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To: Rt. Hon Sir Geoffrey Clifton-Brown MP

Cc: Rt. Alex McIntyre MP
Rt. Max Wilkinson MP
Rt. Cameron Thomas MP
Rt Simon Opher MP
Rt. Matt Bishop MP
Rt. Roz Savage MP

16 January 2026

Open Letter to the Members of Parliament for Gloucestershire

Re: The Proposed Electric Vehicle Mileage-Based Tax from April 2028

Dear Sir Geoffrey Clifton-Brown MP,

On behalf of Lease Electric, a Gloucestershire-based Electric Vehicle (EV) leasing company, I am writing to set out our concerns and propose an alternative to the Government's recent announcement of introducing a new tax of £0.03 (3 pence) per mile for EVs from April 2028, also known as 'eVED'. We understand and respect that the Government needs to find a sustainable way to replace the £24bn annual revenue received from Fuel Duty as more drivers adopt EVs. However, we have strong reservations that this per-mile tax as currently proposed is neither the most effective nor the fairest approach at this time.

The primary purpose of this letter is to propose an alternative, more pragmatic and efficient solution as most of our concerns (see appendix 1) have been widely covered by industry associations such as the British Vehicle Rental Leasing Association and the Society of Motor Manufacturers & Traders.

Our proposal for an alternative eVED method of raising revenues from EVs could utilise the existing Government VED system and data already published by vehicle manufacturers, at the same time as not increase the administrative burden on the taxpayer above the status quo, saving time and money as well lowering the risk of the scheme being exploited.

The UK has naturally adopted Miles per kiloWatt hour (Miles/kWh) as the metric for comparing the efficiency of EVs¹, and those that drive EVs will be extremely familiar with this as a way of monitoring the efficiency of their driving. Miles/kWh can be likened to the measure of fuel economy for petrol and diesel cars, Miles Per Gallon (MPG).

Under the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) that all vehicle manufacturers undertake as part of the GB Whole Vehicle Type Approval (GB WVTA), a figure is produced for the 'Electric Consumption' of EVs in the same way as the published fuel economy (MPG) for a petrol or diesel car is. The 'Electric Consumption' value is widely published by vehicle manufacturers and is displayed on the Certificate of Conformity (CoC) that legally must be placed inside every newly registered vehicle.

In the same manner as CO2 emissions being used to determine the level of Vehicle Excise Duty (VED) on Petrol and Diesel cars, our proposal is to use the Miles/kWh figure to determine the tax treatment of EVs under an eVED scheme.

¹ Due to the global nature of the vehicle manufacturing, Miles/kWh can also be displayed as Watthours per kilometre (Wh/kM), or kiloWatt hours per 100 kilometres (kWh/100kM).

Generally, high performance, large and heavy EVs achieve lower Miles/kWh, and therefore our proposal would have a lower impact on small cars and the relatively more affordable end of the market. While the exact banding splits and associated annual eVED amount payable from our proposal would need to be researched more closely and aligned to the desired revenue income, below is an example of how our proposed scheme could be structured.

Band	Electric Consumption (Miles/kWh)		Annual eVED Rate
	From	To	
A	0	2.99	£600
B	3.0	3.49	£500
C	3.5	3.99	£400
D	4.0	4.49	£300
E	4.5	4.99	£200
F	5.0	5.49	£100
G	5.5	-	£0

To provide context, Appendix 2 contains examples of EVs and their associated published Electric Consumption (Miles/kWh) values. Using the above table of Annual eVED rates, a high Performance Lotus Eletre which achieves 2.2 Miles/kWh, would pay £600 per year, whereas a small hatchback Mini Cooper that achieves 4.5 Miles/kWh, would only pay £200.

If the Government were to adopt this approach, it seems reasonable to assume that only minor adjustments would be required to existing systems to collect the eVED, as Miles/kWh simply replaces CO2 Emissions. In addition, there would be no change to how vehicle owners, leasing companies and daily rental companies pay the VED for their vehicles, irrespective of who drives it, meaning the complexities of whether it should be the owner, keeper or driver that pays the charge is removed.

As a byproduct it would encourage consumers and businesses to procure more efficient EVs reducing the amount of electricity required by EVs to travel the same distance. With the National Energy System Operator (NESO) forecasting UK annual electricity demand rising from around 290 terawatt-hours (TWh) today to as much as 785 TWh by 2050, improving EV efficiency would help mitigate the additional load from move to EVs, easing pressure on the pace of new generation and grid upgrades and helping ensure a greater share of EV charging is met by renewable electricity.

