HM Treasury

NS&I

United Kingdom Debt Management Office

UK Green Financing

Allocation and Impact Report



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Executive summary



Executive summary

The UK's Government Green Financing Programme (the "Programme") raises financing from investors to fund green expenditures that tackle climate change, rebuild natural ecosystems and support jobs in green sectors. Financing is raised through the issuance of sovereign green bonds (green gilts) via the UK Debt Management Office (DMO) and the sale of retail Green Savings Bonds (GSBs) by National Savings and Investments (NS&I).

HM Treasury holds overall responsibility for the Programme, including for the Green Financing Framework (the "Framework") and for allocation and impact reporting. In line with the reporting requirements set out in the Framework, HM Treasury is publishing in this document the fourth allocation report and the second impact report for the Programme.

The allocation report section details the total financing raised by the Programme in Financial Year (FY) 2024–25 and the expenditure to which financing was allocated in that year, as well as summarising Programme financing and allocations to date. For the purposes of this report, "to date" means up to and including 31 March 2025. The impact report section estimates the environmental impacts and social co-benefits of expenditures which received Programme financing from FY 2021–22 to FY 2024–25; i.e., the impact of Programme financing to date.

In FY 2024–25, £10.0 billion (cash) was raised through the issuance of green gilts and £80 million was raised via the sale of retail GSBs. An additional £1.0 billion (cash) of green financing had been raised but not allocated as of the end of FY 2023–24. This gives a total of £11.1 billion of green financing available for allocation to eligible green expenditures in the FY 2024–25 allocation, as reported in this document. Since the Programme began in FY 2021–22, 52 eligible expenditures have been allocated financing across the six green expenditure categories set out in the 2021 Framework. Some expenditures cut across multiple categories.[1]

HM Treasury appointed Grant Thornton UK LLP to provide independent limited assurance in accordance with ISAE 3000 (Revised) over selected aspects of the "Allocation Report for Financial Year 2024-25" section of this report, specifically the £14.1bn Total eligible 2024–25 expenditure financed figure listed in Table 3. Please read Grant Thornton UK LLP's full assurance report within the Limited assurance section at the end of this report. Outturn represents the final eligible expenditure recorded by participating government departments following completion of their year-end accounts processes. It differs from the £11.1 billion of green financing available for allocation: the outturn shows the eligible expenditure incurred, while the allocation is the amount of that expenditure matched to available green financing proceeds.

Government departments reported £14.1 billion of eligible expenditure in this reporting cycle, comprising £13.9 billion of eligible expenditure incurred in FY 2024–25 and £240 million upward adjustment to FY 2023–24 expenditure. Of this, £11.1 billion was matched to the proceeds available in the FY 2024–25 allocation round. The remaining £3.0 billion is intended for allocation against proceeds available in the FY 2025–26 allocation round, subject to completion of the allocation and assurance

1 The Framework was updated in November 2025 to add Nuclear Energy as a seventh category; however, proceeds raised before 27 November 2025, including all proceeds covered by this report, have not been allocated to Nuclear Energy expenditures.

processes. The Department for Energy Security and Net Zero (DESNZ), the Department for Environment, Food & Rural Affairs (DEFRA), the Department for Transport (DfT), the Foreign, Commonwealth & Development Office (FCDO), and the Department for Science, Innovation and Technology (DSIT) provided the outturn data.

The FY 2023–24 adjustment reflects the difference between expenditure reported shortly after year end, before departments had finalised their annual accounts, and the final outturn figures submitted through the annual returns process for this reporting cycle. Further information on the adjustment and the treatment of eligible expenditure exceeding the proceeds available is provided in the Expenditure selection process for allocation section.

Environmental impact and/or social co-benefit data are available for 16 of 52 financed expenditures. For some financed expenditures, relevant case studies and wider evidence are presented but impacts are not specifically attributed to the Programme, in accordance with the robust methodological standards of this report. Most of the data in this report have previously been published by government spending departments.

The impact data demonstrate how the Programme is supporting the UK's progress towards net zero, protecting property and infrastructure from the effects of climate change, rebuilding natural ecosystems, stimulating the development of self-sustaining markets for low-carbon technologies, and supporting jobs in low-carbon and energy efficient sectors across the UK, alongside other government policies and market-led initiatives.

In aggregate, Programme financing from FY 2021–22 to FY 2024–25 is estimated to have:

- avoided at least 24.72 $MtCO_2e$ of greenhouse gas (GHG) emissions[2]
- installed 307,978 electric vehicle (EV) charging points
- funded 212,312 EVs
- planted at least 1.32 million trees
- supported at least 62,025 jobs[3]
- saved households £18.3 million annually on energy bills

The estimation method used in this report takes a rigorous and cautious approach, which is detailed in the methodology section. The total Programme impact estimate therefore represents a probable lower bound for the Programme's impact so far.

2 Million tonnes of carbon dioxide equivalent – a single emissions metric that accounts for the different global warming potential of different greenhouse gases.

3 Approximately 60,000 of the estimated 62,025 direct and indirect full-time equivalent (FTE) jobs supported relate to DESNZ's wider Energy Efficiency and Low-Carbon Heating portfolios. This estimate reflects the combined impact of Green Financing Programme-supported activity and a range of other schemes, programmes and regulatory measures, including the Energy Company Obligation and other energy efficiency and low-carbon heating policies. As such, the estimate should not be attributed solely to Green Financing Programme-supported expenditure.

The total Programme impact estimates above only include UK-based policies; the Programme has also financed eligible UK expenditures in Official Development Assistance (ODA)-eligible countries, under the International Climate Finance (ICF) programme. Impact estimates of ICF projects are presented separately to reflect specific challenges of attributing impacts for these policies to the Programme. Through contributions to ICF projects, the Programme share of expected ICF benefits includes:

- at least 820 $MtCO_2e$ of GHG emissions avoided overseas; and
- at least 116 million people supported to globally increase resilience or better adapt to the effects of climate change[4]

This publication provides as much information as possible on the data that are currently available and the impacts of individual expenditures. As a result, the total number of impact estimates can vary from report to report. All the data used in this report are also presented in an accompanying spreadsheet published alongside this report.

4 These figures represent the Programme's estimated share of expected ICF benefits, calculated in proportion to its share of relevant financing. They include benefits already delivered and those expected over the lifetime of current and past ICF policies.

The UK's climate and environmental leadership



The UK's climate and environmental leadership

The UK is committed to leading global efforts to combat climate change. The UK was the first country to introduce a long-term, legally binding emissions reduction target via the Climate Change Act 2008. In 2019, the UK became the first major economy to commit to reaching net zero emissions by 2050. The UK over-achieved against the first, second and third carbon budgets (legally binding interim emissions reduction targets), and is on track to meet the fourth, ending in 2027.

The UK has demonstrated that it is possible to grow the economy and cut emissions. The UK is the first major economy to halve its emissions, having cut them by 54% between 1990 and 2024, while also growing its economy by 80%.[5] The transition to a net zero, climate resilient and nature positive economy is crucial to ensuring sustainable and resilient long-term growth.

Clean energy is at the heart of the Government's drive towards Net Zero and energy security. Boosting homegrown, renewable energy reduces the UK's exposure to volatile fossil fuel markets, protects bill payers, and strengthens energy independence. The Industrial Strategy and 10-Year Infrastructure Strategy map out how net zero infrastructure investment will boost UK jobs and growth.[6] [7]

The Government is taking action to restore and protect nature. The UK remains committed to our legally binding targets set under the Environment Act 2021. The natural environment is one of our most valuable assets, providing us with the ecosystem services that are essential to our economic prosperity and health and wellbeing. The Government published its National Biodiversity Strategy and Action Plan in February 2025 and a revised Environmental Improvement Plan (EIP) in December 2025.[8] [9]

The Government is committed to maintaining the UK's position as a global leader in sustainable finance. This will help to deliver growth in a key area of UK competitiveness, support green businesses to access the finance they need, facilitate better allocation of capital and build confidence across the market. The Financial Services Growth and Competitiveness Strategy sets out the government's vision for a streamlined regulatory framework for sustainable finance[10], and the government is now focused on delivery. Over the last year the government and regulators have delivered the UK Sustainability Reporting Standards (now available for voluntary use), taken forward regulation of Environmental, Social and Governance (ESG) ratings to improve market integrity and made progress on making the UK a hub for transition finance.

5 *Provisional UK greenhouse gas emissions statistics 2024*, DESNZ, 2025
6 *The UK's Modern Industrial Strategy*, Department for Business and Trade, June 2025
7 *UK Infrastructure: A 10 Year Strategy*, HM Treasury, June 2025
8 *Blueprint for halting and reversing biodiversity loss: UK national biodiversity strategy and action plan*, DEFRA, Welsh Government, Scottish Government, Department of the Environment (Northern Ireland) and Joint Nature Conservation Committee, 2025
9 *Environmental Improvement Plan 2025*, DEFRA, 2025
10 *The Financial Services Growth and Competitiveness Strategy*, HM Treasury, 2025

Green Financing Programme publications



Green Financing Programme publications

Green Financing Framework

The principles of the Programme are set out in the Framework, published in June 2021.[11] The Framework defines the categories of green expenditure eligible for financing under the Programme: Clean Transportation; Renewable Energy; Energy Efficiency; Pollution Prevention and Control; Living and Natural Resources; Climate Change Adaptation; and Nuclear Energy. Some expenditures cut across multiple categories.

HM Treasury updated the Framework in November 2025 (effective from 27 November 2025), adding Nuclear Energy as a seventh category of eligible expenditure.[12]

The Framework commits HM Treasury to annual reporting on the allocation of Programme financing to eligible green expenditures. HM Treasury also committed in the November 2025 Framework update to annual reporting on the environmental impact and social co-benefits of funded expenditures, improving upon the previous commitment to biennial impact reporting.

