



The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

24th August 2020

Dear Chancellor,

Firstly, thank you for your ongoing support for the taxi trade, including through the Self-Employment Income Support Scheme (SEISS), at what continues to be a challenging time.

As you know, the LTDA is very supportive of the SEISS, which has been a vital lifeline for drivers struggling due to the collapse in passenger demand. However, I write regarding an issue I have raised with you and your officials previously, which continues to disadvantage our members. Unfortunately, taxi drivers who have recently invested in a new electric taxi and offset the cost against their income through Capital Allowances, can only claim a fraction of their actual earnings through the Scheme.

In some cases, this has resulted in drivers being ineligible to claim at all and it is creating serious financial hardship. *I would ask that you look to remedy this and ensure that these struggling drivers can access urgently needed support.*

London's taxi trade is committed to reducing emissions and supporting the achievement of the UK's net zero target. Since 2018, all new taxis licensed in London have been zero emission capable (ZEC) and over the last two years, the small businesses that make up the trade, have invested over £200 million in electric taxis. Prior to the pandemic, the trade was continuing to invest at an average rate of £3 million per week to become the greenest taxi fleet in the world.

Drivers who made the considerable investment (around £60,000) required to purchase a cutting-edge, purpose-built ZEC taxi – who had limited choice of vehicle due to the strict TfL *condition of fitness* – are effectively being penalised by their efforts to help address the climate emergency and invest in the future of the trade.

More broadly, in London and many UK cities, passenger demand for taxis has been slow to increase – with many people still avoiding city centres or working from home. In London, drivers back out working are currently reporting fare income at 10-20% of pre-Covid-19 levels, even working additional hours. Whilst we are hopeful trade will pick up further from September, it will take time to return to sufficient levels. *I therefore ask that HMT, working with other Departments, takes steps to help bolster confidence in the taxi trade, facilitate increased demand and provide financial support for taxi drivers beyond October.*

As always, I would be delighted to work with you to determine how this can be achieved, to ensure the viability of the taxi industry and safeguard the significant contribution it makes to the UK economy.

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Steve", is positioned above the typed name.

Steve McNamara
General Secretary, The Licensed Taxi Drivers' Association (LTDA)