RHA

The future of fleets

Informing the net zero transition for commercial vehicles

Foreword

The Road Haulage Association (RHA) is committed to making the road to net zero achievable to the industry it represents. As the largest dedicated trade association representing HGV, coaches and vans, we recognise that there will be lessons to be learned from other forms of transport. We also recognise there will also be challenges that are specific to the vehicles included in our sector.

In 2025 we decided to produce the first industry wide representative and comprehensive survey to understand the readiness of the industry. We asked well-balanced questions using quantitative and qualitative methods to reflect the make-up of this industry. The survey reflects the shape of the sector from large corporates to the 95% of SME's that make up the sector of HGV, coach and van businesses. The document draws on other industry publications to produce an informed platform for discussion and collective thinking.

The detail it contains draws logical conclusions and makes clear recommendations on how we can collectively achieve the aim of the road to net zero. We welcome and acknowledge the investment, effort and focus made by stakeholders, policy makers and decision makers in this area since 2019 when Parliament committed to the UK being at Net Zero by 2050. Logistics is a crucial sector that drives the economy, supports communities and provides us all with what we expect on a daily business. Road freight, the movement of people and the last mile are all fundamental within the logistics function. The resilience of the UK supply chain provides us with the 'life blood' of the country.

Our aim is to use this publication to add to the work being undertaken at this crucial time within the 4 nations that make up the UK. We continue to seek the clarity that will drive certainty in the members of the industry and wider business to allow investment in decarbonisation facilitating the road to net zero. We accept the challenges that are ahead but believe that, by knowing the detail and with a collaborative approach across all key stakeholders, we will achieve this.

We intend to continue providing these industry-relevant updates, making clear informed representation and, as always, we welcome your comments.

Thank you for taking time to read and consider.

Richard Smith
Managing Director, RHA

June 2025

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Overview

The Road Haulage Association (RHA) is pleased to present the results of its first Net Zero Survey in this report.

In June 2019, Parliament committed the UK to be Net Zero by 2050. Achieving this is an extraordinarily complex task involving many stakeholders (government departments, energy sector, finance sector, manufacturers, local authority planners, end-users) with far-reaching structural changes being implemented.

To focus delivery within the road transport sector, successive Governments have set a Zero Emission Vehicle Mandate where all new car and van sales are zero emission from 2035. For HGVs, the previous Conservative Government specified in 2021 that sales of new diesel HGVs under 26 tonnes will stop from 2035 with sales of all new diesel HGVs stopping from 2040. Equivalent end-of-sale dates for coaches are not currently in place.

As the largest trade association in the UK for HGVs, vans and coaches, the RHA is shaping a viable transition that allows our sector to switch away from traditional diesel-powered commercial vehicles, whilst sustaining the exceptional levels of service on which UK economic success depends. To guide that journey, it is vital that the views of logistics businesses who are the lifeblood of the UK economy are heard and acted upon.

Six years on from 2019, this is the first survey of its type to benchmark commercial vehicle operator-readiness to achieve these targets. With over 500 responses received, it is a comprehensive survey spanning the full range of operators from multinationals to the many small and medium-sized enterprises (SMEs) who make up our sector. The results we set out in this report will steer the next steps and conversations needed with our many partners.

Our findings reflect the very real challenge of meeting the UK's Net Zero targets. We are encouraged that 23% of HGV operators, 39% of van operators and 17% of coach operators plan to have electric vehicles in their fleets within the next 5 years and are, in some cases, already using them. However, significant additional support and investment is needed if planned targets for HGVs and vans are to be met. 70% of HGV operators, 75% of coach operators and 56% of van operators currently report having no plans in place to introduce zero emission vehicles into their fleets, with operators across the different vehicle modes consistently ranking lack of vehicle mileage and cost as the main barriers preventing them from doing so.

This is a stark reminder that Net Zero must be commercially viable. Whilst we welcome the investment in the research and development to produce new electric and hydrogen commercial vehicles plus the accompanying infrastructure to power them, the vehicles that transport our goods and passengers on UK roads must pay for themselves.

The Green Finance Institute has estimated that £100bn of additional finance is needed to invest in zero emission HGVs. Unlocking that finance is critical to establish a working commercial vehicle market – one which allows the overall cost of vehicles to fall rapidly and, in time, establish a second-hand market for the 95% of SME operators working in the logistics and coach sectors.

We will take forward these findings with the Government and finance sector to identify appropriate solutions.

[1] See Green Finance Institute, Delivering Net Zero: unlocking public and private capital for zero emission trucks, November 2023

Key recommendations

Based on our survey findings and on-going policy work, we make the following recommendations:

- **Recommendation 1** – Net Zero must be commercially viable. To complement the work of the Government's Zero Emission HGV and Infrastructure Demonstrator (ZEHID) programme and the independently funded Project Jolt, innovative finance should be put in place that allow HGV and coach costs to be brought down. Drawing on the work of the Green Finance Institute[2], government support for schemes such as a residual value guarantee and credit risk guarantee should be considered.

- **Recommendation 2** – a road map to transport decarbonisation owned by the UK Government and with industry in support is implemented, with the roadmap clearly specifying who is responsible for unblocking barriers to implementation.

- **Recommendation 3** – payload loss issues arising from the two-tonne derogation not applying to HGVs weighing 44 tonnes should be addressed.

- **Recommendation 4** – similar to HGVs and vans, phase-out dates for stopping the sale of new diesel coaches should be specified by Government.

- **Recommendation 5** – access to energy infrastructure to power zero emission commercial vehicles should be expedited. Key to this is ensuring that grid connections for electric commercial vehicles are sped up, and that the hydrogen infrastructure is in place.

- **Recommendation 6** – an education-awareness campaign on the benefits of hydrogen-powered commercial vehicles should be implemented. Whilst HGV and coach operators are aware of the potential hydrogen-powered vehicles offer, their viability in a commercial setting is yet to be proven.

- **Recommendation 7** – the Government should unequivocally support the use of low carbon fuels within road transport. Such support will send a clear signal to the market that low carbon fuels, such as hydrotreated vegetable oil (HVO), has a legitimate place to reduce emissions from the existing diesel fleet by up to 90%. Accompanying policies such as a fuel duty rebate linked to emissions should be implemented to incentivise uptake.

[2] The Green Finance Institute acts as an independent advisor to governments (see: https://www.greenfinanceinstitute.com/home/about-us/), and currently sits on the Net Zero Council chaired by the Department for Energy Security and Net Zero (DESNZ) – see: https://www.gov.uk/government/groups/net-zero-council

The RHA approach to Net Zero

The RHA is committed to making Net Zero work and seeks to work through the technical and financial hurdles preventing implementation. To inform both our work and that of others, we seek to provide constructive and evidenced feedback

Our end-goal is to see an adequate supply of affordable zero emission HGVs, coaches and vans via a vibrant second-hand market. This is to ensure our vital small and medium-sized enterprise (SME) businesses, who make up 95% of the logistics and coach sectors, can acquire the vehicles they need to thrive.

To meet this end-goal, we aim to shape the conditions that deliver a viable transition and give our membership the tools and information they need to invest in Net Zero.

Guiding our approach, we have defined a high-level "roadmap" setting out how the planned new diesel HGV phase-out dates of 2035 and 2040 can be achieved.