The Framework aligns with the International Capital Market Association (ICMA) Green Bond Principles. Standard & Poor's (S&P) Global Ratings provided a Second Party Opinion for the updated Framework in November 2025. S&P assessed the Framework to be "dark green", their highest rating.[13]

Programme reporting

HM Treasury has previously published three allocation reports and one impact report for the Programme:

- UK Green Financing Allocation Report 2022[14]
- UK Green Financing Allocation and Impact Report 2023[15]
- UK Green Financing Allocation Report 2024[16]

All previous allocation reports have been independently assured, in line with the requirements of the ICMA Green Bond Principles.

This document is the fourth allocation report and second impact report for the Programme. HM Treasury has committed to annual allocation and impact reporting in future.

11 *UK Government Green Financing Framework*, HM Treasury, June 2021
12 *UK Government Green Financing Framework*, HM Treasury, November 2025
13 *Green Second Party Opinion*, S&P Global, November 2025
14 *UK Green Financing Allocation Report 2022*, HM Treasury, September 2022
15 *UK Green Financing Allocation and Impact Report 2023*, HM Treasury, September 2023
16 *UK Green Financing Allocation Report 2024*, HM Treasury, October 2024

Allocation Report for FY 2024–25



Allocation Report for FY 2024–25

Green financing raised in FY 2024–25

FY 2024–25 marked the fourth year of the Programme. Total proceeds of £10.1 billion[17] were raised in FY 2024–25 via a combination of green gilt issuance by the DMO, and sales of retail GSBs by NS&I.[18]

The majority of these proceeds – £10.0 billion – were raised via six green gilt transactions undertaken by the DMO. The remaining £80.0 million was raised through the sale of retail GSBs by NS&I. This report accounts for proceeds raised through both instruments in FY 2024–25.

Green gilt issuance in FY 2024–25

In FY 2024–25, the DMO held six green gilt auctions (Table 1). Together, these transactions raised £10.0 billion in cash proceeds. The priority for green gilt issuance in the fourth financial year of the Programme was to continue to build up the size of the two green gilts that were launched in September 2021 (0⅞% Green Gilt 2033) and October 2021 (1½% Green Gilt 2053). At end-March 2025 the 10-year and 30-year maturities had reached amounts outstanding of £36.6 billion and £26.6 billion respectively.

Table 1: Green gilt transactions in 2024–25

Date of transaction	Gilt name	Operation type	Cash proceeds (£ billion)	Cover ratio (x)
08 May 2024	1½% Green Gilt 2053	Auction	1.3	3.26
15 May 2024	0⅞% Green Gilt 2033	Auction	2.3	3.52
18 September 2024	0⅞% Green Gilt 2033	Auction	2.2	3.55
31 October 2024	1½% Green Gilt 2053	Auction	1.1	3.15
29 January 2025	0⅞% Green Gilt 2033	Auction	2.2	3.10
5 February 2025	1½% Green Gilt 2053	Auction	0.9	3.20
		TOTAL	**10.0**	-

17 Separate from proceeds raised, the DMO also created £540 million nominal of green gilts in FY 2024–25 for use as collateral. The green collateral will be held on the Debt Management Account by the DMO and will not be available for outright sale. Green collateral, as with other forms of collateral created by the DMO, will specifically be used in the DMO's cash management activities.

18 In line with the 2021 Green Financing Framework, all references to "proceeds" in this report mean an amount equivalent to the net proceeds of green financing raised by HM Treasury.

Green gilt sales in FY 2024–25 continued to attract interest from gilt investors who are integrating ESG factors into their investment decisions, as well as from dedicated ESG investors, some of whom are relatively new to participating in the gilt market.

Retail Green Savings Bonds in FY 2024–25

In FY 2024–25 NS&I continued its green investment retail offer with Issue 7 of its retail GSBs, going on sale in January 2024 at a fixed rate of 2.95% per annum over a three-year term.

There was £80 million of inflows into retail GSBs in FY 2024–25. By investing in retail GSBs, UK savers have had the unique opportunity to help fund green projects across the UK whilst knowing that 100% of their savings are guaranteed by HM Treasury. Customers can purchase bonds ranging in value from £100 to a maximum of £100,000 per person per issue.

Table 2: Green financing raised in FY 2021–22 to FY 2024–25, £ billion

Financial year	Green gilts	Retail GSBs	Total
2021-22	16.1	0.3	16.4
2022-23	9.9	0.6	10.5
2023-24	9.9	1.0	10.9
2024-25	10.0	0.1	10.1
Total	**45.9**	**2.0**	**47.9**

Expenditure selection process for allocation

A total of £11.1 billion of proceeds was available for allocation in the FY 2024–25 allocation round to eligible green expenditures, as defined by the categories in the Framework. This comprised the £10.1 billion raised in FY 2024–25, as described in the preceding section, and £1.0 billion raised in FY 2023–24 that remained unallocated at the end of the previous reporting cycle.

As set out in the November 2025 update to the Framework, the proceeds from sales of green gilts and retail GSBs issued prior to 27 November 2025 will not be allocated to nuclear energy related expenditures. This report, covering the Programme up to and including FY 2024–25, therefore does not contain any reporting of allocations to nuclear energy expenditures.

Eligible expenditures can include government expenditures in the form of direct or indirect investment expenditures, subsidies, tax foregone and associated operational expenditures. Eligibility is limited to government expenditures that occurred no earlier than 12 months prior to issuance, the financial year of issuance, and the two financial years following issuance. HM Treasury allocates at least 50% of proceeds to expenditures occurring in the current financial year (FY 2024–25 in this case) and future years. Proceeds raised in a single financial year may therefore be allocated to eligible expenditure incurred across multiple financial years and reported over multiple reporting cycles. To prevent expenditure from being allocated more than once, HM Treasury reconciles departmental returns with previous allocations and separately identifies any prior-year adjustments. Any subsequent allocation is limited to eligible expenditure that has not previously received green financing.

The Framework also lists excluded expenditures, including vehicles powered through fossil fuel combustion and ethanol, facilities intended for the production of weapons grade nuclear material, and fossil fuel exploitation and exploration. The updated Framework also excludes expenditure related to military nuclear activities.

Expenditures such as carbon capture technology and hydrogen are eligible as these technologies will be important in achieving the UK's net zero targets in hard-to-abate sectors. This describes their eligibility under the Framework and does not mean that all such technologies received an allocation in FY 2024–25. The programmes that received an allocation in this reporting cycle are shown in Table 4.

HM Treasury leads the evaluation and selection of eligible green expenditures, in consultation with the relevant government departments: specifically, DESNZ, DEFRA, DfT, FCDO, and DSIT.

In order to determine the FY 2024–25 allocation, HM Treasury commissioned relevant government departments to provide eligible green expenditure figures and estimates. These were compiled and compared with the portfolio of expenditures reviewed by V.E (now Moody's) as part of its 2021 Second Party Opinion. HM Treasury reviewed departmental returns, including changes from figures reported in the previous cycle, and followed up with departments where clarification was required. The reported expenditure was compared with previous allocations to identify prior-year adjustments and ensure that expenditure was not allocated more than once. HM Treasury then matched eligible expenditure to the £11.1 billion of proceeds available and finalised the allocation.

No new programmes or expenditure categories were introduced in the FY 2024–25 allocation. The exercise therefore concerned the continued eligibility, final outturn and allocation of proceeds to programmes that had already completed the initial

evaluation and approval process, rather than the approval of new programmes. As a result, the initial programme-approval process was not repeated, and no further approval was sought from the Inter-Departmental Green Bond Board (IDGBB), which oversees the evaluation and approval of eligible green expenditures.

Government departments reported £14.1 billion of eligible expenditure in this reporting cycle, comprising £13.9 billion of eligible expenditure in FY 2024–25 and £240 million of upward adjustment to FY 2023–24 expenditure.

HM Treasury's annual allocation reporting uses expenditure figures provided by departments through the annual returns process. For the FY 2024–25 expenditure included in this report, departments provided outturn figures after completing their year-end accounts processes. These figures represent departments' latest confirmed expenditure at the time of reporting and are not forecasts. The £240 million FY 2023–24 adjustment reflects the difference between the figures included in the previous allocation report and the final outturn figures subsequently submitted by departments through the annual returns process for this reporting cycle. The previous allocation report used the best information available shortly after the end of FY 2023–24, before departments had finalised their annual accounts. The adjustment therefore reflects updated spending information and final accounting adjustments identified by departments when reconciling those earlier figures to their subsequently confirmed outturn.

Eligible expenditure included in this reporting cycle exceeded the proceeds available in the FY 2024–25 allocation round by £3.0 billion. In line with the Framework's one-year look-back provision, HM Treasury intends to allocate this expenditure against proceeds available in the FY 2025–26 allocation round, subject to completion of the allocation and assurance processes. The final amount allocated will be confirmed in the FY 2025–26 allocation report.

Table 3: Aggregate reconciliation table

Reconciliation of eligible expenditure reported in FY 2024–25	£ billion
Proceeds allocated in FY 2024–25	11.1
Eligible expenditure intended for allocation in FY 2025–26	3.0
Total eligible expenditure reported in FY 2024–25	**14.1**

Spending in Scotland, Wales and Northern Ireland

UK government expenditure across the UK – in England, Northern Ireland, Scotland and Wales – is eligible for financing as part of the Programme. In this report, UK government expenditures that span all the UK's constituent nations are included.

Authority over some climate and environmental policy areas, including most transport and agriculture, is devolved. Decisions on which projects and initiatives to pursue in these areas, therefore, are generally for the devolved administrations (DAs) in Northern Ireland, Scotland and Wales. While the UK government supports such expenditures indirectly, through providing block grant funding to the DAs, the expenditures and projects are not directly overseen by the UK government and as such are out of scope of the Programme.

Consequently, allocation of proceeds raised in FY 2045–25 have a disproportionate geographic weighting to expenditure in England; this is a reflection of the devolved nature of much UK climate and environmental policy.