In summary, we strongly support the Government's objective of maintaining fair revenue streams as transport tax receipts evolve. However, a flat 3 pence per mile tax on EVs risks being regressive, administratively costly, and counter-productive to wider EV adoption. Our proposed efficiency-based VED model offers a far more practical, fair, and forward-looking solution that:

- Better reflects vehicle use and environmental impact;
- Reduces administrative overheads;
- Encourages efficiency-focused purchasing behaviour; and
- Supports the Government's net-zero transition goals without penalising the everyday driver.

We welcome further discussion and would be pleased to provide detailed data modelling to support this alternative. Thank you for your consideration.

Yours sincerely,



RICHARD MARKEY
Managing Director

Appendix 1: Concerns with current eVED proposal

According to the Office for Budget Responsibility (OBR), a road-pricing levy of £0.03 per mile would equate to around £255 per driver per year, based on an assumed average annual mileage of 8,500 miles. Even before considering the additional cost and complexity of implementing and administering a national scheme of this kind, that level of revenue would still only replace around half of the fuel duty currently collected per vehicle each year. In other words, the proposal risks creating a large administrative burden for a relatively modest fiscal return.

A further concern is that the scheme would be inherently complex and costly to administer. Mileage reporting and verification would create ongoing cost and time burdens not only for motorists, but also for local garages and the DVLA. If odometer readings are used as the primary control, there is an immediate practical question about how vehicles that are not yet due an MOT (typically those under three years old) would be handled, introducing extra checks, extra touchpoints, and extra friction. There is also a fundamental accountability problem: who is liable for the charge, the owner, the registered keeper, or the driver? In leased and financed vehicles, VED is often paid by a leasing or finance company and bundled into monthly costs. A per-mile levy is much harder to align with that model, and becomes extremely difficult to police when the owner, keeper and day-to-day driver are not the same person.

The proposed approach appears vulnerable to misuse and inaccuracy. Without reliable, independent tracking, the system would likely depend, at least in part, on self-reported mileage. That creates an obvious risk of mileage being misreported, whether accidentally through misunderstanding and record-keeping errors, or deliberately to reduce liability. Crucially, there is no clear, scalable enforcement mechanism that can guarantee accuracy nationwide without introducing invasive monitoring or significant additional administrative cost.

We are concerned about disproportionate impacts on vulnerable drivers. For households under financial pressure, there is a real risk that some people will feel forced to under-declare mileage simply to keep day-to-day costs manageable. If those declarations are later corrected, through audit, at point of sale, or when an odometer reading is finally verified at an MOT, those drivers could face unexpected back-payments and penalties. That creates a harmful “deferred shock” which undermines consumer confidence, makes personal budgeting harder, and risks punishing people who were already struggling. The complexity of the system itself may also deter lower-income households from adopting EVs in the first place, cutting across wider transport decarbonisation objectives.

Finally, there is a broader strategic risk to EV adoption, by adding an extra cost and compliance burden to EV ownership, a per-mile levy risks suppressing demand and slowing uptake, making it harder for manufacturers to sell the volumes of zero-emission vehicles required to meet their ZEV mandate targets. The OBR has already indicated that, across the forecast period, there could be around 440,000 fewer electric car sales relative to the pre-measures forecast, with 320,000 of that reduction expected to be offset by increases from other Budget measures.

Introducing a new per-mile cost and a complex compliance regime at a time when infrastructure, consumer incentives, and market confidence are still evolving risks slowing progress further, precisely when the UK needs the transition to accelerate.

Appendix 2: Table of Vehicles and their Electric Consumption Figures

Model	Electric Consumption (Miles/kWh)	List Price	Annual eVED
Mercedes G Class 580 EQ Tech AMG Line Premium +	2.1	£154,870	£600
Lotus Eletre 900 Sport	2.2	£131,305	£600
Lotus Emeya 900 Sport	2.5	£131,305	£600
Mercedes EQS 450 4M AMG Line Premium+	2.9	£129,480	£600
Porsche Taycan Saloon Turbo GT	3.0	£189,265	£500
Hyundai IONIQ 9 Premium	3.1	£64,995	£500
Audi Q6 etron Quattro S Line	3.4	£72,515	£500
Hyundai IONIQ 6 Premium	3.9	£47,050	£400
BMW i4 eDrive35 Sport	4.2	£51,370	£300
Kia EV3 Air	4.2	£33,055	£300
Volkswagen ID.3 Essential Pure	4.4	£30,860	£300
Mini Cooper E Classic	4.5	£26,905	£200
Tesla Model 3 Standard RWD	4.8	£39,925	£200