RHA | Net Zero Forum

We are also guided by the predicted number of electric vans and HGVs in the UK fleet forecast by the Climate Change Committee in its recent Seventh Carbon Budget:

Table 1 – projected number of electric vans and HGVs in the UK fleet

	electric vans	electric HGVs
2025	3%	0%
2030	23%	6%
2035	52%	31%
2040	74%	63%
2050	95%	93%

Source: Table 7.1.1, The Seventh Carbon Budget, Climate Change Committee, Feb 2025, p148

To meet these forecasts, we are working through the following five barriers:

- cost
- infrastructure provision
- vehicle performance
- skills
- mindset change

Table 2 demonstrates the progress made to decarbonise vehicles as of February 2025.

Table 2 – number of electric vehicles in UK fleet (February 2025)

	No of EVs	Total UK fleet***	%
Cars*	1.4m	33.6m	4.2%
Vans*	76,000	4.7m	1.6%
HGVs**	500	535,000	0.1%

Sources: *ZapMap; **Society of Motor Manufacturers and Traders (SMMT); ***DfT Statistics, Table VEH1111

Note: Comparable information on coaches, as opposed to buses, is not yet available. We are also not aware of any registered hydrogen HGVs or coaches on UK roads, though this will shortly change via the Government's Zero Emission HGV and Infrastructure Demonstration (ZEHID) programme.

Finally, in April 2025, the Society of Motor Manufacturers and Traders (SMMT) reported that there were "fewer than 600" registered electric HGVs on UK roads.[2] Using this as a starting point, our Net Zero Survey was conceived with three broad aims: i) to understand how many fleets already have electric HGVs within them; ii) to bench-mark operator readiness to decarbonise; and iii) inform the next set of conversations with key partners involved in delivering Net Zero. They include the UK Government, the devolved administrations, local government, the energy and finance sectors.

[3] See: https://www.smmt.co.uk/commercial-vehicle-charging-gridlock-must-ease-to-deliver-net-zero-nation/

Our assessment of the Net Zero Survey results

This first survey of operator-readiness for Net Zero contains a rich seam of information and insights into how different fleets in different operations across different parts of the United Kingdom view Net Zero. We observe that, for decarbonisation to succeed, three conditions must all be in place:

- availability of zero emission vehicles for the right job
- access to energy infrastructure
- access to affordable finance

Our survey shows that, in 2025, these conditions are not yet in place for many operators.

We draw six broad conclusions from our survey results.

Conclusion 1 – commercial viability of Net Zero

A consistent message from operators across the different modes (vans, HGVs and coaches) is that lack of vehicle mileage and cost are top barriers preventing them from investing in Net Zero, as depicted in the following table:

Table 3 - Percentage of operators ranking cost or lack of vehicle mileage as their top barrier

	Cost	Lack of vehicle mileage
Van operators	35%	47%
HGV operators	38%	45%
coach operators	45%	51%

This is reinforced by our analysis of the free text responses where the most frequently expressed concerns by respondents of "cost" and [vehicle] "technology" were cited as top concerns. We also note that 55% of operators agreed that the rise in employer national insurance contributions has impacted an operator's ability to invest in decarbonisation.

An additional issue concerns payload loss for HGVs weighing 44 tonnes where the 2-tonne derogation to accommodate batteries does not apply. Whilst only 6% of HGV operators ranked payload loss as their top barrier, the issue was of higher importance when 2nd choice barriers are also considered where 30% of HGV operators ranked it as their top or second barrier.

Taken together, a clear message we draw from this survey is that Net Zero must be commercially viable with costs minimised and payload loss concerns for HGV operators rectified. It stands to reason that vehicles which transport goods and passengers are working vehicles that must pay for themselves. This is especially critical for an industry operating on wafer-thin margins of typically 2%. Addressing this must now be a top priority.

On the "lack of vehicle mileage" finding, we will follow this up with both operators and the vehicle manufacturers to understand whether this is "real" or "perceived" and look to put in place measures that address this. Both the Government's ZEHID programme and the independently funded Project Jolt will directly address vehicle performance issues over the next five years. This will be done by conducting trials in real-world conditions. However, additional measures such as marketing and awareness campaigns by the vehicle manufacturers may be necessary to build operator confidence in zero emission vehicles.

Conclusion 2 – lack of confidence that the Government's Net Zero targets can be met

The clear lack of confidence expressed by operators in chart 8 (85%) that the Government's Net Zero targets can be met is concerning. Our assessment is that this reflects the feedback expressed elsewhere in the survey that the conditions are not yet in place to allow operators to invest viably in zero emission commercial vehicles.

Every effort must be made by Government, the energy sector, finance sector and operators to get those conditions in place at pace.

Conclusion 3 – prospects for hydrogen-powered commercial vehicles

On the prospects for hydrogen, our survey reveals that there is demand amongst operators for hydrogen-powered solutions, as shown in tables 5, 6 and 7 setting out zero and low emission vehicle adoption intentions.

12% of predominantly larger HGV operators reported to have plans to bring hydrogen vehicles into their fleets within the next five years, with coach operators reporting that they believed that hydrogen powered coaches will be available on the market within the next five years. However, with 32% of HGV operators citing cost as a key barrier and a lack of confidence amongst coach operators that the hydrogen infrastructure will be in place, it is clear that the hydrogen market must address these structural issues at pace.

We will take forward these findings with hydrogen providers, as part of wider moves to develop a scalable and viable hydrogen market servicing other industry sectors (e.g. steel, ceramics) beyond transport.

Conclusion 4 – infrastructure provision, alongside commercial viability, is important

Although lack of depot and public infrastructure to power zero emission commercial vehicles did not rank as a top barrier for operators across the vehicle modes in our survey, this issue was of higher importance when 2nd choice rankings by operators are also considered. On access to electric charging, 22% of HGV operators ranked lack of depot charging as their top or second-choice barrier, with 22% of HGV operators ranking lack of public charging as their top or second-choice barrier. 20% of coach operators ranked lack of depot charging as their top or second-choice barrier, with 36% of coach operators ranking lack of public charging as their top or second-choice barrier.

The equivalent figures for access to hydrogen refilling facilities are more negative, though we judge this reflects the relatively nascent nature of the hydrogen industry compared to battery electric vehicles. On access to hydrogen refilling facilities, 37% of HGV operators ranked lack of hydrogen refilling at depot charging as their top or second-choice barrier, with 33% of HGV operators ranking lack of public hydrogen refilling facilities as their top or second-choice barrier. Recognising the lack of hydrogen vehicle choices currently available for coach operators, a significant number of coach operators (59%) were doubtful whether sufficient public hydrogen refilling stations will be in place within 5 years or that coach operators will be able to get hydrogen gas supplied to their depots (39%).

Given these findings, we welcome the work underway by the energy sector to invest in the infrastructure needed, together with the commitment to speed up electricity grid connections. This must continue at pace so that operators are assured that they can access the electric charging and hydrogen refilling facilities they need, ensuring that depot installation costs are minimised.

We particularly observe how coach operators rank the importance of public charging and hydrogen refilling availability, reflecting their needs to be able to access public facilities when transporting passengers.