The Spending Review process

The Spending Review (SR) is the main process for decision making about government spending. Insofar as it sets the broad parameters for green expenditure over a given period, it is a key determinant of the quantity of 'use of proceeds' green financing.

SRs set resource and capital budgets for all UK central government departments and the DAs' block grants. They can provide single-year or multi-year settlements. At the most recent SR, in summer 2025, departments agreed settlements with HM Treasury covering three years for day-to-day spending (FYs 2026–27 to 2028–29) and four years for capital up to FY 2029–30.[19] SRs involve discussions between spending departments and HM Treasury, with final decisions taken by HM Treasury ministers.

SR settlements set out planned expenditure over the period they cover. These plans may be adjusted in practice within that period, subject to agreement by HM Treasury. The government may thus adapt spending plans during an SR period in response to new priorities and events.

19 SR21 established departmental spending settlements covering the period 2022/23 to 2024/25. The expenditure reported in this allocation exercise relates to projects and programmes funded within those SR21 settlements.

Summary of Green Financing Programme allocation in FY 2024–25

Table 4 presents £14.1 billion of programme-level eligible expenditure reported in this cycle, comprising FY 2024–25 expenditure and adjustments to FY 2023–24 expenditure. As shown in Table 3, this includes expenditure financed in the FY 2024–25 allocation round and expenditure intended for allocation in FY 2025–26. The split between allocation rounds is reconciled at portfolio level rather than by programme.

Table 4: Summary of Green Financing Programme allocation in FY 2024–25 and total allocation to date

Name	Green expenditure category	Expenditure description	2025 allocation to eligible expenditure (£ million)			Total allocation to date
			2023–24	2024–25	Total	
Active Travel England (formerly Cycling & Walking Fund)	Clean Transportation	A collection of funds promoting cycling and walking	-	£136.59	**£136.59**	**£1,138.28**
Electric Vehicle Chargepoint Grant (formerly Electric Vehicle Homecharge Scheme)	Clean Transportation	Grant contributing to the cost of one chargepoint and its installation	-	£8.12	**£8.12**	**£105.94**
On-Street Residential Chargepoint Scheme	Clean Transportation	Grant funding for local authorities to part-fund the procurement and installation of on-street EV chargepoint infrastructure for residential need	-	£3.18	**£3.18**	**£69.05**
Workplace Chargepoint Scheme	Clean Transportation	Voucher system to provide funding for electric vehicle charge points at workplaces	-	£1.32	**£1.32**	**£14.06**
Plug in Car Grant*	Clean Transportation	Grant that provides discounts on eligible zero emission cars	-	-	-	**£505.29**
Plug in Van Grant	Clean Transportation	Grant providing discounts on eligible zero emission vans	-	£108.76	**£108.76**	**£434.81**
Low Emission Taxi Scheme	Clean Transportation	Plug in grants to subsidise the purchase of electric taxis	-	-	-	**£26.96**
Zero emission buses	Clean Transportation	Funding to support the purchase of zero emissions buses	-	£25.63	**£25.63**	**£576.14**

Name	Green expenditure category	Expenditure description	2025 allocation to eligible expenditure (£ million)			Total allocation to date
			2023–24	2024–25	Total	
Plug in 2 Wheeler Grant	Clean Transportation	Grants that contribute to the cost of electric two-wheeled vehicles	-	-	-	**£4.75**
Rail enhancement schemes	Clean Transportation	Funding for various rail electrifications and expansions. Electrified rail only and does not include HS2 spend	-	£947.60	**£947.60**	**£3,717.68**
Track maintenance	Clean Transportation	Funding to maintain existing rail. Electric rail only and does not include HS2 spend	-	£809.16	**£809.16**	**£3,540.04**
Track renewal	Clean Transportation	Funding to renew railway tracks. Electric rail only and does not include HS2 spend	-	£1,574.13	**£1,574.13**	**£8,290.45**
Nexus Metro fleet	Clean Transportation	Funding to replace the rolling stock for the Tyne and Wear light rail system	-	£43.05	**£43.05**	**£238.82**
Transforming Cities Fund (Nexus Metro Flow)	Clean Transportation	The electrification of a freight rail line in South Tyneside to allow it to run metro trains	-	-	-	**£92.99**
Energy Savings Trust	Clean Transportation	Transport related funding for the Energy Savings Trust	-	-	-	**£6.14**
City Region Sustainable Transport Settlements	Clean Transportation	Transport infrastructure funding for cities. Only green projects included in allocation	£0.03	£116.91	**£116.94**	**£423.16**
Local EV Infrastructure Fund	Clean Transportation	Funding for local governments to build charge point infrastructure	-£0.01	£198.28	**£198.27**	**£410.88**
Rapid Charging Fund	Clean Transportation	Funding to support the rollout of EV infrastructure across UK motorway service operators	-	£1.15	**£1.15**	**£3.07**
Low Carbon VIP R&D – Innovate UK*	Clean Transportation	Funding for industry projects in low emission vehicle and charging infrastructure technologies	-	-£0.42	-£0.42	**£102.97**
Transport decarbonisation R&D	Clean Transportation	Funding for industry projects in low emission vehicle and charging infrastructure technologies that support the decarbonisation of UK transport.	-£0.03	£164.22	**£164.19**	**£258.50**

Name	Green expenditure category	Expenditure description	2025 allocation to eligible expenditure (£ million)			Total allocation to date
			2023–24	2024–25	Total	
Zero Emission Road Freight Trials*	Clean Transportation	Funding to deploy and trial zero-emission heavy goods vehicles and associated high-capacity charging infrastructure, supporting the decarbonisation of road freight	-	£29.78	**£29.78**	**£49.82**
Advanced Propulsion Centre	Clean Transportation	Funding for body that provides grants to support the automotive industry in decarbonisation	-	-	-	**£75.00**
Automotive Transformation Fund	Clean Transportation	Funding through the Advanced Propulsion Centre to fund the manufacturing of zero emission vehicles	-	-	-	**£63.00**
Air quality transportation projects	Clean Transportation	Consists of Joint Air Quality Unit, Air Quality Worst Cities Fund and Joint Air Quality NO2 Plan. These programmes work with local authorities to help them reach their national air pollution targets	£1.97	£0.24	**£2.21**	**£56.60**
Hydrogen for Transport Programme	Clean Transportation	Programme funding new and upgraded publicly accessible hydrogen refuelling stations, upgrading existing stations and increasing the uptake of fuel cell electric vehicles	-	-	-	**£6.03**
Low Carbon Vehicle Zemo Partnership	Clean Transportation	Body that encourages collaboration between government and industry to promote cutting emissions in transport	-	-	-	**£1.16**
Office for Zero Emission Vehicles funding	Clean Transportation	Admin spend for the OZEV, a body that funds zero emission vehicle technology, with most funding going towards electronic charge points	-£0.18	£2.73	**£2.55**	**£11.16**
OLEV grant system	Clean Transportation	Administration for grants through the Office for Low Emission Vehicles (now Zero Emission Vehicles)	£0.36	£1.32	**£1.68**	**£10.81**
Flood & Coastal Erosion Risk Management	Climate Change Adaptation	Investment into flood and coastal erosion risk management programmes	£26.44	£1,462.33	**£1,488.77**	**£6,094.64**

Name	Green expenditure category	Expenditure description	2025 allocation to eligible expenditure (£ million)			Total allocation to date
			2023–24	2024–25	Total	
Green Homes Grant voucher scheme*	Energy Efficiency	Provides vouchers to homeowners to improve the energy efficiency of housing stock	-	-	-	**£282.80**
Home Upgrade Grant	Energy Efficiency	Funding for property owners and private renters to improve their home's energy efficiency	£7.33	£164.76	**£172.09**	**£358.17**
Local Authority Delivery	Energy Efficiency	Subsidies for local authorities to improve the energy efficiency of housing stock	£0.18	-£8.71	-£8.53	**£496.75**
Public Sector Decarbonisation Scheme*	Energy Efficiency	Grants for public sector bodies to fund heat decarbonisation and energy efficiency measures	£21.82	£398.70	**£420.52**	**£2,222.68**
Social Housing Decarbonisation Fund*	Energy Efficiency	Fund supporting the installation of energy performance measures in social homes in England	£6.18	£474.01	**£480.19**	**£938.62**
Industrial Energy Transformation Fund	Energy Efficiency	Funds energy efficiency and low carbon measures at businesses	-£41.50	£49.23	**£7.73**	**£75.46**
Green Heat Network Fund	Energy Efficiency	Capital funding supporting green heat development and networks	-	£129.16	**£129.16**	**£199.34**
Heat Networks Efficiency Scheme	Energy Efficiency	Capital grants for existing district heat networks and communal heating systems to part-fund the installation of performance improvement measures	-	£15.04	**£15.04**	**£35.13**

