

Energy Saving Trust Low Carbon Transport Loan (Business) 2022/23

Eligibility Criteria

The Low Carbon Transport Loan for business is funded by Transport Scotland and managed by Energy Saving Trust, with the support of Home Energy Scotland advice centres. The scheme is open to businesses (of all sizes) and other organisations in Scotland, including not-for-profits and charities. Organisations operating primarily in agriculture, coal and fisheries sectors do not automatically qualify. Additionally, public sector bodies that are funded by the Scottish Government or one of their agencies do not automatically qualify and will be considered on a case-by-case basis. To be eligible for funding, please consider the following criteria:

- Your organisation must be based in Scotland, or you must be able to demonstrate that your organisation currently and actively operates in Scotland. You must also demonstrate that your employees working in Scotland will benefit from the implementation of the electric or hydrogen vehicle(s).
- Your organisation must have been trading or operational for at least 12 months.
- Loans are only available and can only be used for the purchase of new electric or hydrogen vehicles, which can include cars, vans, mopeds motorcycles and heavy goods vehicles (HGVs), e buses or ecoaches.
- The total funding available to your organisation is as follows:
 - For limited companies, a maximum of £150,000, unless otherwise agreed in writing by us.

- For sole trader or partnership, a maximum of £75,000, unless otherwise agreed in writing by us.

This means that multiple applications can be made (subject to availability of funds), but an organisation cannot owe us more than the total funding amount at any time.

- The loan can support the purchase of new:
 - electric motorcycle(s) and moped(s) – maximum loan amount of £10,000
 - electric car(s) – maximum loan amount of £30,000*
 - hydrogen car(s) – maximum loan amount of £50,000*
 - electric van(s) – maximum loan amount of £35,000
 - electric HGV(s) – maximum loan amount of £75,000*
 - hydrogen vehicle(s) – maximum loan amount of £75,000*

*Refer to T&Cs below.

- If your organisation is seeking funds for an electric car, the maximum list price of the vehicle is capped at £50,000.
- If your organisation is seeking funds for a large electric or large hydrogen vehicle, such as an ebus, ecoach or electric HGV, the loan will cover the cost difference – up to £75,000 – between purchasing the electric or hydrogen vehicle(s) and its petrol or diesel equivalent. Two quotes will be required at submission of the application, one for the electric or hydrogen vehicle(s) and one for the petrol/diesel equivalent.
- If your organisation is seeking funds for new electric or hydrogen car(s), the car(s) must be dedicated to high mileage operations. You must provide your sustainable transport coordinator with the following:

- your current vehicle(s) average annual mileage (must be at least 15,000 miles/year);
- and your current vehicle(s) use.
- If the loan is supporting the purchase of a new vehicle which is not a replacement, you will need to provide information on the intended use of the vehicle and expected annual mileage.
- The loan value only covers the cost of purchasing the basic, standard-specification of the vehicle(s); it does not cover delivery costs, optional extras, upgrades or other non-standard changes made to the vehicle(s) (whether during or after manufacture).
- The loan cannot support the purchase of any second-hand vehicles.
- The loan can support the purchase of an ex-demonstrator vehicle, only if the vehicle has under 1,000 miles and is less than 6 months old. Should your organisation seek funds for an electric or hydrogen ex-demonstration vehicle, written confirmation is required from the dealership on letter-headed paper, confirming:
 - the ex-demonstrator registration number
 - the ex-demonstrator current mileage
- Except for an initial deposit, your organisation must not purchase or take ownership of the vehicle(s) prior to receipt of the loan offer. Your application will be rejected if you fail to comply.
- Your organisation must be able to repay the loan and thus be in good financial standing. We are supplied with your credit score and credit information by credit reference agencies at submission of the application. If you are requesting £75,000 or more of funding, you must also provide us with a full year of financial accounts.

- The maximum repayment period is six years; however, where the payback is likely to be less than six years or, where we otherwise determine a shorter repayment period is appropriate in all circumstances, then a shorter repayment period will be set.
- Our loans cannot be used to pay off another finance or loan agreement. You must indicate how you are paying for the rest of the vehicle(s), if not fully covered by the funding from our loan. If you intend to purchase the vehicle(s) with our loan alongside a finance agreement, you must confirm:
 - the type and the duration of the finance agreement(s);
 - the identity of the person with whom you have entered or will enter into the finance agreement(s) (i.e., the provider of the finance); and
 - the finance will be applied directly towards the cost of purchasing and thus owning the vehicle.
 - You must also provide a copy of the finance agreement(s) which have been or will be entered into by you.

We reserve the right to require that for any loan offered, the repayment period matches the duration of the relevant finance agreement(s), subject to the maximum repayment period of six years.

- The favourable terms of the loan (including interest forgone) may constitute a public subsidy in terms of the laws, regulations, rules and guidance applying in the UK and/or the UK's international obligations in relation to public subsidies ("Public Subsidies Rules").

The loan is being provided in accordance with Article 3.2(4) of Chapter 3 of Title XI of the Trade and Cooperation Agreement between the European Union and the UK. This allows single economic actors to receive less than 325,000 Special Drawings Rights (approximately £344,600) ("the Value Threshold") of public subsidies over any three-year fiscal period without the subsidy having to comply with the other provisions set out in that Chapter.

Your organisation must be eligible to receive the loan in accordance with the Value Threshold and we may be required to withhold payment of, or reclaim all or any part of the loan from you, to the extent necessary to ensure that the loan, either on its own or when taken together with any other financial assistance given or to be given to you by us or any third party, complies with the Public Subsidies Rules.

- Where the applicant is a limited company, partnership or charitable trust, your organisation (according to its constitutional documents and any applicable laws) must have the power to enter into a loan agreement with us, governing the receipt and repayment of a loan under the scheme.
- Your organisation must have regular, day-to-day access to a domestic, workplace or ChargePlace Scotland publicly accessible charge point located in Scotland. If your organisation does not currently have access to a charge point, you must demonstrate the arrangements being made to have one installed in time for the delivery of the vehicle(s), or that you will become a member of the ChargePlace Scotland network before delivery of the vehicle(s). This excludes vehicle(s) that do not require a dedicated charge point, such as electric mopeds.
- Applications are to be completed and returned, with supporting documentation, by you. Third party submissions are not accepted, unless otherwise agreed by us.
- Applications must be submitted with:
 - a Fleet Review and/or Vehicle Comparison Report provided by your sustainable transport coordinator, which details the vehicle(s) your organisation may be replacing and the associated cost and carbon reductions in switching to electric or hydrogen vehicle(s);
 - quote(s); and
 - if you are requesting £75,000 or more of funding, a full year of financial accounts.