Conclusion 5 – larger fleets are more ready to decarbonise than smaller fleets

Our fifth conclusion is that larger fleets are more ready to decarbonise than smaller fleets, as set out in tables 5, 6 and 7 setting out zero and low emission vehicle adoption intentions. For example, 49% of fleets with 100+ vehicles either have or plan to introduce electric HGVs into their fleets within the next 5 years, compared to 8% of fleets with 1-4 vehicles. We deduce from this that fleets with larger balance sheets are more likely to attract the finance needed to acquire zero emission vehicles than smaller fleets. Whilst all fleets should have access to favourable finance, particular attention must focus on the needs of smaller fleets and how they can be accommodated.

The RHA has been clear that, for smaller fleets, establishing a vibrant second-hand market in zero emission commercial vehicles is a must. Whilst acknowledging that this second—hand market will take time to establish – our estimate is over ten years from now, Government and industry must work together to put in place the conditions to allow that market to establish itself.

To support this, we believe a "credit risk guarantee" scheme will speed up acquisition of zero emission commercial vehicles until such time as vehicle volume production levels allow economies-of-scale to drive down the cost of these vehicles naturally. For completeness, clear phase-out dates for the sale of new diesel coaches should be specified by the Government. This is to ensure a consistent approach on phase-out dates across vans, HGVs and coaches is applied.

Conclusion 6 – low carbon fuels

We note that HGV and coach operators are using low carbon fuels or have plans to within the next five years. Noticeably, 65% of larger HGV fleets with 100+ vehicles are either using or plan to use low carbon fuels within the next five years, compared to smaller fleets of 1-4 vehicles (22%). On a smaller sample size, a similar pattern is observed with coach operators where 38% of larger coach fleets between 25-99 vehicles are either using or plan to use low carbon fuels within the next five years, compared to smaller fleets of 1-4 vehicles (13%)

We draw two further conclusions from these findings. First, our survey clearly shows there is demand for low carbon fuels amongst commercial vehicle operators as a transition fuel. Secondly, we surmise that the reason why larger fleets are more likely to use low carbon fuels is so that they can meet corporate social governance and "Scope 3" reporting requirements demanded by their customers until viable zero emission solutions can be found.

The RHA is clear however that access to low carbon fuels must be equitable, and that the current low levels of supply (for example, of hydrotreated vegetable oil which currently constitutes 1% of the UK fuels market) should be increased.

We therefore reiterate our call to Government to unequivocally support the use of low carbon fuels within road transport. Such support will send a clear signal to the market that low carbon fuels, such as hydrotreated vegetable oil (HVO), has a legitimate place to reduce emissions from the existing diesel fleet by up to 90%. Accompanying policies such as a fuel duty rebate linked to emissions reduction should be implemented to incentivise uptake.

The survey results - methodology

To gauge operator-readiness for Net Zero, our Net Zero Survey ran from 3rd March – 15th April 2025, and was targeted at operators of vans, HGVs and coaches. The questions asked can be found at annex 1, and sought feedback on five principal issues:

- number of fleets with zero emission vans, HGVs and coaches already in fleets
- plans to introduce zero emission vans, HGVS and coaches
- issues operators are facing to decarbonise
- location of operating centres
- general feedback

To provide analysis that could be quantified, the survey navigated the respondent through questions probing operator perspectives on electric, hydrogen and low carbon fuel vehicles, according to the following logic applicable across all vehicle modes:*

- Operators running vehicles that were either zero emission or with a low carbon fuel were asked to state how many.
- Operators specifying that they did not run zero emission vehicles or vehicles with low carbon fuels were asked two follow-up questions:
  - their plans to introduce such vehicles into their fleets
  - to rank given "barriers" preventing them from investing in these vehicles in 2025

*Note: Van operators were only asked about electric vans.

To complete the survey, all respondents were then asked to:

- agree/disagree to a series of statements on current issues
- rank their order of preference on support they'd like from the RHA on Net Zero
- complete a free text box on any other issues they wished to raise

Separately, to plug gaps in existing data held by the Government, we asked operators to provide the first half of their operating centre postcodes. This is to assist the Department for Transport and energy sector as part of their on-going work to scope the investment needed to expand the capacity of the electricity grid to power zero emission commercial vehicles.

The final sample size analysed was 511 broken down as follows:

- number of van operators: **286**
- number of HGV operators: **450**
- number of coach operators: **41**

Note: it is possible for one operator to run more than one vehicle type.

With the HGV sample, we conducted an additional follow-up check after the survey closed with operators reporting electric HGVs within their fleets to ensure no category N1 vehicles (vehicles with a maximum mass not exceeding 3.5 tonnes, or 4.25 tonnes if electric) had crept into the sample.

To provide further insight into how different fleets view issues, we broke down the sample into operator fleet sizes as follows:

- **1 – 4** vehicles
- **5 – 24** vehicles
- **25 – 99** vehicles
- **100+** vehicles

Zero and low emission vehicle adoption intentions

At this early stage in the transition to Net Zero, operators reported the following on their intentions to bring either electric, hydrogen or low carbon fuel vehicles into their fleets. Note: Percentages may not add up to 100% in all cases due to rounding factors.

Table 5 - HGV operator plans to introduce zero or low carbon vehicles into their fleet (by fleet size)

Fleet size	Alt Fuel already in fleet	Within next two years	Within 2 – 5 years	5+ years	No plans
Electric HGVs (N: 438)					
1 - 4 vehicles	0%	3%	5%	6%	86%
5 – 24 vehicles	1%	4%	5%	5%	84%
25 – 99 vehicles	6%	8%	9%	9%	68%
100+ vehicles	29%	7%	13%	10%	40%
	9%	**6%**	**8%**	**8%**	**70%**
Low carbon fuels (N: 395)					
1 - 4 vehicles	8%	8%	6%	6%	72%
5 – 24 vehicles	7%	8%	9%	13%	63%
25 – 99 vehicles	11%	10%	14%	7%	57%
100+ vehicles	28%	15%	22%	7%	28%
	14%	**10%**	**13%**	**8%**	**55%**
Hydrogen HGVs (N: 401)					
1 - 4 vehicles	0%	2%	3%	14%	81%
5 – 24 vehicles	0%	1%	3%	13%	82%
25 – 99 vehicles	0%	2%	14%	12%	72%
100+ vehicles	0%	2%	22%	24%	52%
	0%	**2%**	**10%**	**16%**	**72%**

Table 6 - coach operator plans to introduce zero or low carbon vehicles into their fleet (by fleet size)

Fleet size	Alt Fuel already in fleet	Within next two years	Within 2 – 5 years	5+ years	No plans
Electric coaches (N: 42)					
1 - 4 vehicles	0%	0%	0%	0%	100%
5 – 24 vehicles	0%	0%	4%	22%	74%
25 – 99 vehicles	0%	0%	63%	13%	25%
	0%	**0%**	**17%**	**9%**	**75%**
Low carbon fuels (N: 40)					
1 - 4 vehicles	0%	0%	13%	13%	75%
5 – 24 vehicles	0%	9%	14%	18%	59%
25 – 99 vehicles	0%	0%	38%	25%	38%
	0%	**2%**	**16%**	**14%**	**68%**

Note: These coach figures should be treated with due caution due to the small sample size. One coach operator reported having electric coaches in their fleet but, due to rounding, does not feature in these figures. Nevertheless, these figures are depicted to give an indication of adoption intentions by coach operator.