Name	Green expenditure category	Expenditure description	2025 allocation to eligible expenditure (£ million)			Total allocation to date
			2023–24	2024–25	Total	
Agri-environment schemes	Living & Natural Resources	A collection of agricultural environmental and forestry schemes including: Countryside Stewardship Offer, Future Plant Health, and Environmental Land Management	£3.07	£1,294.71	**£1,297.78**	**£2,894.58**
Green Recovery Challenge Fund	Living & Natural Resources	Funding to establish nature recovery across England	-	-	-	**£80.00**
Nature for Climate Fund	Living & Natural Resources	Fund supporting tree-planting and peat restoration schemes in England	£3.09	£235.42	**£238.51**	**£665.36**
DEFRA green finance	Living & Natural Resources	DEFRA scheme to promote private finance investing into biodiversity and environmental measures	-£0.10	£3.28	**£3.18**	**£23.38**
CCUS infrastructure (formerly CCS infrastructure)	Pollution Prevention & Control	Fund to support capital expenditure on transport and storage networks and industrial carbon capture projects	-	£471.86	**£471.86**	**£531.05**
Emissions Trading Scheme	Pollution Prevention & Control	Funding to support the UK's emission trading scheme to promote the broad reduction of carbon emissions by businesses	£3.60	£10.09	**£13.69**	**£27.13**
Heat Networks Transformation Programme	Renewable Energy	Capital grants for the development of new and existing low and zero-carbon heat networks	-	-	**£0.00**	**£291.52**
Net Zero Innovation Portfolio R&D	Renewable Energy	Funding for low-carbon technologies research	£61.34	£306.90	**£368.24**	**£962.27**
Renewable Heat Incentive	Renewable Energy	Funding to help businesses, homes and other organisations meet the cost of installing renewable heat technologies	-£82.88	£1,213.37	**£1,130.49**	**£5,223.12**
Boiler Upgrade Scheme	Renewable Energy	Funding to replace fossil fuel boilers with biomass and heat pumps	-£27.15	£207.44	**£180.29**	**£341.97**
Net Zero Hydrogen Fund	Renewable Energy	Funding to promote the production of low carbon hydrogen	-	£20.49	**£20.49**	**£38.21**

Name	Green expenditure category	Expenditure description	2025 allocation to eligible expenditure (£ million)			Total allocation to date
			2023–24	2024–25	Total	
Industrial Decarbonisation and Hydrogen Revenue Support Scheme	Renewable Energy	Funding to promote the production of low carbon hydrogen	-£3.00	-	-£3.00	**£0.00**
Offshore Wind Manufacturing Investment Fund*	Renewable Energy	Funding to support manufacturing in offshore wind supply chains	-	-	-	**£58.00**
Strategic Priorities Fund	Multiple	The environmental portion of the Strategic Priorities research fund	-	-	-	**£88.80**
International Climate Finance	Multiple	UK government commitment to support developing countries to respond to the challenges and opportunities of climate change	£259.82	£3,255.20	**£3,515.02**	**£8,792.47**
Total			£240.38	£13,875.03	**£14,115.41**	**£50,955.01**

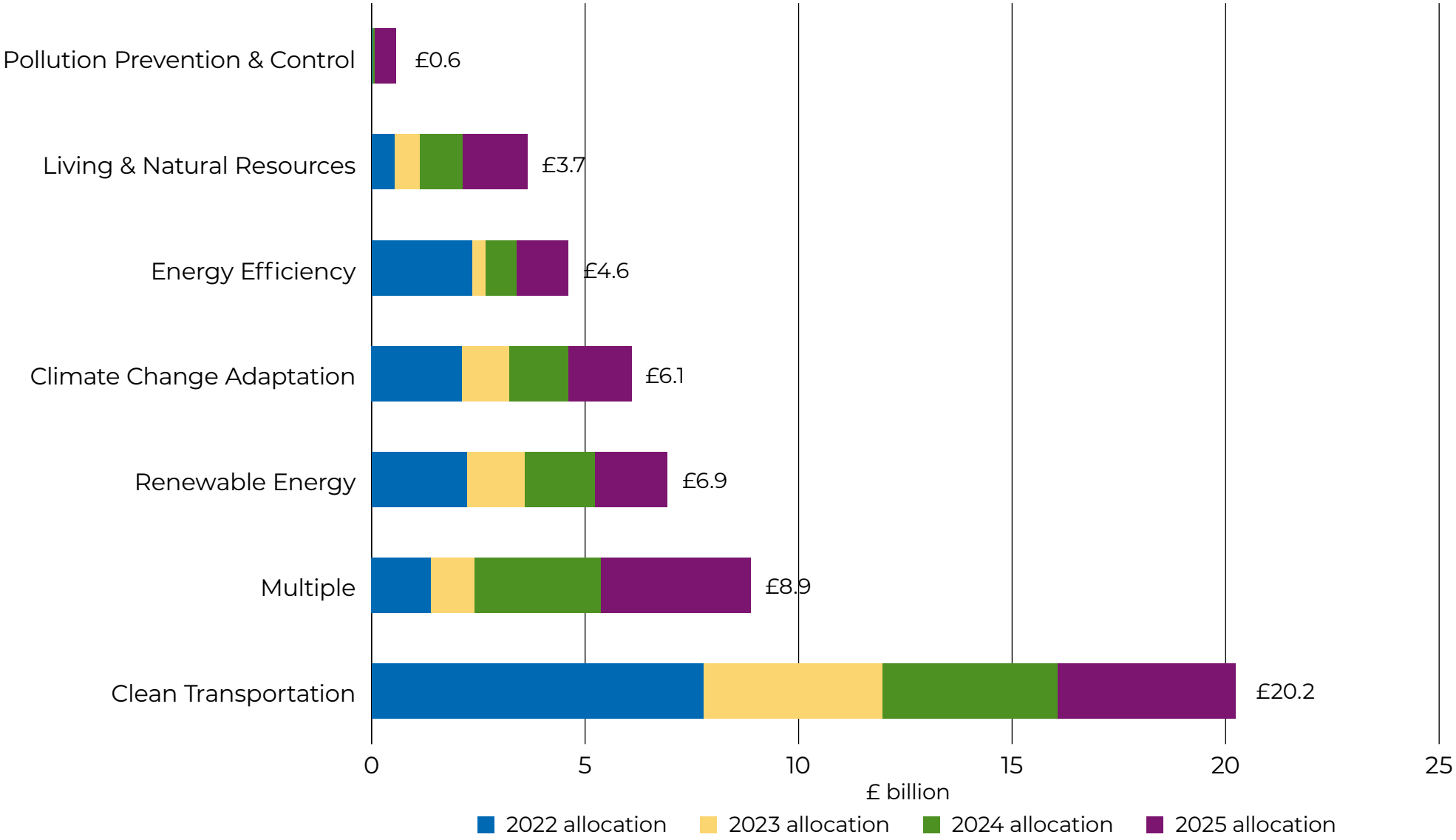
Notes

*The marked programmes have closed.

Negative figures represent adjustments to expenditure previously reported, reflecting updated final departmental outturn. Figures may not sum due to rounding.

Further information on the underlying expenditure and impacts assessed is provided in the accompanying spreadsheet.

Chart 1: Total allocation to date by category, £ billion





Impact Report for the Programme to date

Impact Report for the Programme to date

Methodology for calculating impacts

This Impact Report presents available data from the government's green expenditures. Reporting data on the impact of the overall Programme also allows investors to determine how much their own investments into the Programme contribute to delivering net zero, tackling climate change and supporting the environment.

This section sets out the methodology used to calculate the impacts of the Programme. Given the range of data and novel reporting method, a number of steps were taken to ensure coherence in the methodology of the impact analysis.

Impact estimates are subject to uncertainty, reflecting differences in the data sources, methodologies and assumptions used across programmes, as well as the inclusion of both realised and projected impacts. They should therefore be interpreted as indicative estimates rather than precise measures of the Programme's impact.

Impact reporting period

This Impact Report presents Programme impacts from the launch of the Programme in FY 2021–22 to the end of the most recent financial year with a completed allocation. For this report, that covers expenditures that have been allocated green financing from the FY 2021–22 (the first year of allocation under the Programme) to FY 2024–25 (the year of the reported allocation data in the previous section), inclusive.

The data in this report are best understood as the total impact of the Programme to date, rather than the impact of allocations made in a particular year. Accordingly, the impact analysis incorporates the full portfolio of eligible expenditure reported for FY 2024–25, including expenditure that remains available for potential allocation in a future reporting period under the Framework's one-year look-back provision. The impacts presented in this report therefore reflect the environmental and social outcomes associated with the Programme's eligible expenditure portfolio to date, whereas allocation reporting remains limited to the proceeds available for allocation in each reporting period.

It is HM Treasury's current intention to continue to present Programme impact to date in future reports, in order that investors may have the most recent, complete and accurate presentation of Programme impact data in one document.

For many of the expenditures with reported impact data, the method for estimating impact to date has been to combine (i) the latest available impact data for FYs 2020–21 and 2021–22, with adjustments made as per the 2023 Impact Report, with (ii) subsequent impact data for FYs 2022–23, 2023–24 and 2024–25. Further detail on the methodology for estimating available impact for each expenditure is in the accompanying spreadsheet.

The 2023 Impact Report presented impact data for expenditures that were allocated financing in FY 2021–22, the first allocation of the Programme. Expenditures and impact evaluation may have taken place in a different year. To estimate the Programme's impact within a given expenditure, the 2023 report used a straight-line pro-rata approach as follows:

- for a given expenditure, departments provided impact data and the total spend corresponding to the impact reporting period
- using this and the reported Programme allocation, the share of Programme funding relative to the total spend for that expenditure is calculated
- that calculation gives a pro-rated fraction, which is multiplied by that expenditure's published overall impact data to estimate the share of the impact attributable to the Programme for that expenditure

Further detail on this approach and the original data sources is available in the 2023 UK Green Financing Allocation & Impact Report and were cleared by the relevant departments.

The Programme allocation to eligible green expenditures after FY 2021–22 has in many cases been 100% of total policy spending. In such cases, there has been no need to pro-rate the impacts recorded in this period. The accompanying spreadsheet includes expenditure-level detail on pro-rating and the summing of impacts.

Data sources

The report aims to use only impact analysis that has already been conducted and published, where available, by UK government departments or by the organisations that are the final recipients of the allocated financing. It does not seek to calculate or present new impact analysis.

The four spending departments participating in the Programme so far (DEFRA, DESNZ, DfT, FCDO, and DSIT) provided the source data for this report using, where available, publicly available impact information for their eligible green expenditures. If appraisal or evaluation data were not yet publicly available for a policy, departments shared estimates from internal evaluations or business cases, where feasible and appropriate. HM Treasury has not independently assessed or confirmed the impact of eligible expenditures.

As well as reporting on the environmental impacts, this report provides, where available, social co-benefit data such as the number of green jobs supported or the number of households benefitting from a specific expenditure.

