

# Citizen Participation and Public Petitions Committee

2<sup>nd</sup> Meeting, 2021 (Session 6), Wednesday, 1  
September 2021

PE1856: Support the taxi trade

## Note by the Clerk

<b>Petitioner</b>	Pat Rafferty on behalf of Unite
<b>Petition summary</b>	Calling on the Scottish Parliament to urge the Scottish Government to protect the future of the taxi trade by: <ul style="list-style-type: none"><li>• providing financial support to taxi drivers;</li><li>• setting up a national stakeholder group with trade union driver representatives;</li><li>• reviewing low emission standards and implementation dates.</li></ul>
<b>Webpage</b>	<a href="https://petitions.parliament.scot/petitions/PE1856">petitions.parliament.scot/petitions/PE1856</a>

## Introduction

1. This is a new petition that was lodged on 24 March 2021.
2. A SPICe briefing has been prepared to inform the Committee's consideration of the petition and can be found at **Annexe A**.
3. While not a formal requirement, petitioners have the option to collect signatures and comments on their petition. On this occasion, the petitioner elected to collect this information. 2521 signatures and 155 comments have been received.
4. The Session 5 Public Petitions Committee agreed to seek advanced views from the Scottish Government on all new petitions before they are formally considered. A response has been received from the Scottish Government and is included at **Annexe B** of this paper.
5. A submission has also been received from the petitioner. This is included at **Annexe C** of this paper.

## Scottish Government submission

6. The Scottish Government submission begins with acknowledging how acutely difficult the COVID-19 pandemic has been for taxi and private hire drivers. The submission details the funding that has been made available to support drivers which includes £57 million made available by providing a £1,500 grant to approximately 38,000 licensed taxi and private hire drivers. The Scottish Government confirm to date £29,125,500 had been paid out to 19,417 drivers (58% of those eligible to claim). This figure is expected to have risen due to late confirmation from the Department for Work and Pensions confirming that a grant from the fund would not affect any Universal Credit payments. The fund was extended for one week for this reason.
7. In terms of the request from the petitioner to set up a national stakeholder group with trade union driver representatives, the Scottish Government confirms in its submission that Transport Scotland will explore with trade unions and other stakeholders the best forum for engagement with the taxi trade.
8. The submission explains, with regards to low emission zones (LEZs), that it is for local authorities to design their LEZs and make decisions regarding timelines. The submission confirms that local authorities will publish details of their plans in due course. Local authorities also have the option to introduce time-limited local exemptions to vehicles and are therefore best placed to take local circumstances into account.
9. The Scottish Government have made two funds available to support taxi drivers to upgrade their vehicles in order to meet the LEZs requirements. These are:
  - Interest free loans of up to £120,000 from the Energy Saving Trust - to enable owners and operators of hackney cabs or private hire taxis to replace their current vehicle with an eligible ultra-low emission model. More information can be found at: <https://www.energysavingtrust.org.uk/scotland/grants-loans/switched-taxis-loan>;
  - A grant of up to £10,000 from the Scottish Taxi Retrofit Grant – to help with costs for retrofitting taxis to Euro 6 standard which also allows many vehicles to use LPG or bioLPG fuel which is cheaper to use than diesel.
10. Taxi owners who do not own an eligible taxi for the retrofit grant can exchange their taxis to models which can be retrofitted and then apply for funding. Further information can be obtained at [Low Emission Zone Retrofit Fund - Energy Saving Trust](#).

## Petitioner submissions

11. In their submission, the petitioner welcomed the national funding from the Scottish Government but expressed the view that this was not sufficient. In a recent survey

conducted by Unite the Union, the results show that drivers had, prior to the announcement of the fund, been eligible for little or no previous financial help.

12. The submission explains that operators report significant ongoing running costs and those with recently up upgraded vehicles to Low Emissions Standards reporting overheads in excess of £1,000 a month. The petitioner states that the Scottish Government has failed to provide any financial assistance for operators to meet these costs.
13. The petitioner believes that *“A £10,000 grant for each operator providing financial support equal to the support given to other small business owners through SG schemes such as Small Business Grant Fund and Strategic Framework Business Fund would help to address the lack of support offered”*. The submission continues by explaining that many drivers still report takings of less than £20 for a 12-hour shift. The petitioner believes the taxi trade will be one of the last sectors to recover given its reliance on tourism, hospitality and business travel and asks that pre-covid plans are adjusted to take into account just how severe the taxi trade has been impacted by the pandemic.
14. The petitioner makes some comparisons with the funding made available by the Scottish Government to the decommissioning scheme provided in London and asks the Scottish Government to consider applying a similar approach.