Table 7 - Van operator plans to introduce electric vehicles into their fleet (by fleet size) (n=286)

Fleet size	Alt Fuel already in fleet	Within next two years	Within 2 – 5 years	5+ years	No plans
1 - 4 vehicles	7%	12%	12%	5%	63%
5 – 24 vehicles	6%	5%	11%	6%	72%
25 – 99 vehicles	7%	15%	14%	7%	57%
100+ vehicles	41%	11%	14%	2%	32%
	15%	**11%**	**13%**	**5%**	**56%**

Barriers to adoption

Operators in our survey who specified that they did not run zero emission vehicles or vehicles with low carbon fuels were asked to rank given "barriers" preventing them from investing in these vehicles in 2025. We set out in the charts below how operators ranked each barrier.

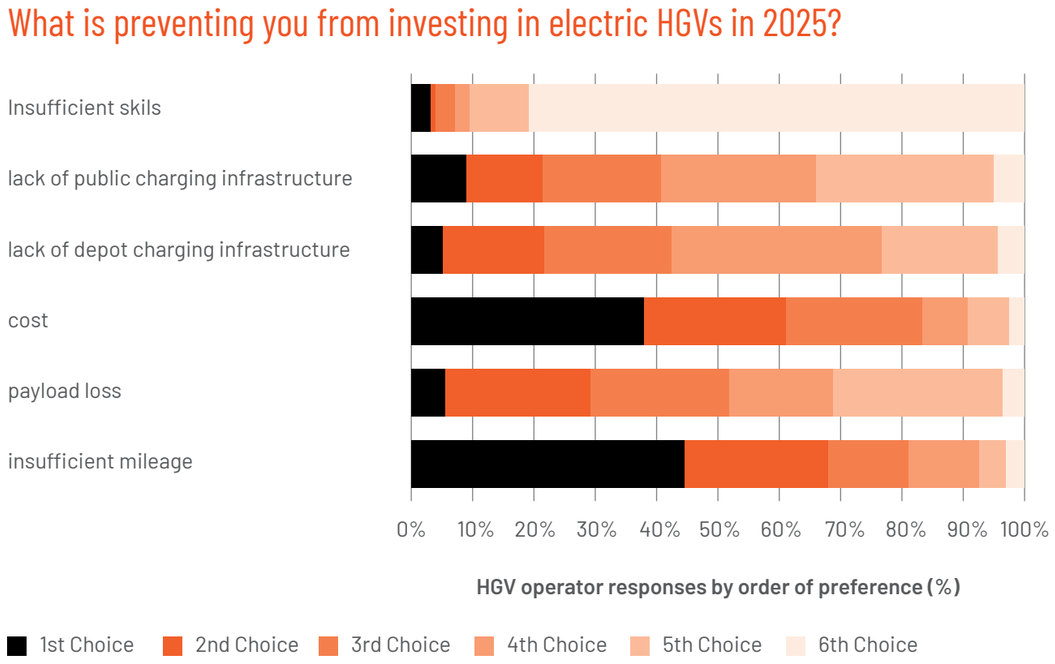
Barriers to electric vehicle adoption

HGV and coach operators

HGV and coach operators who specified that they did not run electric vehicles were asked to rank in order of preference (where 1 was their top preference) the following "barriers" preventing them from investing in these vehicles in 2025:

- electric [vehicles] do not give me the mileage I need
- payload loss
- cost of acquiring electric HGVs
- lack of depot charging infrastructure
- lack of public charging infrastructure
- my workforce is insufficiently skilled to operate electric [vehicles]

Chart 1 – HGV operator ranking of barriers to electric HGV adoption



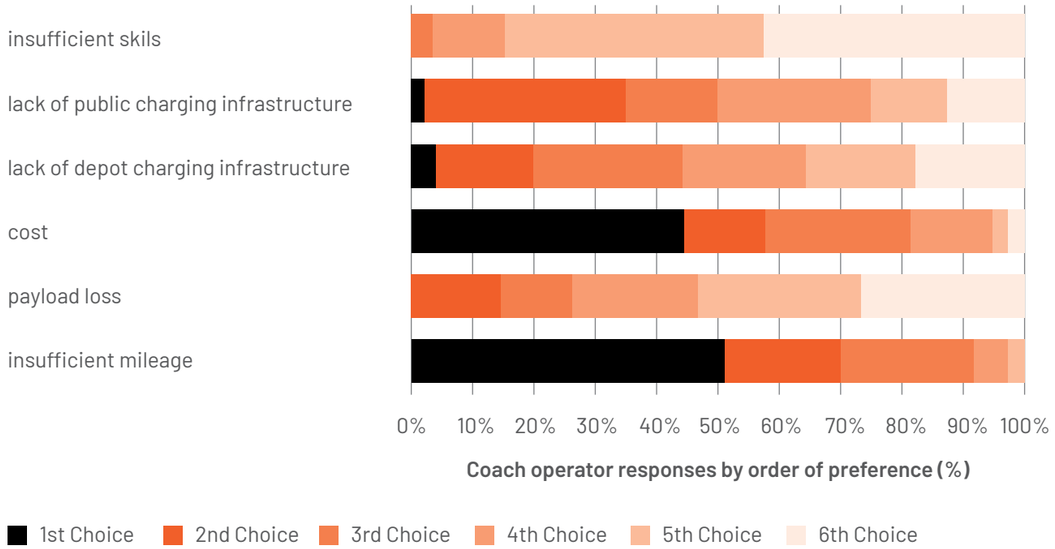
RHA Commentary

Our key findings from chart 1 is that 45% of HGV operators ranked "insufficient mileage" as their top barrier, with 38% of HGV operators ranking "cost" as their top barrier.

Payload loss issues ranked lower as a top barrier (6% of HGV operators) along with lack of public charging infrastructure (9%) and lack of depot charging infrastructure (5%), though notably these issues were of a higher importance when HGV operator 2nd choice rankings are also taken into consideration – respectively, 30%, 22% and 21%.

Conversely, 81% of HGV operators did not regard workforce "skills" being a significant barrier to electric HGV adoption at this point in time. We will continue working with skills providers to ensure that training associated with operating zero emission vehicles is continually updated so that skills needs do not become a barrier to adoption. We will also ensure that the costs of investing in workshops to maintain electric and hydrogen-powered vehicles do not become another barrier to implementation.

Chart 2 – coach operator ranking of barriers to electric coach adoption



RHA Commentary

On a smaller sample size, our key findings from chart 2 is that 51% of coach operators ranked "insufficient mileage" as their top barrier, with 45% of coach operators ranking "cost" as their top barrier.

Payload loss issues were not ranked as a top barrier for coach operators and, similar to HGV operators, 3% of coach operators ranked lack of public charging infrastructure and 4% of coach operators ranked lack of depot charging infrastructure as top barriers. Notably however, these issues were of a higher importance when coach operator 2nd choice rankings are also taken into consideration – respectively, 15%, 36% and 20%.