The use of publicly available data or departmental analysis means that the source data for this Impact Report have been through each department's analytical processes, including a quality assurance process prior to policymaking or publication. UK government analysis is informed by best-in-class guidance including the Green Book (project appraisal), the Magenta Book (project evaluation) and the Aqua Book (quality assurance).[20] [21] [22]

As noted above, the 2023 Impact Report is used as a source for impact data for the FY 2021–22 allocation for some expenditures. That report contains detail on the original sources, which (where possible) meet the criteria for publicly available data set out above.

20 *The Green Book*, HM Treasury, 2026
21 *The Magenta Book*, HM Treasury, 2025
22 *The Aqua Book*, HM Treasury, 2025

Data challenges and alternative approaches for estimating Programme impact

In some instances, it has not been possible to attribute environmental impacts or social co-benefits directly to policies financed by the Programme, for reasons including:

- there is a lag between allocated financing and policy operationalisation
- evaluation has not yet concluded for multi-year programmes
- expenditure data and impact data are collected at different levels or cover different scopes

Where possible, the report seeks to demonstrate the likely impact of a policy using alternative forms of evidence:

- ex-ante estimates of outputs or impacts
- evidence of a scheme's overall impact, without attempting to delineate the Programme's contribution
- case studies

Other assumptions

More than one method may have been used by departments to measure and analyse climate and environmental impacts across the expenditures allocated funds raised under the Programme. The analysis for each expenditure is conducted by an analytical team within its respective department or sometimes outsourced to an external organisation. Each expenditure or department's analysis may use different sets of estimates or assumptions. As is standard with microeconomic analysis, the analyses of the individual expenditures assume all else is equal.

Aggregation to Programme-level impact

In line with investor preferences for an overview of the overall impact of the Programme, the report assumes that individual expenditure impacts can be aggregated. This is done by adding together the Programme's impact for each expenditure, where the data are available. Aggregated impacts are presented for the six relevant Programme expenditure categories (and for those expenditures across multiple categories) and for the overall Programme, for selected metrics. Aggregated metrics were chosen for data availability and include environmental impact and social co-benefits.

The aggregated Programme impact is best understood as the lifetime impact of Programme financing to date. It includes all realised impacts so far and all estimated future impacts of policies financed by the Programme allocation from FY 2021–22 to FY 2024–25, inclusive, pro-rated for the Programme's share of total financing for those policies. Pro-rating policy impacts removes the risk of double counting impacts in future allocations. This method of presenting Programme impacts may underestimate the impacts of the 2022 allocation: for example, if policy evaluations subsequently demonstrate greater-than-expected impacts due to falling costs, improved technology efficiency, or increased policy uptake; or if improved data collection methods allow for more impacts to be quantified.

Policies with international spending, i.e., those that are part of ICF, have not been included in the Programme-level aggregation. This is to reflect the additional challenge of attributing impacts from multilateral, multi-year and multi-project

schemes to a specific funding source and year. Separating domestic and global impacts also allows this report to present the Programme's contribution towards the UK's (territorial) decarbonisation targets. An estimate of the Programme's share of ICF's impact is presented separately, using the pro-rata and aggregation methodology outlined above.

In every instance, the report has utilised the most cautious possible approach for attributing environmental impacts and social co-benefits to the Programme. The evidence should therefore be considered a lower bound for the likely impact of the Programme.

Clean Transportation

Summary of impacts from allocated expenditure



1.31 $MtCO_2e$ of GHG emissions reduced



212,312 Electric vehicles funded



307,978 Electric vehicle charging points installed

Transport remains the largest source of UK territorial greenhouse gas emissions, accounting for **31% of total emissions in 2025**.[23] Emissions in the sector have declined more slowly than emissions in the wider economy: while total UK emissions have fallen by **around 54% since 1990**, transport emissions have decreased by **around 9% over the same period.**[23] As a result, decarbonising transport remains a key policy priority and a major component of green public expenditure.

Rail enhancement schemes, Track maintenance and Track renewal received some of the largest allocations under the Programme. This investment supports both the maintenance and renewal of existing electrified infrastructure, alongside the delivery of major upgrade schemes across the network.

The **Transpennine Route Upgrade (TRU)** provides an example of how expenditure across rail enhancement, track maintenance and track renewal can be brought together within a single project. TRU is one of the largest current projects, with electrification works underway across the Manchester–York corridor. As of 2025, sections between Manchester Victoria–Stalybridge and York–Church Fenton have been electrified, representing around **25%** of the route.[24] These programmes are intended to enable the operation of electric rolling stock on a greater share of the network, reducing reliance on diesel trains over time.

Case Study A: Midland Main Line Electrification – Kettering to Wigston

The Office of Rail and Road granted authorisation to place into service the 23-mile Kettering–Wigston section in April 2025, following its energisation in summer 2024. The section includes a new substation at Braybrooke, providing additional power capacity and improving network resilience.

Seven bridges and four signal gantries were fitted with voltage-controlled clearance (VCC) technology, avoiding the need for bridge reconstruction and lengthy road closures. Where applicable, VCC provides a potentially replicable, lower-cost approach for future electrification schemes facing clearance constraints. Network Rail also achieved a 12% increase in biodiversity along the corridor.

Source: *Network Rail*, 2025

23 *2025 UK greenhouse gas emissions: provisional figures,* DESNZ, April 2026

24 *TRU sets new benchmark for sustainable delivery as electrification, skills investment and community impact accelerates*, Network Rail Media Centre, December 2025.

The Programme continues to support the deployment of electric vehicle (EV) charging infrastructure across the UK, which is central to reducing emissions from road transport. Since FY 2020–21, **£189.1 million** has been allocated via the Programme to the On-Street Residential Chargepoint Scheme, Workplace Charging Scheme and Electric Vehicle Chargepoint Grant, supporting the installation of **over 300,000** charging devices across the UK.[25] These programmes target different barriers to provision, supporting chargepoints in residential areas without off-street parking, at workplaces, and in domestic settings. These interventions are intended to support the expansion of charging infrastructure while facilitating private sector delivery.

Alongside this, **Plug-in Vehicle Grants** have provided purchase incentives for eligible ultra-low emission vehicles. Up to FY 2024–25, **£940.1 million** has been allocated through the Programme for plug-in grant schemes, supporting the uptake of **more than 200,000** EVs. While delivered separately from charging infrastructure programmes, these grants form part of the wider policy framework supporting the transition to electric vehicles and operating in parallel with investment in charging provision.

Case Study B: Electric Vehicle Charging Infrastructure – Brighton & Hove City Council

Brighton & Hove received **£227,000** through the On-Street Residential Chargepoint Scheme (ORCS) to support the delivery of on-street EV charging infrastructure. The project included the installation of 100 lamp-column chargepoints and fast chargers between March and October 2024, followed by 12 additional twin chargepoints in 2025.

Source: *Brighton & Hove City Council*, 2026

The **Active Travel England (ATE) scheme** focuses on enabling walking, wheeling and cycling for short journeys. Funding allocations from the Programme to local authorities under this policy total **£1,138.28 million up to FY 2024–25**, supporting the development of infrastructure and local delivery capability. This scheme is designed to improve conditions for active travel and reduce reliance on higher-emission modes of transport, particularly for shorter trips. It sits within the broader Cycling and Walking Investment Strategy framework, which sets out government objectives for increasing the share of journeys made by active modes.

25 *Electric vehicle charging device grant scheme statistics,* DfT, March 2026

Case study C: Stockport Interchange

The Stockport Interchange in Greater Manchester opened in March 2024, marking a significant milestone in the development of the Bee Network. The **£140 million project**, delivered through a partnership between central government, local authorities and Active Travel England, uses Stockport's multi-level setting to connect an 18-stand bus concourse with the railway station, future Metrolink extensions and dedicated walking and cycling routes. It also includes 196 homes and a two-acre rooftop public park. By improving connections between transport modes and removing barriers to walking, cycling and wheeling, the interchange is designed to make sustainable travel a more attractive alternative to car use.

Source: *Active Travel England*, 2025

This publication does not report directly attributable impacts to the Programme for the following expenditures in this category:

- Low Emission Taxi Scheme
- Plug in 2 Wheeler Grant
- Nexus Metro fleet
- Transforming Cities Fund (Nexus Metro Flow)
- Energy Savings Trust
- City Region Sustainable Transport Settlements
- Local EV Infrastructure Fund
- Rapid Charging Fund
- Low Carbon VIP R&D – Innovate UK
- Transport decarbonisation R&D
- Zero Emission Road Freight Trials
- Advanced Propulsion Centre
- Automotive Transformation Fund
- Air quality transportation projects
- Hydrogen for Transport Programme
- Low Carbon Vehicle Zemo Partnership
- Office for Zero Emission Vehicles funding
- OLEV grant system

Climate Change Adaptation

Summary of impacts from allocated expenditure



303,000 properties better protected



293,000 hectares of agricultural land better protected



5200 hectares of natural habitat created

The UK climate is already changing, with observed warming over recent decades and clear evidence that further temperature rises are inevitable even if global net-zero commitments are achieved. The **Climate Change Committee's (CCC) 2025 Progress Report** highlights that between October 2022 and March 2024, England experienced its wettest 18 months on record, with prolonged flooding contributing to the second-worst arable harvest in modern records and that risks will intensify as temperatures continue to rise.[26] Rising temperatures are projected to drive more frequent and severe heatwaves, heavier rainfall, and heightened flood risks, reinforcing the urgency of accelerating adaptation measures to strengthen resilience and reduce vulnerability across the economy and public services.

To respond to these changing conditions, the government is working to ensure that major policies remain robust to current and future climate risks at home and abroad. This includes strengthening resilience in vulnerable sectors and improving protections for communities most exposed to climate-driven hazards.