## Action

15. The Committee is invited to consider what action it wishes to take on this petition.

**Clerk to the Committee**




## Briefing for the Citizen Participation and Public Petitions Committee

**Petition Number:** PE1856

**Main Petitioner:** Pat Rafferty on behalf of Unite

**Subject:** Support the taxi trade

Calling on the Scottish Parliament to urge the Scottish Government to protect the future of the taxi trade by providing financial support to taxi drivers, setting up a national stakeholder group with trade union driver representatives, and reviewing low emission standards and implementation dates.

### Background

**Scottish and UK Government support for Scottish taxi drivers:** The Scottish Government [announced on 18 January 2021](#) that it would provide grants of £1,500 to Scottish taxi and private hire drivers, who were licensed for the period 9 October 2020 to at least 31 January 2021. Taxi drivers can also claim up to £500 for the installation of COVID-19 mitigation measures in their vehicles through the [Covid-19 Public Transport Retrofit Fund](#). Taxi drivers may also be eligible for support from the UK Government's [Self-Employment Income Support Scheme](#).

**Taxi stakeholder group:** There is no Scottish Government backed national taxi industry stakeholder group at present.

**Low Emission Zones (LEZs):** There are plans to introduce LEZs in Edinburgh, Glasgow, Dundee, and Aberdeen. Transport Scotland [announced on 26 August 2020](#) that the introduction of these Low Emission Zones (LEZs) would be delayed until the period February to May 2022.

A LEZ would:

1. Restrict the driving of vehicles within an LEZ to those that meet the specified emissions standards or are exempted from the LEZ restrictions
2. Where anyone drives a vehicle within an LEZ that is neither exempt nor meets the required emissions standard, to pay a penalty charge

The emissions standards that will apply within LEZs are yet to be set. However, it is anticipated that diesel taxis will need to be powered by a Euro 6

engine to meet the requirements. Euro 6 engines have been fitted as standard to diesel powered taxis built since 2015. Diesel taxis built before 2015 are likely to have engines that will not meet LEZ requirements.

Following the establishment of an LEZ, an initial grace period of between one and four years will apply. During the grace period no enforcement action will be taken against the drivers of vehicles which do not meet the required emissions standards. Local authorities also have the power to make time limited exemptions from LEZ requirements for different types of vehicle. The Scottish Government is funding a [Low Emission Zone Retrofit Fund](#), managed by the Energy Saving Trust. The Fund will provide grants to eligible taxi micro-businesses of up to 80% of the cost of retrofitting taxis, that do not currently meet LEZ emissions standards, with emissions abatement technology.

### **Scottish Government Action**

As highlighted above, the Scottish Government has provided some specific coronavirus related financial support for taxi drivers, delayed the introduction of LEZs and is supporting the retrofit of emissions abatement measures to vehicles which do not currently meet LEZ emissions requirements.

### **Scottish Parliament Action**

The Scottish Parliament has not undertaken any significant consideration of the matters raised in this petition.

### **Key Organisations and relevant links**

- **Society of Chief Officers of Transportation Scotland:** Organisation representing senior transportation officials at Scotland's 32 local authorities.
- **Scottish Taxi Federation:** Scottish taxi industry representative body.
- **Transport Scotland:** Scottish Government agency responsible for managing the implementation of the Low Emission Zone provisions of the Transport (Scotland) Act 2019.

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**Senior Researcher**

March 2021

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**PE1856/A**

Scottish Government submission of 30 March 2021

Thank you for your correspondence of 10 February on PE1856. I have responded to each of the Committee's asks in turn below.

**Providing Financial Support to Taxi Drivers**

The Coronavirus pandemic has created unprecedented challenges for our economy and we are aware that taxi and private hire drivers are experiencing these challenges particularly acutely. The Cabinet Secretary for Finance announced funding of £57 million specifically to support drivers by providing a £1,500 grant to an estimated 38,000 licensed taxi and private hire vehicle drivers.

During the policy development for the Taxi And Private Hire Vehicle And Driver Support Fund the Scottish Government engaged with Unite Union officials regarding the most appropriate approach that should be taken to deliver funding to the sector.

As of 26 February £29,125,500 has been paid out to 19,417 drivers which accounts for 58% of the total eligible drivers. However we expect this figure to increase due to the late confirmation from the Department of Work and Pensions confirming that a grant from the Fund will not affect any Universal Credit payments taxi or private hire drivers are receiving. We believe that many taxi drivers have been reluctant to come forward and claim this grant because of that. In recognition, we extended the closing date for the Fund to by one week, from 18 – 25 March to encourage more drivers to access the funding available.

**Setting up a national stakeholder group with trade union driver representatives**

Transport Scotland will explore with trade unions and other stakeholders the best forum for engagement with the taxi trade.

**Reviewing low emission standards and implementation dates**

The timeline for LEZs to be introduced into Scotland's four biggest cities (Glasgow, Edinburgh, Aberdeen and Dundee) is between February 2022 and May 2022.

