

Electric Vehicle Excise Duty consultation

Consultation page: <https://www.gov.uk/government/consultations/consultation-on-the-introduction-of-electric-vehicle-excise-duty-eved>

Consultation document:

https://assets.publishing.service.gov.uk/media/692ef30b345e31ab14ecf8bc/eVED_Consultation.pdf

Response form: <https://www.smartsurvey.co.uk/s/eVEDconsultation/>

1. Do you have any views on the government's proposal for the design and scope of eVED?

For several years the Countryside Alliance, anticipating that falling revenues from fuel duty would provoke a transition towards some form of road pricing for electric vehicles, has campaigned for the current Chancellor of the Exchequer to set out an assurance that any future model for road pricing would take full account of the necessity for those living in rural areas to take more and longer journeys by private transport.

Our research, highlighted in a parliamentary report launched by the APPG for Rural Business and the Rural Powerhouse in April 2023, showed that rural households spend almost £800 a year more on fuel than people who live in urban areas, and spend up to 6p per litre more for petrol. Defra figures confirm the suggestion that rural life necessitates longer journeys: in 2020, for instance, rural areas saw an average travelling distance per resident at 5,767 miles in 2020, compared with 3,624 miles for urban dwellers and 4,334 miles across England as a whole. This was in a year that featured major restrictions on travel.

While we are not enthusiastic about the general idea of road pricing for electric vehicles, accepting the inevitability of a move towards such a model, we have argued that it could offer an opportunity to redress the disparity and tackle this key aspect of the 'rural premium', the added costs of living that people must pay by virtue of living in a rural area. A well-designed transition from fuel duty to road pricing could enable a fairer system that takes proper account of rural needs.

We regret, however, that the proposed scheme design does no such thing. Given the need for rural motorists to take more and longer journeys by private transport, it rather does the opposite: their annual mileages (actual and estimated) will, on average, inevitably be higher. On the 2020 figures, at a rate of 3p per mile rural EV drivers would be left paying an average of £43 per year more in eVED than urban drivers. Conversely, the external impact of their higher mileage on congestion is proportionately lower than that of urban drivers, being to a greater extent driven on quieter rural roads.

For an eVED policy to be appropriately rural-proofed, the government should seriously consider options for alleviating EV motoring costs for drivers and vehicles based in rural areas. Policy options could include:

- A lower per-mile rate for cars registered in rural areas.
- A tapered pricing structure for cars registered in rural areas.
- An annual mileage allowance for cars registered in rural areas before charges apply, calculated according to the average difference in miles driven per annum by urban and rural motorists.

2. What should the government consider when developing guidance that supports motorists to estimate their mileage?

Leaving aside our concern that the current scheme design fails to take proper account of motoring by residents of rural areas, we are unconvinced by the proposal to require drivers to estimate future mileage and pay eVED in advance, subject to adjustment once their actual mileage has been determined.

Under the current proposal, per the consultation document, drivers will be required to record and submit their actual mileage which will be verified on the occasion of their annual MOT. We therefore fail to see why the estimation stage cannot be skipped completely, with drivers billed retrospectively according to their actual mileage, with the eVED period aligned with the MOT period for each individual vehicle. Such a system would avoid the need for creating (and operating at taxpayers' expense) a reconciliation scheme.

3. How could technology make eVED easier and simpler for businesses and motorists to comply with?

If our proposal as outlined in our response to question 2 were to be adopted, with vehicle owners billed retrospectively on the basis of their actual mileage, we fail to see what further application of technology would be necessary to assist compliance. Feedback from our members and supporters strongly suggests that a system based on location tracking would be deeply unpopular and seen as draconian.

4. Would you support the consideration of technological solutions on an opt-in basis, in future?

The answer to this question would depend entirely on what was proposed, but as discussed above we cannot envisage the necessity of leveraging additional technology if the scheme is designed properly at first.

5. What should the government consider when designing the system for managing under and over payments of eVED?

As discussed above, under- and over-payments can and should be designed out as a possibility by charging vehicle owners retrospectively on the basis of their actual mileage.

