

Transport Scotland submission of 17 May 2023

PE1856/T: Support the taxi trade

Thank you for your letter of 6 January requesting consideration on a number of areas relating to the taxi trade.

Transport Scotland and Justice officials have provided an update on the following areas, attached as Appendix A to this letter:

- Synchronised roll-out of LEZs across Scotland at a later date than 2024 to allow the trade time to recover financially and for the electric vehicle market to mature.
- Transitioning to electric vehicles at once, rather than retrofitting vehicles to make them compliant.
- Redirecting public funding to provide a grant of £20,000 for taxi owners to purchase an LEVC model or Euro 6 standard vehicles.
- A dedicated taxi team in Transport Scotland, as exists for buses, to improve understanding of the trade and its needs.
- Removing the topographical test for new drivers and allowing a year-long apprenticeship as an alternative.
- Promotion of taxis as a method of reducing private car usage.
- Consideration of the impact LEZs and any future Ultra Low or Net Zero Emission Zones on the taxi trade.

Synchronised roll-out of LEZs across Scotland at a later date than 2024 to allow the trade time to recover financially and for the electric vehicle market to mature.

Local authorities are responsible for the operation and enforcement of LEZs, and can design the shape, size, vehicle scope, and timing for the introduction and enforcement of their LEZ based on their specific, local requirements.

There has been extensive consultation throughout the development of LEZs by Transport Scotland and each local authority introducing a LEZ. Local workshops with key stakeholders (including taxi operators), and public consultations have been undertaken. Residents and businesses across the cities introducing LEZs have prepared for the implementation and enforcement dates as set out by each local authorities.

An example of local decision making is, Glasgow City Council introduced a LEZ in 2018 that initially applied only to bus services. Following an extensive engagement and consultation period, the LEZ was extended in May 2022 to include all vehicles. A one-year grace period now applies (2 years for residents within the zone), with enforcement in the city centre beginning 1 June 2023. Glasgow City Council, as the LEZ enforcing authority, is responsible for setting the grace periods and local exemptions they consider appropriate for their city. Glasgow City Council has however developed a mechanism for eligible taxi operators to receive a temporary exemption to the LEZ beyond the enforcement date of June 2023, the aim is to give additional time to comply.

The Scottish Government continues to support this being a decision for individual authorities and has developed regulations and guidance in relation to the introduction of LEZs, including emissions, penalties, national exemptions and parameters for grace periods.

Transitioning to electric vehicles at once, rather than retrofitting vehicles to make them compliant.

The numbers of new electric taxis have been steadily increasing, supported by an interest free loan offer from the Scottish Government. However, it is important to note that it is not necessary to purchase a new taxi, or an electric taxi, to be LEZ compliant. For taxi operators who do not wish to change their vehicle, some older taxis may be suitable for retrofitting to LEZ standards.

This is a decision for operators and not something the Government would be minded to mandate.

Redirecting public funding to provide a grant of £20,000 for taxi owners to purchase an LEVC model or Euro 6 standard vehicles.

Scottish Government makes available a number of funding options for businesses, including taxi operators, that is suitable for their individual circumstances and provides value for money on public funding. To support a just transition to net zero, funding is now prioritised to focus on used electric vehicles, those operating light commercial vehicles as part of their business, in addition to the taxi sector.

On 8 June 2022, the Low Carbon Transport Loan reopened as the Used Electric Vehicle loan. We are providing over £30 million this financial year to accelerate the shift to zero emission transport. This includes

support for zero emission community transport and car clubs in addition to funding interest free loans for electric vehicles. This approach is designed to support more people and households on lower incomes to make the switch to electric.

Interest free loans of up to £150,000 are available to enable owners and operators of hackney cabs (purpose-built taxis) or private hire taxis to replace their current vehicles with an eligible ultra-low emission vehicle. Limited companies are eligible for up to £150,000 of loan support, sole traders or partnerships are eligible for up to £75,000 of loan support. For private hire drivers the maximum amount of loan support available to purchase one electric car is £30,000. The vehicle must cost £50,000 or less.

Funding assistance is provided to support taxi operators and small business to prepare for LEZs. The LEZ Retrofit fund has awarded £4.5 million in grant offers through the LEZ Retrofit fund to taxi operators since 2019. To date, over 250 taxis have been retrofitted to Euro 6 emission standard as a result of the funding support provided and are now LEZ compliant. A further 230 taxis have received a grant offer in recent months. Grants provide up to 80% of the capital costs and are the most generous of its kind in the UK.

Grant funding has also been made available to taxi operators that wish to dispose of their existing taxi through the LEZ Support Fund, this provides £2,000 per vehicle disposed of.