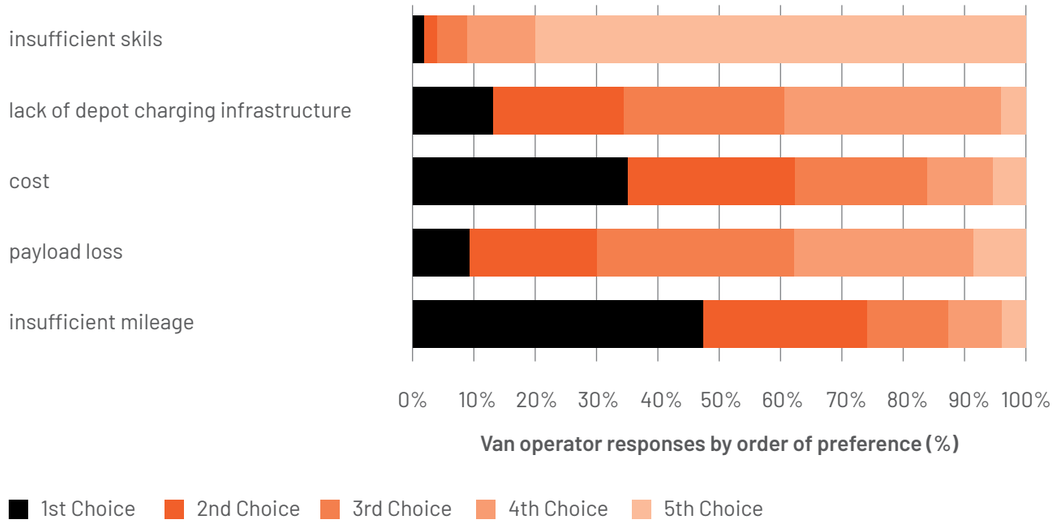
Skills issues again were not regarded as a significant barrier to adoption with 42% of coach operators ranking this as their 6th choice with a further 42% of coach operators ranking this as their 5th choice. As for HGV operators, we will continue working with skills providers to ensure that training associated with operating zero emission vehicles is continually updated so that skills needs do not become a barrier to adoption.

Vans

Van operators who specified that they did not run electric vehicles were asked to rank in order of preference (where 1 was their top preference) the following "barriers" preventing them from investing in these vehicles in 2025:

- electric [vehicles] do not give me the mileage I need
- payload loss
- cost of acquiring electric HGVs
- lack of depot charging infrastructure
- my workforce is insufficiently skilled to operate electric [vehicles]

Chart 3 – van operator ranking of barriers to electric van adoption



RHA Commentary

Our key findings from chart 3 is that 47% of van operators ranked "insufficient mileage" as their top barrier, with 35% of van operators ranking "cost" as their top barrier.

Payload loss issues ranked lower as a top barrier (9% of van operators) along with lack of depot charging infrastructure (13%), though notably these issues were of a higher importance when van operator 2nd choice rankings are also taken into consideration – respectively, 30% and 34%.

Conversely, similar to HGV and coach operators, 80% of van operators did not regard "skills" being a significant barrier to electric vans adoption at this point in time.

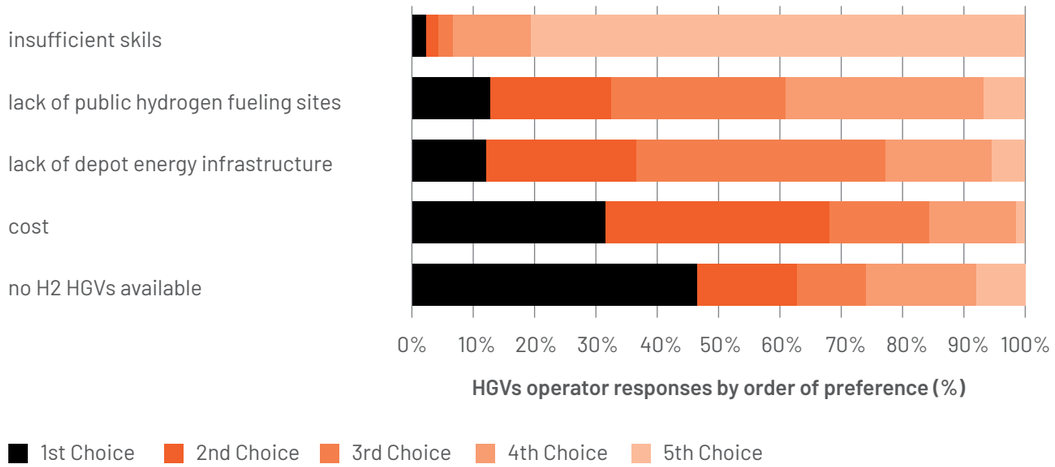
Barriers to hydrogen vehicle adoption

HGVs

HGV operators specifying that they did not run hydrogen HGVs were asked to rank in order of preference (where 1 was their top preference) the following "barriers" preventing them from investing in hydrogen vehicles in 2025:

- there are no hydrogen-powered HGVs available
- cost of acquiring hydrogen HGVs
- lack of depot infrastructure to supply hydrogen gas
- lack of public hydrogen refilling sites
- my workforce is insufficiently skilled to operate hydrogen HGVs

Chart 4 – HGV operator ranking of barriers to hydrogen HGV adoption



RHA Commentary

Given the lack of hydrogen HGVs on the vehicle market, it is unsurprising that 47% of operators currently rank "no hydrogen HGVs available" as their top barrier. However, we also deduce from this that knowledge and information about how hydrogen HGVs can be used in a commercial environment must become available to break down this "barrier". We acknowledge that the Government's ZEHID programme, particularly via the HyHaul and ZENFreight consortia, will address this.

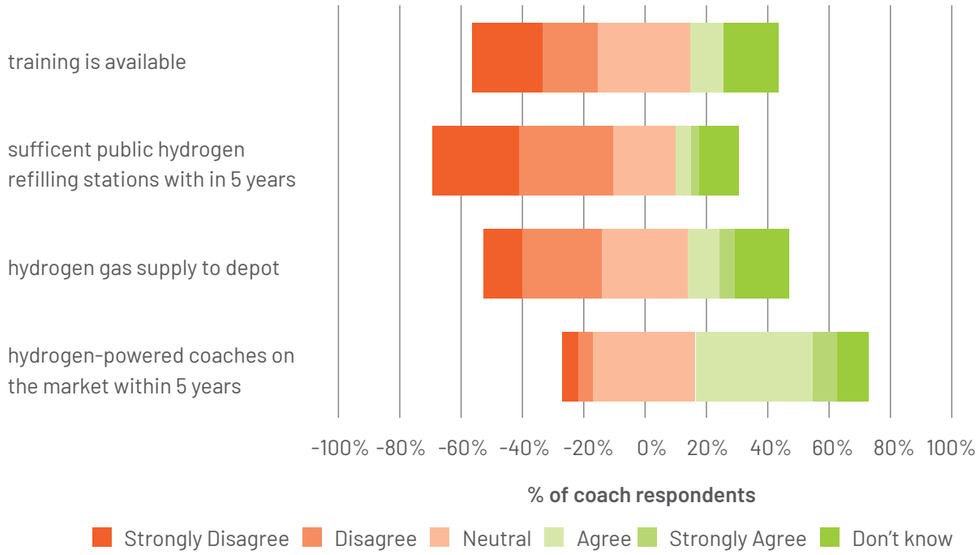
Nevertheless, it is helpful to understand that, with 32% of HGV operators ranking "cost" as their top barrier, this will be a primary concern to address in the future.