Flooding and coastal erosion are among the most significant climate risks facing the UK. As climate change increases the frequency and severity of extreme weather, improving resilience is increasingly important to protect communities, support sustainable economic growth and safeguard the environment.

In response, the government is investing in flood and coastal erosion risk management to strengthen resilience across the country. Alongside record investment in flood defences, the government has reformed its flood funding policy to support a broader range of resilience measures, including natural flood management, while making it quicker and easier to deliver projects that provide long-term benefits for communities and nature.

The Programme allocated **£6.1 billion** between 2021 and 2025, aiming better to protect hundreds of thousands of properties, support new defence schemes and prevent economic damage.

Looking across the policy lifetime from 2015 to 2025, the Programme funded a proportion of wider government investment in flood and coastal erosion risk management. Using the methodology published in the UK Green Financing Allocation and Impact Report 2023, activity attributable to the Programme is estimated to have contributed to **303,000** properties being better protected, **293,000** hectares of agricultural land benefiting from reduced flood risk and **5,200** hectares of new natural habitat being created, demonstrating the resilience and environmental benefits supported through the programme.

26 *Progress in adapting to climate change: 2025 report to Parliament*, Climate Change Committee, April 2025.

Case study D: Improved coastal flood protection at Cockett Wick, Essex

The Cockett Wick seawall improvement scheme in Essex was completed in August 2024 as part of the Essex and Suffolk Shoreline Management Plan. The scheme involved **£12 million** of capital investment to improve tidal flood defences, including a reinforced concrete seawall and rock armour.

The works have **better protected over 3,000 homes and businesses** from tidal flooding. The scheme has been designed to allow for future raising of the defences to reflect projected sea-level rise. Construction used recycled steel tube piles rather than new steel, reducing the embodied carbon associated with the works compared with conventional materials.

Source: *Environment Agency*, DESNZ, 2024

Case study E: Leeds Flood Alleviation Scheme

The Leeds flood alleviation scheme was completed in November 2024. This **£200 million** scheme, led by Leeds City Council in partnership with the Environment Agency will help protect more than **4,000 homes and over 1,000 businesses** from the risk of flooding along the River Aire catchment in Leeds and neighbouring communities. It will also help protect more than **33,000 jobs** in Leeds alone.

Alongside the infrastructure and engineering works, the scheme also has a strong focus on using the environment and nature to help protect against flooding, in one of the largest and most innovative natural flood management projects seen anywhere in the UK. The scheme brings additional benefits to the environment through the creation of vast new areas of habitat for wildlife, improved water quality and farmland as well as restoring previous habitats.

Further key economic benefits of the scheme includes bringing land previously unsuitable for development due to flood risk back into potential use, opening up significant areas of land to support the growth of the city with estimated regeneration benefits of **£774 million** over 10 years and potentially more than **3,000 new jobs**.

Source: *Leeds City Council*, 2024

Energy Efficiency

Summary of impacts from allocated expenditure

1.95 $MtCO_2e$ of GHG emissions savings (lifetime)

10,800 GWh of energy saving (lifetime)

205,150 of energy efficiency measures installed

£18.3 million of annual savings on household energy bills

139,101 Households benefiting

Improving energy efficiency is a central component of the UK government's approach to reducing emissions, improving energy security and supporting affordability for households, businesses and the public sector. Energy use in the buildings and product uses sector accounted for **around 26% of final UK energy consumption in 2024** and was responsible for **around 22% of UK direct CO_2 emissions.**[27] As a result, improving the energy performance of buildings remains an important part of the UK government's approach to reducing emissions, managing energy demand and supporting affordability.

Government policy places greater emphasis on upgrading the existing building stock, with particular focus on the least efficient homes, public sector buildings and social housing. Delivery is shaped through a set of targeted programmes that support insulation and other fabric measures, alongside wider reforms intended to raise energy performance over time.

Case study F: Kensa and Thurrock Council – decarbonising tower blocks in Chadwell St Mary, Essex

In 2023, Thurrock Council and Kensa replaced inefficient night storage heaters in **nearly 300 council flats** in Chadwell St Mary with **individual heat pumps and heat batteries**, supported by government funding. An **ambient heat network** was installed using a shared ground loop connected to **109 boreholes** drilled beneath the site. The scheme has improved heating control and reduced running costs for residents previously experiencing fuel poverty. The installation is expected to deliver **over 70% carbon emissions reduction**, with projected lifetime savings of **around 7,080 tonnes of CO_2**.

Source: *Warm Homes Plan*, DESNZ, 2026

Across the public sector, the **Public Sector Decarbonisation Scheme** supported energy efficiency and low-carbon heating upgrades in buildings such as schools, hospitals and local authority estates, helping organisations to reduce energy use and operating costs. The scheme is now closing.

27 *2025 UK greenhouse gas emissions: provisional figures,* DESNZ, April 2026

Case study G: Leeds PIPES heat network – supporting local jobs and low-carbon heat

Leeds PIPES is a city-wide heat network delivering low-carbon heat to **over 4,100 residential properties and over 30 non-residential buildings**. Since 2018, Leeds City Council and Vital Energi have installed **around 30 km of pipework**, supplying heat generated from non-recyclable waste. The project has supported local economic activity, creating **around 430 green jobs and 30 apprenticeships**, with **around half of labour recruited locally** and **around 60% of project spend retained within Leeds and the surrounding area**. The scheme supports decarbonisation while contributing to skills development and local growth.

Source: *Warm Homes Plan*, DESNZ, 2026

Taken together, Programme expenditure across the Energy Efficiency portfolio up to FY 2024–25 has supported the installation of **205,150 energy efficiency measures**. Reported impacts to date include **estimated lifetime energy savings of 10,800 GWh**, **lifetime greenhouse gas emissions savings of 1.95 $MtCO_2e$**, and support for **139,101 households**. Over the lifetime of installed measures, **annual bill savings are estimated at £18.3 million** These impacts are reported on a **portfolio-wide basis** and reflect the combined contribution of several programmes operating across domestic and public sector buildings.[28] Government energy efficiency and clean heating schemes and regulations are also estimated to have supported **around 60,000 direct and indirect full-time equivalent** jobs in 2023.[29]

This publication does not report directly attributable impacts to the Programme for the following expenditures in this category:

- Industrial Energy Transformation Fund
- Green Heat Network Fund
- Heat Networks Efficiency Scheme
- Public Sector Decarbonisation Scheme

28 The scale and nature of impacts vary by programme. Further detail is set out in the accompanying spreadsheet.

29 *Warm Homes Plan*, DESNZ, 2026. The estimated 60,000 direct and indirect full-time equivalent (FTE) jobs supported in 2023 relate to DESNZ's wider Energy Efficiency and Low-Carbon Heating portfolios. The estimate reflects the combined impact of Green Financing Programme-supported activity alongside other schemes, programmes and regulatory measures across these portfolios, including the Energy Company Obligation and other energy efficiency and low-carbon heating policies. As such, the estimate is not solely attributable to the Programme-supported expenditure.

Living and Natural Resources

Summary of impacts from allocated expenditure



383,747 hectares of land benefited



1,315,560 trees planted



2,025 jobs supported

Protecting and restoring the natural environment is a core priority for the UK government's approach to climate and sustainable growth. The UK is contributing to global efforts to halt biodiversity loss, including through its commitment to the **'30by30'** target, agreed under the Kunming-Montreal Global Biodiversity Framework, to conserve 30% of land and sea by 2030.[30]

Within England, this ambition is supported by a strengthened domestic framework for nature recovery. The **Environment Act 2021** establishes legally binding targets to **halt the decline in species abundance by 2030 and reverse declines thereafter**, alongside longer-term ambitions to restore habitats and improve ecosystem condition. These objectives have been supported by targeted funding programmes, including the **Nature for Climate Fund (NCF)** and the **Green Recovery Challenge Fund (GRCF)**. The NCF has now concluded, with its tree-related delivery transitioning to the **Trees Programme**.

Case Study H: West Midlands – Rewilding Canals

Through a **£1.7 million** Green Recovery Challenge Fund award, Canal & River Trust delivered habitat restoration across the West Midlands canal network, including the **Wyrley & Essington Canal**, **Walsall Canal**, **Cannock Extension Canal** and **Anglesey Branch Canal**. The project improved over **30 miles of waterways**, enhancing connectivity across **seven Sites of Special Scientific Interest** and supporting wildlife corridors for species such as water voles. Activity included habitat enhancements along canal corridors, community orchard planting, and improvements to hedgerows and ponds. Delivered in partnership with local authorities and education organisations, the project contributed to nature recovery while supporting community engagement and environmental learning.

Source: *Canal & River Trust*, 2025

Through these programmes, the government has invested in activities focused on nature recovery and the sustainable management of natural capital, including tree planting, peatland restoration, habitat creation and wider nature-based solutions. The NCF supported delivery against climate and biodiversity objectives before concluding, with its tree-related delivery subsequently transitioning to the Trees Programme. Separately, the GRCF was a time-limited programme established to accelerate nature recovery during the COVID-19 pandemic, which concluded in 2023.

30 *30by30 on land: Delivery plan*, DEFRA, July 2026.

Across the Living and Natural Resources portfolio, Programme expenditure has supported activity contributing to improved land management, nature recovery and climate outcomes. Reported impacts to date include nature recovery, conservation and land-management activities covering **383,747 hectares**, the planting of **1.32 million trees**, and support for **2,025 jobs over their lifetime**, both directly and indirectly. These figures are presented on a **portfolio-wide basis** and reflect the combined contribution of multiple programmes.[31]

Case study I: Trees for Climate – Shaw Forest Park, Swindon (Great Western Community Forest)

Through the **Trees for Climate** programme, which was supported by the Nature for Climate Fund, the Great Western Community Forest delivered woodland creation at **Shaw Forest Park in Swindon**. The project supported the establishment of **over 3.4 hectares of new community woodland**, contributing to improved habitat connectivity and long-term woodland cover. Delivery focused on practical planting and early establishment, with activity coordinated locally and involving land managers and community partners. The site also improves public access to green space and provides a basis for future biodiversity and climate benefits as the woodland matures.