Emission standards outlined within the regulations are Euro 6 for diesel vehicles and Euro 4 for petrol vehicles (with motorcycles and mopeds set at Euro 3, however scoped out of designs by default). These have been set based on extensive stakeholder engagement and consultation, and are in line with the UK Government's Clean Air Zones.

Exemptions set for specific vehicle types and uses within the regulations are to be applied nationally across all LEZs. After stakeholder engagement and consultation, the list of exemptions is limited, and does not include taxis. Local authorities do however have the option to introduce time-limited local exemptions to vehicles or groups of vehicles over and above the national exemptions outlined within regulations. Local authorities are responsible for the day to day administration of the taxi and private hire car licensing regime, and therefore are best placed to take local circumstances into account.

It is for local authorities to design their LEZs as they see fit, including the grace periods and enforcement timeline which best fits their own LEZ proposal. Local authorities are currently in the development stage of their LEZ proposals, and will publish details of their plans in due course.

There are two principle funds available from the Scottish Government providing financial support to taxi drivers to upgrade their vehicles in. Interest free loans of up to £120,000 are available via the Energy Saving Trust to enable owners and operators of hackney cabs or private hire taxis to replace their current vehicle with an eligible ultra-low emission model. More information can be found at <https://www.energysavingtrust.org.uk/scotland/grants-loans/switched-taxis-loan>.

Additionally, the Scottish Taxi Retrofit Grant was introduced in October 2019. This offers a grant of up to £10,000 towards the capital costs for retrofitting taxis to Euro 6 standard. This provides a lower cost pathway to meeting Euro 6 standard in LEZ cities. In addition, this allows many of the converted vehicles to use LPG or bioLPG as fuel which is often cheaper to run than diesel. This fund is aimed principally at drivers who would not ordinarily be able to afford new taxis, and has already resulted in the retrofitting to Euro 6 for over 100 taxis in Scotland. The focus of the fund is on wheelchair accessible taxis, however a private hire car owner with such an eligible wheelchair accessible vehicle is also eligible to apply.

Taxi owners who do not currently own an eligible taxi are also able to exchange their taxis to models which can be retrofitted and apply for funding. This accommodation was put in place in consideration of taxi owners who do not have a 'purpose built' taxi. Further information on grants and eligibility is available on the EST website [Low Emission Zone Retrofit Fund - Energy Saving Trust](#).

**PE1856/B**

Petitioner submission of 26 April 2021

Although welcomed, the national funding from the Scottish Government quite simply isn't enough. For many drivers and operators, the assistance through the Taxi and Private Hire Vehicle Fund was the first financial help they have been able to access. Our survey of members, prior to the announcement of the fund, has demonstrated that a significant numbers of drivers and operators in the trade had been eligible for no or little previous financial help. Many operators continue to face significant ongoing running costs with those who have recently upgraded vehicles to Low Emissions Standards reporting overheads in excess of £1,000 a month. The SG has failed to offer any financial assistance for operators to meet these costs. A £10,000 grant for each operator providing financial support equal to the support given to other small business owners through SG schemes such as Small Business Grant Fund and Strategic Framework Business Fund would help to address the lack of support offered. The financial impact on the trade continues to be severe. Drivers regularly report takings of less than £20 a day for working shifts in excess of 12 hours. Many drivers are being forced from the trade due to a lack of financial support. It is clear that with the trade's dependence on hospitality, tourism and business travel it will be one of the last sectors to recover from the current economic crisis. More help must be given to those who have, are and continue to be refused other funding. Without help many operators and drivers will not survive. On a positive note we welcome the commitment from Transport Scotland and look forward to hearing from them about taking this initiative forward. The impact of Covid on the taxi trade should be well understood. Pre-Covid plans must take this pandemic and its impact on the trade into account and the previous plans must be adjusted to take cognisance of the present extremely challenging circumstances.

We understand that the £10,000 was made available primarily for LPG retrofit as the exhaust retrofitting is just now coming on stream. LPG has had poor uptake for a number of reasons. It costs £12500, of which the operator is liable for £2500 after a maximum £10k grant (80%). It would be of huge benefit if the Energy Savings Trust could increase the current award of £2500. For example, London ran a decommissioning scheme recently, attracting £10k per cab. Doubling the incentive to £5k would allow an operator the opportunity to purchase a Euro 5 cab (£8k - £10k) from London, with a view to having an exhaust retrofit done at a cost of approx. £1000 to achieve Euro 6. That would be a huge help, especially for older operators or those who will not be able to access finance. There is widespread agreement in the trade that the exhaust retrofit offers the best solution. The only caveat being that the retrofit can only be carried out on Euro 5 cabs. We believe the Scottish Government should show leadership on this and issue clear national guidance.