Coaches

Recognising that there are no registered hydrogen coaches on UK roads, coach operators were asked to agree or disagree to the following statements:

- hydrogen-powered coaches will be on the market within 5 years from now
- I am confident that I can get hydrogen gas supplied to my depot within 5 years from now
- I am confident there will be sufficient public hydrogen refilling stations within 5 years from now
- Training is available for my workforce on how to operate and maintain hydrogen-powered coaches

Chart 5 – coach operator opinion on the prospects for hydrogen-powered coaches



RHA Commentary

Excluding "don't knows" and "neutrals", our findings here show that 46% of coach operators agree that hydrogen-powered coaches will be on the market within the next five years. However, 59% of coach operators are doubtful whether sufficient public hydrogen refilling stations will be in place within 5 years or that coach operators will be able to get hydrogen gas supplied to their depots (39%). As the market for hydrogen develops, we will take these findings forward with hydrogen-providers.

We also note the operators who stated "don't know" to the questions posed. This indicates that an education-awareness campaign is needed on the benefits hydrogen-powered coaches can bring to the sector.

Vans

With no vehicle market for hydrogen-powered vans in place, van operators were not asked about hydrogen vans.

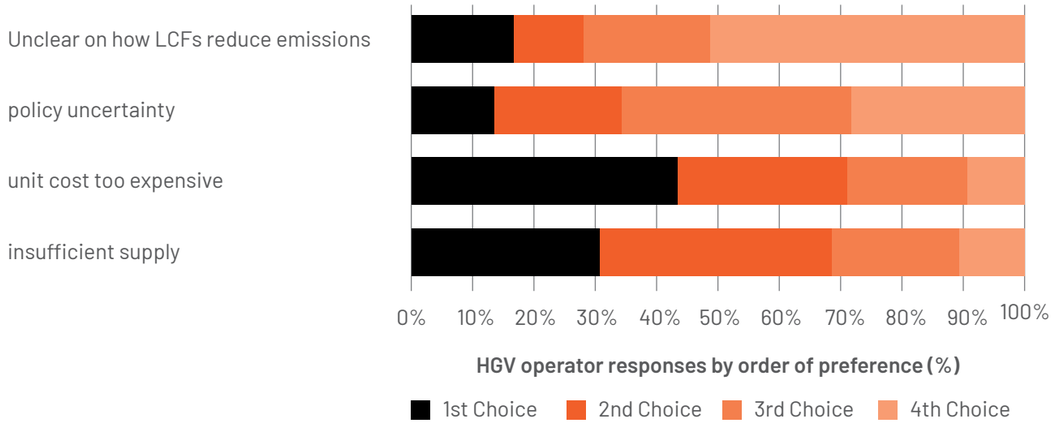
Barriers to low carbon fuel adoption

HGV and coach operators

HGV and coach operators who specified that they did not use low carbon fuels in their existing fleet were asked to rank in order of preference (where 1 was their top preference) the following "barriers" preventing them from using low carbon fuels:

- insufficient supply of low carbon fuels
- unit cost of low carbon fuels is too expensive
- uncertainty as to whether the Government will let me use low carbon fuels
- I am unclear how low carbon fuels help me reduce emissions

Chart 6 – HGV operator ranking of barriers to low carbon fuel adoption



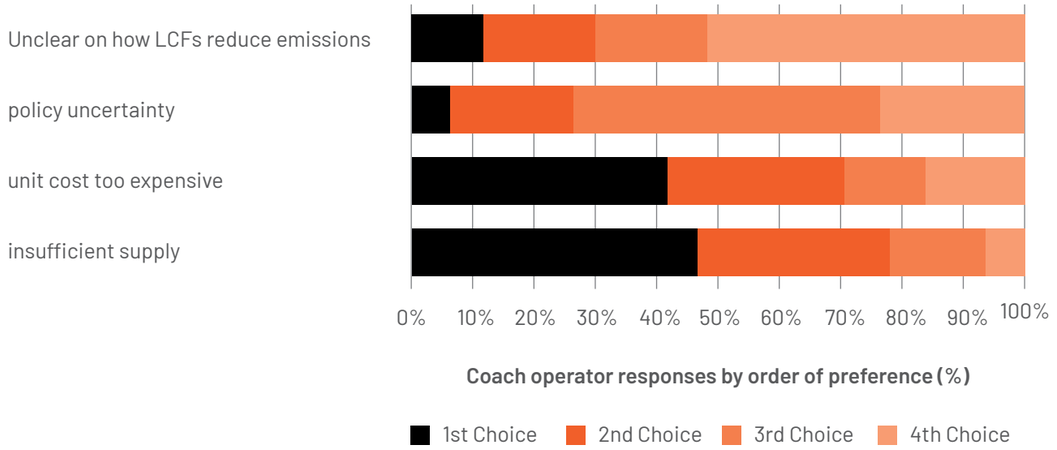
RHA Commentary

As set out in table 5, HGV operators have expressed a desire to use low carbon fuels within their existing fleets. Based on our on-going feedback from these operators, they see low carbon fuels such as hydrotreated vegetable oil (HVO) as a transition fuel to meet corporate social governance and "Scope 3" emissions reporting requirements whilst zero emission solutions are developed.

For those operators who currently do not use low carbon fuels, a key consistent theme on the reasons why emerges once again from chart 6. 44% of such HGV operators ranked "unit cost [of low carbon fuels] too expensive" as their top barrier to adoption, with 31% of HGV operators ranking "insufficient supply" as their top barrier.

As set out in "Our Assessment of the Net Zero Survey results", the RHA is clear that low carbon fuels should be viewed by government as a legitimate transition fuel within road transport that allow operators to decarbonise their existing fleets now. We urge the Government to unequivocally support the use of low carbon fuels in road transport, and put in place a complimentary set of policies (such as a fuel duty rebate linked to emissions reduction) to incentivise up-take by increasing supply and reducing costs.

Chart 7 – coach operator ranking of barriers to low carbon fuel adoption



RHA Commentary

For coach operators, we repeat our assessment for HGV operators on the use of low carbon fuels. Like HGV operators, coach operators have expressed a desire as set out in table 6 to use low carbon fuels within their existing fleets.

For those operators who do not currently use low carbon files, a key consistent theme on the reasons why emerges once again from chart 7. 47% of such coach operators ranked "insufficient supply" as their top barrier to adoption, with 42% ranking "unit cost [of low carbon fuels] too expensive" as their top barrier to adoption.

As for HGV operators, we urge the Government to unequivocally support the use of low carbon fuels in road transport, and put in place a complimentary set of policies (such as a fuel duty rebate linked to emissions reduction) to incentivise up-take by increasing supply and reducing costs.

Vans

Van operators were not asked about low carbon fuels in this survey.

