure to act would undermine a range of Government objectives, including economic growth and improved urban mobility, and the transition to net-zero transport.

Key facts about the PiMG

Since its launch, the PiMG has supported a total of over 14,000 L-category vehicles.¹

Changes to the scheme were made in 2021, with reduced rates of incentive and the introduction of a £10,000 limit on purchase price for eligibility, and in 2024 when L1 mopeds were removed from the scheme. Table 1 outlines how the scheme definition has changed over time.

Table 1: Plug-in Motorcycle Grant scheme rules, over time.

Period	L1 electric mopeds	L3 electric motorcycles
2017 to November 2021	20% of vehicle cost, up to £1,500	
December 2021 to March 2024	Up to £150; vehicles eligible below a price cap of £10,000	Up to £500 off; vehicles eligible below a price cap of £10,000
April 2024 to March 2026	No eligibility	
April 2026 onwards (under current plans)	No eligibility	

Source: Department for Transportⁱⁱⁱⁱⁱ.

The table below shows growth in sales of L1 and L3 category vehicles split by PiMG eligibility.

Table 2: Average year-on-year sales growth for L1 and L3 category vehicles, by year

Period	L1 category		L3 category	
	Similar ICE non-eligible	Grant-eligible electric (until 2024)	Similar ICE non-eligible	Grant-eligible electric
2017 to November 2021	-8%	62%	-3%	88%
December 2021 to March 2024	-13%	30%	10%	82%
April 2024 to March 2026	0%	-28%	-8%	8%

Source: WPI Economics analysis of MCIA vehicle registrations data.

Estimated impact of the PiMG

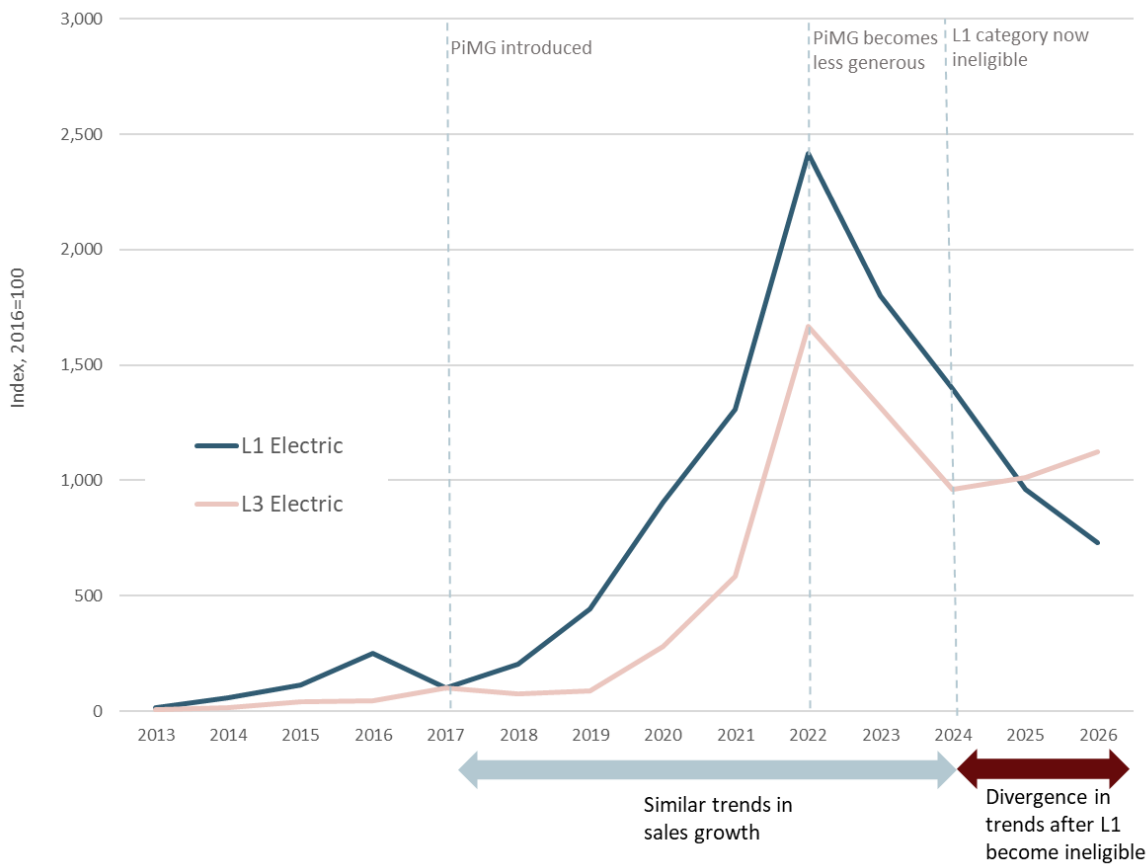
To understand the potential impacts of removal of the PiMG, we have analysed sales data from the last 10 years to assess how previous changes to the PiMG have impacted on sales.