Source: *England's Community Forests,* 2024

There is no impact data that is directly attributable to the Programme for the following expenditures in this category:

- Agri-environment schemes
- DEFRA green finance

31 Further information on the impacts assessed is set out in the accompanying spreadsheet; readers should refer to the *GRCF Round Final Summative report* and *National Audit Office's NCF report* alongside this.

Pollution Prevention and Control

This category covers expenditure related to the reduction of industrial pollutants and greenhouse gas emissions, primarily through **carbon capture, usage and storage (CCUS)**. CCUS and the UK Emissions Trading Scheme are the only expenditures currently included within this category, as most pollution reduction activity is delivered through policies reported under other categories. For example, air quality interventions that reduce roadside emissions are reported within the Clean Transportation category.

Government policy identifies CCUS as one of a number of measures intended to support the decarbonisation of energy-intensive industries and the wider transition to a lower-emissions energy system. The UK's approach to CCUS is based on a **cluster model**, which brings together capture projects with shared transport and storage infrastructure, enabling economies of scale and coordinated delivery. CCUS is expected to support industrial decarbonisation, low-carbon power generation and the development of low-carbon hydrogen, alongside continued efforts to reduce fossil fuel use.

Expenditure included within this allocation relates to **early-stage programme development and preparatory activity**, building on commitments made in previous years. The relevant policy from **FY 2021–22 to FY 2024–25 allocation**, totalling **£531.1 million**, is **not yet operational**. As projects are currently at development stages, **no impact data are currently available for this category.** [32]

Impact reporting for CCUS will be included in future reports once projects move into delivery and measurable outcomes can be reported in line with programme monitoring and evaluation frameworks.

32 For further information on CCUS projects, readers should refer to DESNZ (2025), *UK carbon capture, usage and storage (CCUS)*.

Renewable Energy

Summary of impacts from allocated expenditure



21.46 $MtCO_2e$ of GHG emissions savings (lifetime)



59,119 GWh of heat paid

Renewable energy policy in the UK covers both electricity generation and heat. In recent years, there has been increasing emphasis on expanding renewable electricity supply as part of meeting carbon budgets and supporting the transition to a lower-emissions energy system.[33]

However, the Programme funding continues to be directed primarily towards the **decarbonisation of heating**, rather than electricity generation. This reflects the wider policy framework, under which support for renewable electricity is largely delivered through the **Contracts for Difference (CfD)** mechanism. CfD provides long-term price stabilisation for low-carbon generators and operates outside HM Treasury-managed expenditure, and is therefore not included within the scope of the Programme.

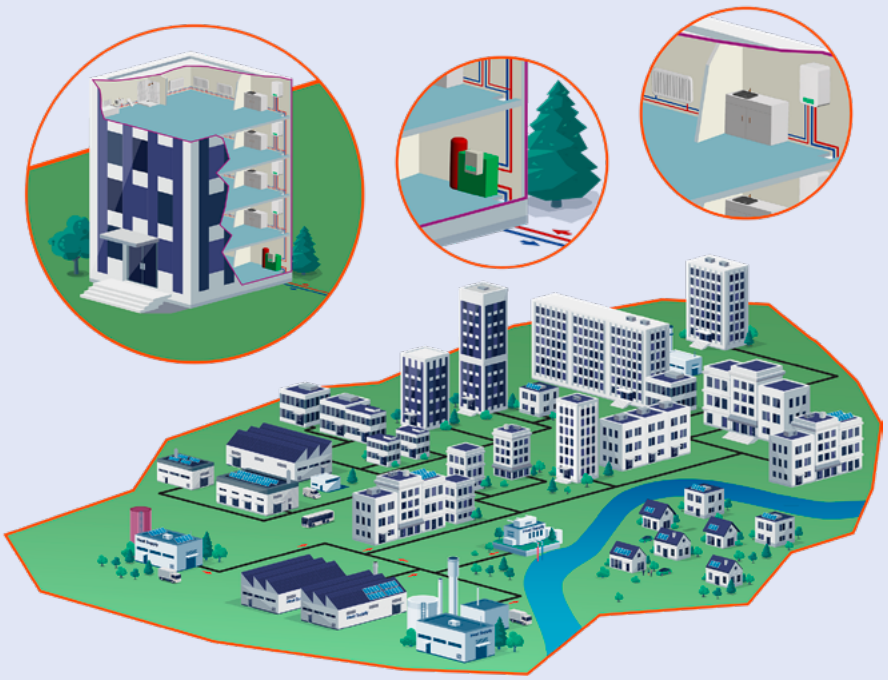
Programme support is instead focused on increasing the uptake of **renewable heating technologies** in domestic and non-domestic buildings. The largest scheme within this category is the **Renewable Heat Incentive (RHI)**, which provided financial support for technologies such as heat pumps, biomass boilers, solar thermal systems and biomethane production across Great Britain. While the scheme is now **closed to new applications**, payments continue to be made to accredited installations over their remaining support periods.

Building on this approach, and operating as a core pillar of the **WHP,** the **Boiler Upgrade Scheme (BUS)** provides upfront grants to support the installation of heat pumps and biomass systems, addressing upfront cost barriers and supporting continued deployment. Together, these schemes reflect a shift in policy delivery from long-term tariff support towards upfront capital funding, while maintaining a consistent objective of increasing the uptake of low-carbon heating technologies.

33 *National Policy Statement for renewable energy infrastructure (EN-3)*, DESNZ, January 2026.

Case study J: Chilton Woods heat network – low-carbon heat in a suburban setting

The Chilton Woods heat network in Suffolk is an ambient heat network serving a low-density residential development. From 2025, the scheme is expected to supply **up to 950 homes**, alongside a primary school, community centre and local retail units. The system uses a centralised energy centre combining **large heat pumps, electric boilers and thermal storage**, distributing heat via insulated underground pipework. By replacing individual heating systems, the scheme reduces installed equipment at household level and may lower peak electricity demand. The model demonstrates how heat networks can be applied beyond high-density urban areas.



Source: *Warm Homes Plan*, DESNZ, 2026

Across the Renewable Energy portfolio, Programme expenditure has supported the gradual transition away from high-carbon heating systems. Reported impacts, covering the period **FY 2021–22 to FY 2024–25**, include **59,119 GWh of heat paid for**, **estimated greenhouse gas emissions savings of 21.46 $MtCO_2e$**. [34]

This publication does not report directly attributable impacts to the Programme for the following expenditures in this category:

- Heat Networks Transformation Programme
- Net Zero Innovation Portfolio R&D
- Net Zero Hydrogen Fund
- Industrial Decarbonisation and Hydrogen Revenue Support Scheme
- Offshore Wind Manufacturing Investment Fund

34 Further information on the impacts assessed is set out in the accompanying spreadsheet.

Multiple

Summary of impacts from allocated expenditure



820 $MtCO_2e$ of GHG emissions expected to be avoided over the project lifetime



116 million people in developing countries expected to be supported over the project lifetime

The expenditures under this category contribute to objectives across multiple categories in the Framework, as they are overarching portfolio programmes. Expenditures in this category include ICF, the climate-focused component of UK ODA, and spending within the umbrella Strategic Priorities Fund that contributes to eligible climate and environmental objectives.

International Climate Finance

Climate change and nature loss present significant risks to sustainable development, with low and middle-income countries disproportionately exposed to their impacts. As part of its ODA, the UK provides climate finance to support developing countries to reduce emissions, strengthen resilience to climate impacts, and protect natural ecosystems. This support contributes to the delivery of the Paris Agreement and the Sustainable Development Goals, while helping to ensure that development pathways are consistent with long-term climate and environmental objectives.

UK ICF is the primary mechanism through which the UK delivers climate-focused ODA. ICF supports a portfolio of programmes that aim to reduce greenhouse gas emissions, improve resilience to climate change, expand access to clean energy, and promote the sustainable management of natural resources. It also seeks to mobilise additional public and private finance and strengthen institutional capacity in partner countries.

Between 2011-12 and 2024-25, approximately **£8.8 billion** of the Programme allocations supported a subset of UK ICF activity, contributing to four ICF strategic priority areas:

- clean energy;
- nature for climate and people;
- adaptation and resilience; and
- sustainable cities, infrastructure and transport.[35]

The Programme expenditure between 2011 and 2025 is expected to result in:

- **116 million people** supported better to adapt to the effects of climate change
- **79 million people** gaining improved access to clean energy
- Around **820 million tonnes of greenhouse gas emissions** reduced or avoided
- Over **4.8 million hectares of ecosystem loss avoided**.[36]

35 The impacts reported below relate only to the portion of ICF expenditure supported through GFP allocations and therefore form a subset of wider ICF results. As a result, GFP and ICF impact figures should not be aggregated.

36 The estimated expected Programme impact assumes that each pound spent on ICF contributes equally to total ICF environmental impacts and social co-benefits; in practice each programme within the ICF portfolio focuses on different policy objectives and impacts. Results for individual ICF programmes can be found on *devtracker*.

Case study K: REDD+ Early Movers (REM) programme

Supported by the UK, Germany and Norway, the REDD+ Early Movers (REM) programme helps reduce emissions from deforestation. The programme's support in Colombia and the Brazilian states of Acre and Mato Grosso has helped cut an estimated **31 million tonnes of carbon emissions** by protecting forests. Funding has benefited more than **100,000 rural, traditional, farming and Indigenous families** by supporting more sustainable livelihoods and forest protection.