General issues

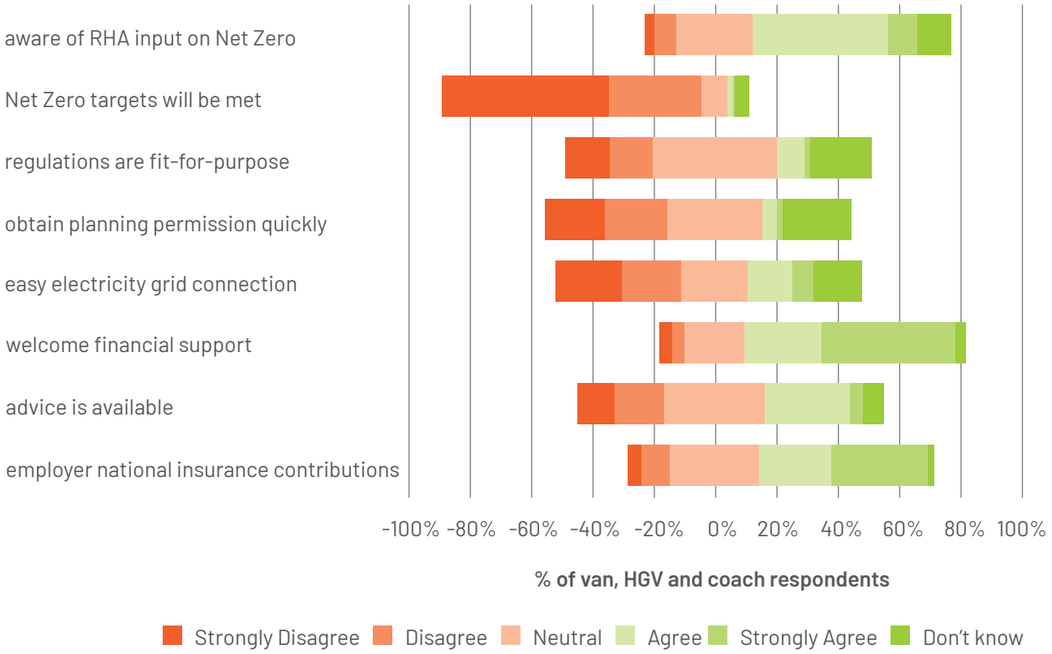
All operators (van, HGV and coach) were asked to agree/disagree to the following statements:

- The rise in employer national insurance contributions has caused me to delay investing in alternatively fuelled vehicles.
- Advice is available to help me invest in an alternatively fuelled fleet.
- I would welcome financial support to help me invest in depot charging infrastructure.

- I can get an easy connection to the electricity grid.
- I can obtain planning permission quickly so that I can invest in my alternatively fuelled fleet.
- Regulations for operating alternatively fuelled commercial vehicles are fit-for-purpose.
- I am confident the Government's Net Zero targets for commercial vehicles will be met.
- I am aware of what the RHA is doing on Net Zero.

Chart 8 – van, coach and HGV operator opinion on general decarbonisation issues

To what extent do you agree or disagree with the following statements?



RHA Commentary

We observe that, when "don't knows" and "neutrals" are stripped out, there is a negative sentiment from operators on the issues stated. Most notably is the negative sentiment expressed by 85% of operators on whether the Government's Net Zero targets can be met and that the rise in employer national insurance contributions has caused operators to delay investing in alternatively fuelled vehicles (55%). Given the clear theme elsewhere in the survey over the cost of Net Zero, there is strong agreement for financial support to help operators to invest in depot infrastructure (69%).

We draw two conclusions from these findings. Firstly, reducing the costs of Net Zero must now be prioritised to enable operators on thin margins to invest. Secondly, the significant proportion of operators expressing "don't know" on technical issues such as "obtaining planning permission" and "ease of grid connections" indicates the need for education and awareness to inform operators on how they can address these issues.

We will take forward these findings with relevant stakeholders (Government, finance sector, energy sector) to put in place appropriate solutions.

Free text response

All operators (van, HGV and coach) were invited to raise any other issues on Net Zero via a freetext box at the end of the survey.197 operators left comments, and we conducted a textual analysis by identifying the frequency of when common issues were expressed. In turn, we were able to create the "word cloud" depicted below.

RHA Commentary

Of the common issues expressed, four stand out – "doubt", "technology", "cost" and "infrastructure". "Doubt" refers to whether, all things remaining equal, the Government's Net Zero targets can be met. "Technology" refers to whether the zero emission vehicle technology is available to do the job required of it viably. Operators citing "cost" were expressing concerns over whether the transition to Net Zero is viable. Operators citing "infrastructure" were expressing concerns as to whether the necessary infrastructure to power zero emission vehicles is in place.

These issues and the need to address them can be summarised in the following comment we received from an operator (duly anonymised).

> *"The RHA should raise critical concerns about the practicalities of Net Zero for the road haulage sector. Key issues include: the urgent need for substantial infrastructure investment in charging and refuelling, the current limitations of zero-emission HGV technology, the potential for increased energy costs and security risks, the necessity for comprehensive skills training, the demand for clear and consistent government policies, the unique challenges faced by rural hauliers, and the essential requirement for significant financial support to facilitate the transition."*

Two further expressions worth probing are "lacking interest" and "rates". These should be taken together as operators expressing these as issues flagged concerns over their inability to raise the rates they charge to cover the costs of investing in zero emission commercial vehicles. Operators expressing "versatility" as an issue were expressing concerns over whether the available zero emission vehicles can cater for specialist operations, such as mobile cranes or heavy haulage.

These sentiments can be summarised in a separate comment received from a different operator (and duly anonymised).

> *"One of the biggest challenges in achieving Net Zero within our industry is the financial burden placed on operators. There is no realistic chance that our customers will absorb any premium to cover the cost of transitioning our fleet and equipment within the proposed timeframes."*

With a clear message that cost concerns over the transition to Net Zero must be addressed, we will prioritise our conversations with the Government and finance sector to find solutions.

Annex 1 – Net Zero Survey questions

Net Zero Survey

Thank you for completing this survey on Net Zero for the RHA. We are running this survey to understand how ready you are to bring alternatively fuelled commercial vehicles into your fleet. By this, we mean either a battery electric, hydrogen fuel cell or low carbon fuelled vehicle.

We will use the information and issues arising from this survey to inform our work with the UK Government and other partners involved in delivering HGV, coach and van decarbonisation.

Please complete this survey by 5pm on Tuesday 15th April. Any data shared externally will be anonymised and aggregated.

1) Name of your company _____

Contact name _____

Email Address _____

2) How many vehicles do you operate? (select one only)

- ☐ between 1 – 4 vehicles
- ☐ between 6 – 9 vehicles
- ☐ between 10 – 24 vehicles
- ☐ between 25 – 49 vehicles
- ☐ between 50 – 99 vehicles
- ☐ between 101 – 249 vehicles
- ☐ between 250 – 499 vehicles
- ☐ between 500 - 999 vehicles
- ☐ over 1000 vehicles

Location of operating centre

We (RHA) are working with the Department for Transport and electricity companies on where investment in the electricity network is needed to power the alternatively-fuelled vehicles of the future. To do this, we need to understand where every operating centre is located from which vehicles are run. This is to plug gaps in existing data held by the Government.

3) Please list the first half of the postcode of your operating centre in the following format – first half of the postcode plus first number of the second half of the postcode. For example, if the postcode is ST12 3AB, please enter ST12 3

If you have more than one operating centre, please list all the postcodes.

Alternatively fuelled fleet profile

Vans

4) Do you operate vans within your fleet?

If "YES" – go to **Q5**

If "NO" – go to **Q8**

5) How many electric vans weighing up to 4.25 tonnes are there in your fleet?

If "None" – state "None" here _____ and then go to **Q6**

If "1 or more" – state how many here _____ and then go to **Q8**

6) When do you plan to introduce electric vans into your fleet? (Choose one option)

- ☐ Within the next two years
- ☐ Within 2 – 5 years from now
- ☐ Over 5 years from now
- ☐ We have no plans to introduce electric vans into our fleet

7) What is preventing you from investing in electric vans in 2025? Please rank in order of preference where 1 is your top preference

- ☐ electric vans do not give me the mileage I need
- ☐ payload loss
- ☐ cost of acquiring electric vans
- ☐ lack of depot charging infrastructure
- ☐ my workforce is insufficiently skilled to operate electric vans

HGVs

8) Do you operate HGVs within your fleet?