The Scottish Government consider that the current funding available meets the request.

A dedicated taxi team in Transport Scotland, as exists for buses, to improve understanding of the trade and its needs.

Work is underway across Transport Scotland to review the structure of the organisation with the overall ambition to embed more resilience and flexibility to respond to the challenges and opportunities within the transport sector.

We will consider the request as part of that programme, as we seek to balance transport needs, priorities and resources available to us. In the meantime the Taxi industry should continue to engage with the Scottish Government via the Licensing Unit.

Removing the topographical test for new drivers and allowing a year-long apprenticeship as an alternative.

The Civic Government (Scotland) Act 1982 provides for a variety of licensing regimes, including taxi and private hire car licensing, to be operated by independent local Licensing Authorities – in effect the 32 Scottish local authorities. As set out in [section 13\(5\) of the 1982 Act](#), consideration of whether or not to require taxi and private hire car drivers to sit and pass a test of local topographical knowledge as a condition of first grant of a licence is an issue for the relevant local Licensing Authority.

While Scottish Government Justice officials keep the taxi and private hire car licensing regime under review, there are no current legislative plans that would see the removal of the topographical test for new drivers, nor are any legislative changes planned to introduce a measure that would allow for a year-long apprenticeship as an alternative.

The Scottish Government considers that taxi and private hire car drivers should have a good working knowledge of the area for which they are licensed. Mandatory testing of topographical knowledge is therefore recommended as best practice, although the stringency of the test should reflect the complexity or otherwise of the local geography, on the principle of ensuring that barriers to entry are not unnecessarily high.

Promotion of taxis as a method of reducing private car usage.

In January 2022, we published our draft [route map](#) to achieving our world-leading commitment to reducing car kilometres by 20% by 2030. The route map contains over 30 interventions we believe can help meet this target. Demonstrating the strength of our ambition to meet our statutory net-zero climate change commitments by 2045, it also recognises the benefits that re-thinking the way we travel can have on our individual and community health and wellbeing, as well as the fairness of our society and the inclusiveness of our economy.

The need to reduce our reliance on private car use was also set out through the Sustainable Transport Hierarchy in Scotland's [National Transport Strategy](#), where walking, wheeling, cycling, public transport and shared transport options, including taxis, are in preference to single occupancy private car use for the movement of people. The use of taxis can support these aims through an alternative to car ownership.

The route map identifies four key behaviours applicable in both rural and urban settings for everyone in Scotland to consider each time we plan a journey. These are: make use of online options, where appropriate, to reduce the need to travel; choose local destinations to reduce the distance travelled; switch to walk, wheel, cycle or public transport where possible; and combine a trip or share a journey to reduce the number of individual car trips made, if a car remains the only feasible option.

Just transition considerations run through the 20% route map and we do recognise that certain behaviours will be more feasible in different geographical locations and for individuals with different needs. A 20% reduction in car kilometres can deliver benefits to all in Scotland. Reducing our reliance on private cars can significantly improve the places we live in and our quality of life including through improved air quality and reduced noise, better health and wellbeing as a result of increased physical activity, reduced negative economic and social impacts of congestion and road danger.

Consideration of the impact LEZs and any future Ultra Low or Net Zero Emission Zones on the taxi trade.

There are no plans to adapt LEZs beyond the current size or scope, or to introduce new LEZs in other parts of Scotland. Local authorities have the powers to create, operate and enforce Low Emission Zones and are able to design the shape, size and vehicle scope of their Low Emission Zone based on their specific, local requirements. Local authorities are best placed to make decisions for their local area as part of their air quality management systems. Consultations between local authorities and stakeholders is key to understanding and delivering the right solutions for local communities.

Local authorities engaged with a wide range of stakeholders in developing LEZs. In summer 2021 there were consultations on city-specific Low Emission Zones as part of the development and implementation process. These consultations gave people across Scotland the opportunity to comment on the proposals for Scotland's Low Emission Zones in Aberdeen, Dundee, Edinburgh and Glasgow.

The feedback received from these consultations allowed for further development of the LEZs in each city including more research and testing being carried out on the proposed LEZ boundaries for each city. In some cases it meant an adjustment to the boundary i.e. Glasgow and Aberdeen or more evidence of why the boundary would stay as it is i.e. Dundee.

The Transport Scotland Act 2019 provides the legislation to enable the creation and civil enforcement of Low Emission Zones. The Scottish Government has developed regulations and guidance, relating to a number of key aspects including emissions, penalties, certain exemptions and parameters for grace periods.