Transport Committee

Rt Hon Heidi Alexander MP
Secretary of State for Transport

By email

10 December 2025

Dear Heidi,

Electric vehicles

I am writing following the Government's announcements at the Budget. I welcome the extension of the business rate exemption for electric vehicle charging points, along with investment in the electric vehicle charging infrastructure and the £1.5 billion allocated for electric car grant funding.

At the same time, the Committee has concerns regarding the announcement of the Electric Vehicle Excise Duty (eVED) as a mileage charge for EVs and plug-in hybrid electric vehicles (PHEVs) from 1 April 2028.

Whilst I appreciate that the move means that EV drivers will pay per mile as ICE vehicle drivers effectively do (in fuel used), I share the concern of our automotive manufacturers, about the implications for EV take-up at this time. I am sure you agree that it is crucial that the transition to zero-emission motoring continues at pace to ensure that we meet legally-binding climate commitments, and that it would be regrettable were that transition to be jeopardised by consumers receiving mixed signals.

I would therefore be grateful if you could answer the following questions:

- The Government's Budget policy costings state a literature review was used to estimate the impact on future sales of EVs and PHEVs, and that fuel duty data was used to estimate the subsequent impact on the usage of those vehicles. But it gave no further details about either evaluation. Has the Government produced, and when will it publish, a full impact assessment, including the literature review, that will provide greater detail on the expected impact of the eVED on the purchase of EVs and PHEVs both before and after the introduction of the charge on 1 April 2028, and impact on usage of EVs after that date?
- What modelling has the Government done on the effect of those impacts on the ability of the UK to meet the 2050 net-zero legal requirement, the Government's plan to ban the sale of new petrol and diesel cars after 2030, and to require all new cars and vans will be 100% zero emission by 2035?

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- The Government consultation on the eVED mentions, but does not ask questions about, alternative approaches taken in other countries. What lessons has Government taken from the experience overseas, especially in New Zealand, where introduction of a similar tax led to a significant reduction in EV uptake?
- The Government's consultation says mileage will be measured using odometers, whilst saying it welcomes views on how various types of satellite technology, such as telematics could be used on an opt-in basis in future, with these being a more reliable measure. Can you clarify whether it is intended that this opt-in approach will apply to all vehicles, or only to EVs and PHEVs?

I would appreciate your answer by Friday 9 January.

Yours sincerely,

Ruth Cadbury MP
Chair, Transport Committee

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