If "YES" – go to **Q9**
If "NO" – go to **Q19**

9) How many electric HGVs weighing over 3.5 tonnes are there in your fleet?

If "None" – state "None" here _____ and then go to Q10

If "1 or more" – state how many here _____ and then go to Q12

10) When do you plan to introduce electric HGVs into your fleet? (Choose one option)

- ☐ Within the next two years
- ☐ Within 2 – 5 years from now
- ☐ Over 5 years from now
- ☐ We have no plans to introduce electric HGVs into our fleet

11) What is preventing you from investing in electric HGVs in 2025? Please rank in order of preference where 1 is your top preference

- electric HGVs do not give me the mileage I need
- payload loss
- cost of acquiring electric HGVs
- lack of depot charging infrastructure
- lack of public charging infrastructure
- my workforce is insufficiently skilled to operate electric HGVs

12) How many hydrogen-powered HGVs weighing over 3.5 tonnes are there in your fleet?

If "None" – state "None" here _____ and then go to **Q13**

If "1 or more" – state how many here _____ and then go to **Q15**

13) When do you plan to introduce hydrogen-powered HGVs into your fleet? (Choose one option)

- Within the next two years
- Within 2 – 5 years from now
- Over 5 years from now
- We have no plans to introduce hydrogen-powered HGVs into our fleet

14) What is preventing you from investing in hydrogen HGVs in 2025? Please rank in order of preference where 1 is your top preference

- there are no hydrogen-powered HGVs available
- cost of acquiring hydrogen HGVs
- lack of depot infrastructure to supply hydrogen gas
- lack of public hydrogen refilling sites
- my workforce is insufficiently skilled to operate hydrogen HGVs

15) How many HGVs do you run using low carbon fuels?

If "None" – state "None" here _____ and then go to **Q17**

If "1 or more" – state how many here _____ and then go to **Q16**

16) Which low carbon fuel do you use? Select all that apply.

- HVO
- CNG
- LNG
- Other (please specify _____)

Then go to **Q19**

17) When do you plan to run any of your fleet on a low carbon fuel like HVO or CNG? (Choose one option)

- Within the next two years
- Within 2 – 5 years from now
- Over 5 years from now
- We have no plans to run our fleet on low carbon fuels

18) What is preventing you from using a low carbon fuel like HVO or CNG in your existing fleet? Please rank in order of preference where 1 is your top preference

- insufficient supply of low carbon fuels
- unit cost of low carbon fuels is too expensive
- uncertainty as to whether the Government will let me use low carbon fuels
- I am unclear how low carbon fuels help me reduce emissions

Coaches

19) Do you operate any coaches within your fleet?

If "YES" – go to **Q20**

If "NO" – go to **Q29**

20) How many electric coaches are there in your fleet?

If "None" – state "None" here _____ and then go to **Q21**

If "1 or more" – state how many here _____ and then go to **Q23**

21) When do you plan to introduce electric coaches into your fleet? (Choose one option)

- Within the next two years
- Within 2 – 5 years from now
- Over 5 years from now
- We have no plans to introduce electric coaches into our fleet

22) What is preventing you from investing in electric coaches in 2025? Please rank in order of preference where 1 is your top preference

- electric coaches do not give me the mileage I need
- payload loss
- cost of acquiring electric coaches
- lack of depot charging infrastructure
- lack of public charging infrastructure
- my workforce is insufficiently skilled to operate electric coaches

23) How many hydrogen-powered coaches are there in your fleet?

If "None" – state "None" here _____ and then go to **Q24**

If "1 or more" – state how many here _____ and then go to **Q25**

24) To what extent do you agree or disagree with the following statements:

In each case, respond with:
Strongly agree
Agree
Neither agree nor disagree
Disagree
Strongly disagree
Don't know

- **Hydrogen-powered coaches will be on the market within 5 years from now.** _____
- **I am confident I can get hydrogen gas supplied to my depot within 5 years from now.** _____
- **I am confident there will be sufficient public hydrogen refilling stations within 5 years from now.** _____
- **Training is available for my workforce on how to operate and maintain hydrogen-powered coaches.** _____

25) How many coaches do you run using low carbon fuels?

If "None" – state "None" here and then go to **Q27**

If "1 or more" – state how many here and then go to **Q26**

26) Which low carbon fuel do you use? Select all that apply.

- ☐ HVO
- ☐ CNG
- ☐ LNG
- ☐ Other (please specify _____)

Then go to **Q29**

27) When do you plan to run any of your fleet on a low carbon fuel like HVO or CNG? (Choose one option)

- ☐ Within the next two years
- ☐ Within 2 – 5 years from now
- ☐ Over 5 years from now
- ☐ We have no plans to run our fleet on low carbon fuels

28) What is preventing you from using a low carbon fuel like HVO or CNG in your existing fleet? Please rank in order of preference where 1 is your top preference

- ☐ insufficient supply of low carbon fuels
- ☐ unit cost of low carbon fuels is too expensive
- ☐ uncertainty as to whether the Government will let me use low carbon fuels
- ☐ I am unclear how low carbon fuels help me reduce emissions

General issues

In this final section, we would be grateful for your views on general issues regarding HGV, van and coach decarbonisation.

29) To what extent do you agree or disagree with the following statements:

In each case, respond with:
Strongly agree
Agree
Neither agree nor disagree
Disagree
Strongly disagree
Don't know

- **The rise in employer national insurance contributions has caused me to delay investing in alternatively fuelled vehicles.** _____
- **Advice is available to help me invest in an alternatively fuelled fleet.** _____
- **I would welcome financial support to help me invest in depot charging infrastructure.** _____
- **I can get an easy connection to the electricity grid.** _____
- **I can obtain planning permission quickly so that I can invest in my alternatively fuelled fleet.** _____
- **Regulations for operating alternatively fuelled commercial vehicles are fit-for-purpose.**
- **I am confident the Government's Net Zero targets for commercial vehicles will be met.** _____
- **I am aware of what the RHA is doing on Net Zero.** _____

30) What support would you like from the RHA to help you invest in alternatively fuelled HGVs, vans or coaches? Please rank in order of preference where 1 is your top preference

- ☐ Net Zero helpdesk
- ☐ Net Zero website
- ☐ Net Zero webinars
- ☐ Net Zero briefings
- ☐ discounts from RHA Associate Members supplying Net Zero-related products and services
- ☐ lobbying Government to manage how Net Zero is implemented

31) Please use this section to make any comments or raise any other issues you have about Net Zero.

Thank you for completing this survey.

About the RHA

The RHA is the leading trade association representing over 8,500 road haulage and coach companies across the UK, 85% of whom are small and medium-sized enterprises (SMEs). Our members are operators of vehicles who, between them, operate around 250,000 HGVs (half of the UK fleet) out of 10,000 operating centres and range from a single-truck company to those with thousands of vehicles. The UK road haulage sector is responsible for 81% of all freight movements and is directly involved in the transportation of 98% of agricultural products.

To find out more, please click here: www.rha.uk.net

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