Figure 1 shows an index of L1 and L3 PiMG-eligible sales. Key points of change in the scheme are highlighted.

The divergence in treatment in L1 and L3 categories in 2024 – when eligibility ended for L1 but continued for L3 – provides a natural way for us to identify the potential impacts of the PiMG ending in April 2026.

Figure 1 shows that, between the introduction of the scheme and 2024, the profile of sales growth for electric L1 and L3 are closely matched. However, when the grant for L1 vehicles was removed in 2024, their sales fell significantly compared to the trends in L3 vehicles.

Figure 1: Index of sales volumes for PiMG eligible vehicles



Source: WPI Economics analysis of MCIA vehicle registrations data.

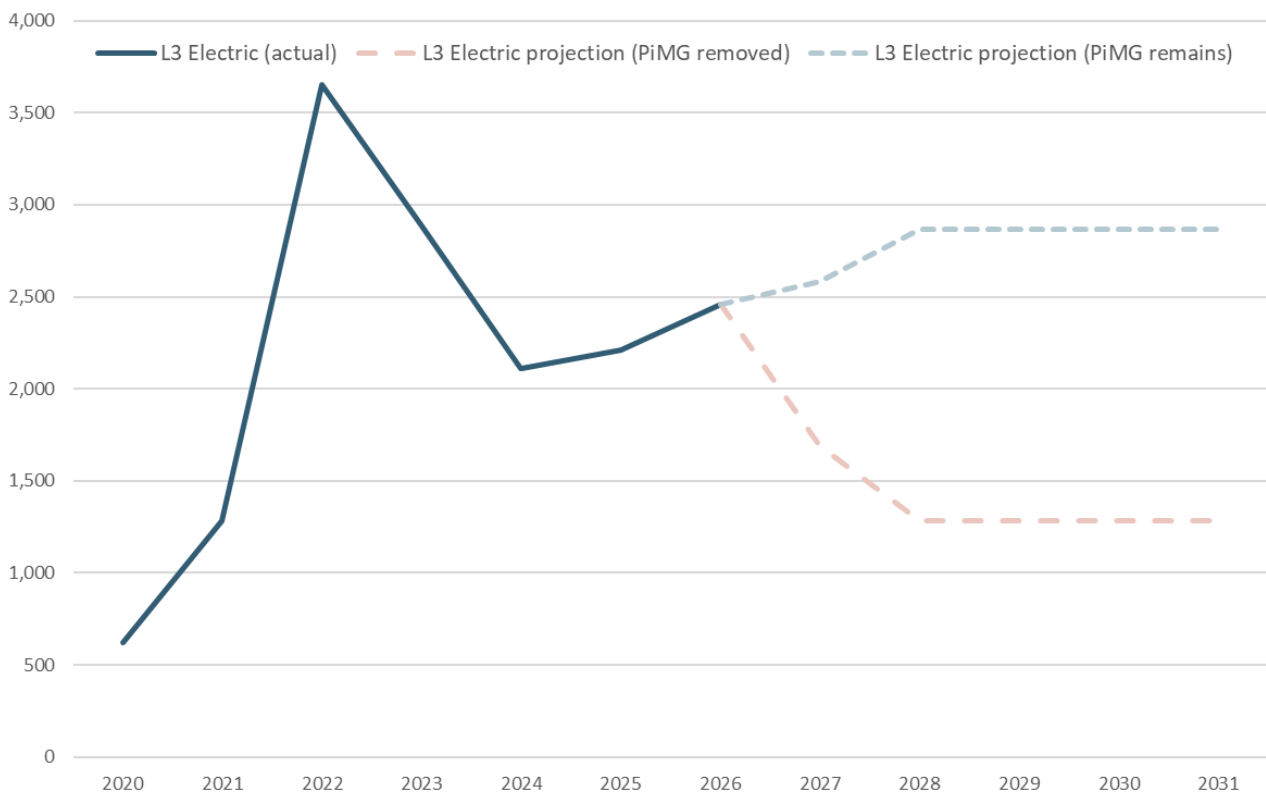
Potential damage caused by ending the PiMG