Source: *UK International Climate Finance results 2025*, FCDO, DESNZ, DEFRA, 2025

These figures include continued progress in recent years, reflecting sustained delivery across a broad portfolio of programmes. In addition, ICF has supported enabling environments for climate action, including technical assistance across **over 140 countries** to strengthen institutions, inform climate policy, and unlock further investment. A substantial share of this investment—**£8.8 billion (48%)**—was financed through the Programme.[37]

Case study L: Expanding clean power in Sierra Leone

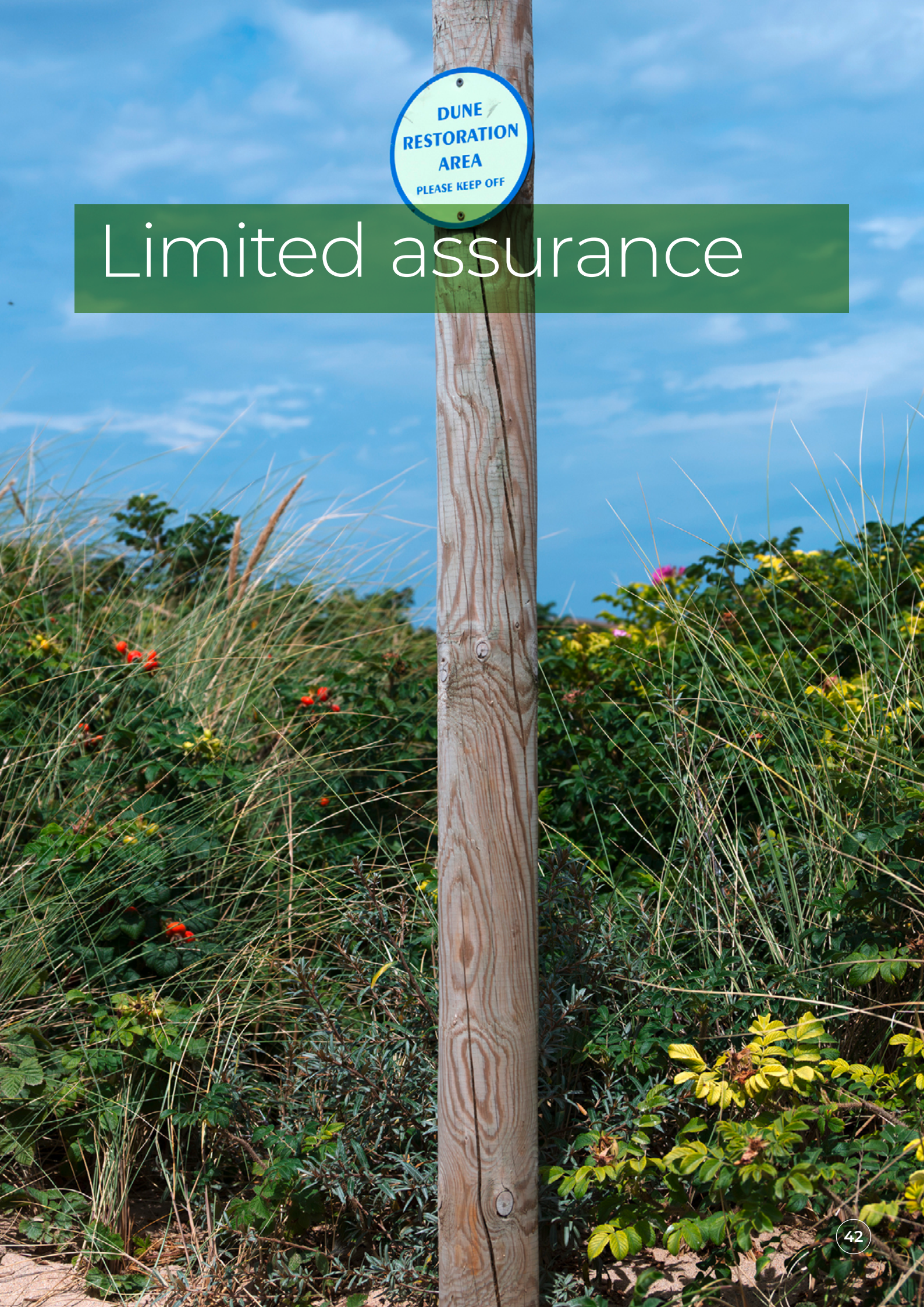
British International Investment (BII), the UK's development finance institution, is investing in **Planet Solar**, Sierra Leone's first large-scale solar independent power producer. With only around **23% of the population having access to electricity,** the project is expected to increase the country's power supply by approximately **30%**. Delivered alongside Frontier Energy and other development finance institutions, it is expected to support economic growth, employment opportunities and improved living standards.

Source: *UK International Climate Finance results 2025*, FCDO, DESNZ, DEFRA, 2025

This publication does not report directly attributable impacts to the Programme for the following expenditures in this category:

- Strategic Priorities Fund

37 Further information on the impacts assessed is set out in the accompanying spreadsheet; readers should refer to the *UK International Climate Finance results 2025* report alongside this.



Limited assurance

Limited assurance

Legal Considerations

This Report does not constitute, or form part of, a prospectus or other offering document.

This Report is not, and should not be construed as, an invitation or offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of HM Treasury in any jurisdiction or an inducement to enter into investment activity.

For further information, please refer to the Framework and, in particular, the section entitled “Green Financing and Legal Considerations” (which should be read as applying to this report in addition to the Framework).

Independent Limited Assurance Report to HM Treasury

Grant Thornton UK LLP (“Grant Thornton” or “we”) were engaged by HM Treasury to provide limited assurance over the Subject Matter Information described below.

Limited assurance conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over selected aspects of the “Allocation Report for Financial Year 2024-25” section (“the Report”) of HM Treasury’s UK Green Financing Allocation and Impact Report for 2024-25, dated October 2026, specifically the £14.1bn Total eligible expenditure reported in FY 2024-25 figure listed in Table 3 in the Report (“the Subject Matter Information)”.

Our assurance does not extend to any other information that may be included in the Report for the current year or for previous periods unless otherwise indicated.

Reporting Criteria

The Reporting Criteria used for the measurement or evaluation of the Subject Matter Information and to form our judgements are included as an Appendix to our limited assurance report.

Inherent limitations

The absence of a significant body of established practice on which to draw to measure or evaluate the Subject Matter Information allows for different, but acceptable, measurement or evaluation techniques and can affect comparability between entities and over time. In particular we draw attention to the methodological and assumption-based limitations HM Treasury have disclosed in their UK Green Financing Allocation and Impact Report for 2024-25.

We have performed procedures to assess the completeness and accuracy of the reported Total eligible expenditure reported in FY 2024-25 figure as detailed in the Work performed section below. Other than considering a selection of project descriptions against the categories of Eligible Green Expenditures set out in section 2.1.1 of the UK Government Green Financing Framework 2021, we have not checked whether the expenditure meets the definition of eligible expenditure or that the underlying projects meet the requirements of the Green Financing Framework or are aligned or otherwise with general sustainability principles or standards.

HM Treasury's responsibilities

HM Treasury are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Report and the Reporting Criteria and their contents.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to HM Treasury.

Our independence, professional standards and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Management (UK) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly we maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' ('ISAE 3000 (Revised)'), issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant HM Treasury management and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- obtaining confirmations from each participating government department over their figures for eligible expenditure reported in FY 2024–25 and their net adjustment to eligible expenditure previously reported for FY 2023–24;
- recalculating and assessing the accuracy of the Total eligible expenditure reported in FY 2024–25 figure based on participating government department confirmations;

- obtaining evidence for a selection of projects against the categories of Eligible Green Expenditures in the Green Financing Framework, including through enquiry of participating government departments to understand the expenditure approval process, and consider a selection of project descriptions against the list of categories as a basis for assessing if their inclusion appears reasonable;
- agreeing, for a selection of projects, the amount recorded in the Total eligible expenditure reported in FY 2024–25 figure to the participating government departments' published annual accounts;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Report and narrative accompanying the Subject Matter Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

Intended use of this report

This limited assurance report, including our conclusion, is made solely to HM Treasury in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to HM Treasury those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept or assume responsibility and deny any liability to any party other than HM Treasury for our work or this report, including our conclusion.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
London

15 October 2026

The maintenance and integrity of HM Treasury's website is the responsibility of HM Treasury; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information, the Report or the Reporting Criteria presented on HM Treasury's website since the date of our limited assurance report.

Appendix to the Independent Limited Assurance Report

Reporting Criteria

Total eligible expenditure reported in FY 2024-25

Total eligible expenditure reported in FY 2024–25 is the final amount of eligible expenditure recorded by each participating government department for the Financial Year 2024–25 ("FY 2024–25"), as confirmed through each participating government department's annual returns process after completion of their year-end accounts processes. For the FY 2024–25 allocation cycle, the reported Total eligible expenditure reported is £14.1 billion, being the sum of:

- eligible expenditure in FY 2024–25 (£13.9); and
- the net adjustment to eligible expenditure previously reported for FY 2023–24 (£240 million)

The net adjustment to eligible expenditure previously reported for FY 2023–24 is the difference between the amount reported by HM Treasury in the previous UK Green Financing Allocation and Impact Report and the final Total eligible expenditure reported in FY 2023–24 figure confirmed by each participating government department as part of the FY2024–25 reporting cycle. The adjustment arose due to the previously reported Total eligible expenditure reported in FY 2023–24 figure being based on amounts confirmed through each participating government department's annual returns process prior to the completion of their year-end accounts processes.

HM Treasury's Financial Year is from 1 April to 31 March.

Participating government departments are DESNZ, DEFRA, DfT, FCDO, and DSIT.

Expenditure

Expenditure means amounts recognised by each participating government department in its finalised accounts for the Financial Year. Expenditure is recognised on an accruals basis, under the historical cost convention.

Eligible expenditure

Eligible expenditure is expenditure that falls within one or more of the six categories of Eligible Green Expenditures set out in section 2.1.1 of the UK Government Green Financing Framework 2021, and does not fall within any of the excluded categories in section 2.1.2.