6. The government intends to engage with garages on MOT fees and the costs of mileage checks. Are there other steps the government should take to support MOT garages to prepare for eVED?

[No response]

7. Do you agree that MOT garages are well placed to be accredited providers of mileage checks?

Yes. MOT garages already operate as part of a regulatory system and already record mileage, so mileage reporting is a logical extension to their responsibilities.

8. Are there alternative approaches for checking mileage in the first three years after a car is registered (pre-MOT age)?

This could be done at service or as a discrete exercise, chargeable at a nominal fee, forgoing the other elements of the unrequired MOT.

9. What impact will the proposed approach for eVED collection have on fleets and leasing businesses?

The proposed approach would be burdensome on fleets and leasing businesses because the latter, in particular, may have no clear idea as to the mileage a given vehicle will be required to drive over the coming year since it will depend on business conditions. Our suggested approach avoids the need for estimation. Since all non-exempt road vehicles require an MOT, each vehicle would be treated individually and charged according to its actual mileage. Our proposal would mean that there would be no need to treat these businesses differently from any other vehicle. We note, however, that rural businesses tend to be smaller and have greater reliance on the use of private vehicles for business purposes.

10. What should the government consider to minimise administrative burdens and complexity for these businesses?

Adopt our proposal as outlined above.

11. What should the government consider to ensure the overall approach to tax reporting and collection is fair?

As discussed above, the scheme should be designed in such a way as to take account of the elevated mileage that rural motorists are required to drive when compared with urban motorists. Only by doing so can the policy reasonably be considered fair and rural-proofed.

Rural EV drivers are already disadvantaged by the paucity of charging infrastructure available locally in rural communities. Some areas experience especially low levels of access to off-street charging, requiring large detours and the risk of finding equipment already in use.

Those required to drive higher mileages will already have to pay more than their lower-mileage urban counterparts because of the additional costs of charging their vehicles, but a strictly mileage-based road pricing model that takes no account of rurality would exacerbate those elevated costs further and disincentivise the uptake of EVs, thus undermining the government's ambitions for a net-zero transition outside towns. A fair policy response would not disadvantage early adopters in the countryside, who, in other respects, are doing what the government professes to want.

In January 2026 several parliamentary questions were tabled by Harriet Cross MP asking whether the government had assessed the disparate impact the proposals may have on rural and urban drivers, what consideration the government had paid to the House of Commons Transport Committee's 2022 report on electric vehicles which raised similar concerns, and whether the policy had been rural-proofed. Formally speaking the Treasury answered on 20 January, but the answers were non-responsive and merely reiterated a summary of the proposals. The lack of a substantive response on how the government has taken rural needs into account in developing this policy strongly suggests that it has neglected to do so.

12. Which life events and other considerations should the government consider when building flexibility for changes in circumstances into the eVED scheme?

We agree that the proposed list of car lifecycle events is valid, subject to the observations below.

13. Do you agree with the proposed approach for car lifecycle events?

The proposed approach is incompatible with our argument that vehicle owners should be billed retrospectively on the basis of their actual mileage. To accommodate what we have suggested, it is likely that a mileage reading would need to be taken when a vehicle is sold, declared off-road or scrapped, and the registered vehicle owner required to settle their accrued liability. No action would be necessary when a vehicle is re-taxed after being declared off-road because (unless it is the intention that it should not be subject to eVED) any off-road mileage driven in the meantime would be reconciled at the next MOT.

14. Is there anything further the government should consider when designing the arrangements for car lifecycle events?

[No response]

15. What should the government consider when developing an overall compliance approach to prevent user error, avoidance and fraud?

A scheme designed along the lines we have suggested, including proper account being taken of rurality and vehicle owners charged retrospectively on the basis of their actual mileage, would, we believe, be less prone to user error, avoidance and fraud than the scheme proposed.

16. What should the government consider when designing the penalties regime within eVED, to ensure fairness to all motorists?

Our proposal as outlined above would minimise non-compliance because the mileage reading and liability calculation would be integrated into the MOT assessment. Payment of the calculated level of eVED could be made a requirement for receipt of an MOT certificate.