Based on these findings, we can infer the potential impacts that not extending the PiMG will have on sales of electric motorcycles (L3). To estimate the potential impacts, we have created:

- A “no change” scenario, where the PiMG remains in place. This is based on the previous trends in L3 sales.
- A “removal of PiMG” scenario. This is based on the trends in L1 sales following the removal of the L1 grant in 2024.

Figure 2 shows the difference in the sales between the two series between now and 2030/31.

Figure 2: Projections of electric L3 vehicle registrations, with and without removal of the PiMG



Source: WPI Economics analysis of MCIA vehicle registrations data.

Overall, we estimate that the removal of the PiMG could lead to close to 6,500 fewer zero-emission motorcycles being sold over this time period.

Based on existing sales, this equates to losing two and half years of electric L3 sales over the five-year period. In financial terms, this loss of sales equates to around £50 million lower sales in electric L3 vehicles.¹

The scale of this impact, and the signal that the lack of support from the Government sends, makes it likely that the removal of the PiMG will have a significant impact in terms of the attractiveness of the UK as a place to invest in and grow the market for zero-emission motorcycles.

Given the potential importance of L-category vehicles for the future of affordable urban mobility, including for businesses, and for the transition to net-zero transport, this lack of commitment to the scheme clearly cuts against the Government's priorities on growth and decarbonisation.

Looking longer-term

Uncertainty surrounding the future of the PiMG is a small part of the overall lack of clarity over the potentially significant role that L-category vehicles can play in both the future of affordable urban mobility and the transition to net zero. This is highlighted by the lack of a clear strategy surrounding the incentivisation of this vehicle class – now the only road transport segment without any form of purchase support. Future analysis in this programme of work will consider the policy approaches that would be needed to ensure that the potential benefits of an expansion of L-category vehicles are realised.

¹ Based on an average electric L3 sale price of £7,300 in 2025/26, from MCIA data of vehicle registrations.

ⁱ Office for Zero Emission Vehicles. Plug-in motorcycle grant volumes. Direct MCI data request.

ⁱⁱ Department for Transport (2025). Plug-in motorcycle grant: eligibility and applications. See: <https://www.gov.uk/government/publications/plug-in-motorcycle-grant-eligibility/plug-in-motorcycle-grant-eligibility-and-applications>. Accessed 18/03/2026.

ⁱⁱⁱ Department for Transport (2021). Government funding targeted at more affordable zero-emissions vehicles as market charges ahead in shift towards an electric future. See: <https://www.gov.uk/government/news/government-funding-targeted-at-more-affordable-zero-emission-vehicles-as-market-charges-ahead-in-shift-towards-an-electric-future>. Accessed 18/03/2026.

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