

Energy Saving Trust Switched on Taxis Loan 2023/24 Eligibility Criteria

The Switched on Taxis Loan is funded by Transport Scotland and managed by Energy Saving Trust. The scheme is open to operators and owners of hackney cabs, and to non-purpose-built taxi vehicle drivers, in Scotland.

After receiving an offer, your organisation **must** be able to submit an invoice – and claim your funding – **on or before** the drawdown deadline date specified in the loan agreement, **Sunday 4 February 2024**.

In addition, to be eligible for funding, you must meet the criteria in Sections A, B and C.

- Section A – general criteria you must meet **regardless** of the vehicle you are seeking to fund.
- Section B – **additional criteria** you must meet **if** you are applying to fund a **new** vehicle.
- Section C – **additional criteria** you must meet **if** you are applying to fund a **used** vehicle.

SECTION A – GENERAL CRITERIA

- You must be the person who has ordered or who will order the vehicle, thus becoming the owner of the vehicle.
- You must not receive any other Scottish Government grant or loan support towards the purchase of the vehicle.
- 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 vehicle(s).
- Your organisation must have been trading or operational for at least 12 months.
- 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).

- 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 provide us with a full year of financial accounts.
- 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 our loan.

- The favourable terms of the loan (including interest foregone, the amount of interest you are saving by not paying interest on the loan) 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 (which place restrictions on the circumstances in which public funds may be granted to businesses or other organisations carrying out economic activities).

The loan is being provided in accordance with Article 364.4 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 £315,000 of public subsidies over

any three fiscal period without the subsidy having to comply with the other provisions set out in that Chapter. Further details are provided in the loan agreement.

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 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 public subsidy restrictions. To confirm your organisation meets this requirement, you must be able to declare the full amount of any public subsidies you have received in the past two fiscal years, in addition to the current fiscal year.

- 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.
- If you are **applying as a sole trader**, your application must include your most recent tax document, SA103/SA100.
- If you are **applying as a partnership**, your application must include your most recent tax document, SA800.

SECTION B – NEW ELECTRIC VEHICLE

In addition to the criteria in Section A, the below applies to you if you are seeking funds for a new electric vehicle.

- Multiple applications can be made (subject to availability of funds), but an organisation cannot borrow more than the total funding available at any time. The total funding available to your organisation is as follows:
 - For limited companies, a maximum of £150,000
 - For sole trader or partnership, a maximum of £75,000
- 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.
- **If you are seeking funds for a new purpose-built electric black cab** driven for public hire (hackney cab),
 - You operate and own a hackney cab;
 - you have owned your current vehicle for **at least six months** before applying to replace it; and
 - you can provide proof of scrappage or sale of your current vehicle **no later** than 30 days from the date the loan is paid.
 - The new vehicle must be eligible under the taxi category of the [UK OZEV Plug-in Grant](#) list.
 - Applications **must be** submitted with:
 - all pages of your V5 registration certificate;
 - quote(s); and
 - if you are **requesting £75,000 or more** of funding, a full year of financial accounts from the most recent tax period.
- **If you are seeking funds for a new non-purpose-built electric taxi vehicle** driven for public or private hire:
 - The loan can support the purchase of the following **new** vehicles, with the **maximum loan amount** also listed:
 - new electric cars (**must** cost £50,000 or less) £30,000
 - new electric vans £35,000

Cost caps include VAT.

- The loan can support the purchase of an electric ex-demonstrator, only if the vehicle has under 1,000 miles and is less than 6 months old. Should your organisation seek funds for an electric 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
- Applications **must be** submitted with:
 - a Fleet Review and/or Vehicle Comparison Report provided by your sustainable transport coordinator, which details the vehicle(s) you may be replacing and the associated cost and carbon reductions in switching to electric vehicle(s);
 - quote(s); and
 - if you are **requesting £75,000 or more** of funding, a full year of financial accounts from the most recent tax period.

SECTION C – USED ELECTRIC VEHICLE

In addition to the criteria in Section A, the below applies to you if you are seeking funds for a used electric vehicle.

- Multiple applications can be made (subject to availability of funds), but an organisation cannot borrow more than the total funding available at any time. The total funding available to your organisation is as follows:
 - For limited companies, a maximum of £90,000
 - For sole trader or partnership, a maximum of £75,000
- The maximum repayment period is five years; however, where the payback is likely to be less than five years or, where we otherwise determine a shorter repayment period is appropriate in all circumstances, then a shorter repayment period will be set.
- The used vehicle(s) must be purchased from a dealership. We may determine your chosen dealership is not acceptable, and if so, will inform you. **Your application may**

be delayed until you can identify an acceptable dealership. The dealerships we accept are as follows:

- A traditional brick and mortar dealership based in the UK where their sales are conducted in-person, as well as through their online platforms. This dealership must be accredited by the [Motor Ombudsman](#) or be part of a trade association signed up to the National Conciliation Service ([National Franchised Dealers Association](#), [Independent Garage Association/Trust My Garage](#), [Scottish Motor Trade Association](#), [National Motorcycle Dealers Association](#), [Motorcycle Industry Association](#), [Retail Motor Industry Federation](#)).
- A dealership operating solely online. This dealership must have an up-to-date online presence, own the vehicles for sale and have reputable customer support services, as well as robust warranty procedures in place. Additionally, this dealership must transparently outline, at the very least, a vehicle's age, battery capacity, mileage and the interior and exterior condition of the vehicle(s) on any sale document(s) provided.
- **If you are seeking funds for a ~~used purpose-built~~ electric black cab driven for public hire (hackney cab):**
 - The maximum loan amount available to you for **one** ~~used purpose-built~~ electric black cab is **£50,000**
 - The loan can support the purchase of vehicle(s) included in the [UK OZEV Plug-in Grant](#) list.
 - Applications **can be** submitted with quote(s) of the vehicle(s) you plan to purchase with the loan,
 - If you are **requesting £75,000 or more** of funding, you must also submit a full year of financial accounts from the most recent tax period.
- **If you are seeking funds for a ~~used non-purpose-built~~ electric taxi vehicle driven for public or private hire:**
 - The loan can support the purchase of the following **used** vehicles, with the maximum vehicle cost and loan amount listed:

- used electric cars (**must** cost £30,000 or less) Max loan amount £30,000
- used electric vans (**must** cost £30,000 or less) Max loan amount £30,000

Cost caps include VAT.

- The loan can support the purchase of an electric ex-demonstrator, only if the vehicle has over 1,000 miles and is more than 6 months old.
- Applications **can** be submitted with:
 - a Fleet Review and/or Vehicle Comparison Report provided by your sustainable transport coordinator, which details the vehicle(s) you may be replacing and the associated cost and carbon reductions in switching to electric vehicle(s);
 - quote(s) of the vehicle(s) you plan to purchase with the loan.
- If you are **requesting more than £75,000 of funding**, you must also submit a full year of financial accounts from the most recent tax period.