

EXPLANATORY MEMORANDUM TO
THE TAXI DRIVER (CORONAVIRUS, FINANCIAL ASSISTANCE)
REGULATIONS (NORTHERN IRELAND) 2021

S.R. 2021 No. 33

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department for Infrastructure to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made using sections 1(2), 3 and 4 of the Financial Assistance Act (Northern Ireland) 2009 (“the 2009 Act”) and is subject to the negative resolution procedure.
- 1.3. The Department for Infrastructure has been designated as a relevant Department under section 1(3)(a) of the 2009 Act and in accordance with that Act, this Rule is made with the approval of the Executive Office.

2. Purpose

- 2.1. Following their determination of 3rd November 2020, the First Minister and deputy First Minister, again acting jointly, made a further determination on 20th January 2021 that exceptional circumstances exist for holders of a taxi driver licence as a consequence of the Coronavirus pandemic. These exceptional circumstances include financial hardship arising from the loss of business. The determination states that it is desirable to provide financial assistance to mitigate the effect of the pandemic on the holders of a taxi driver licence.
- 2.2. Accordingly, these Regulations provide for the setting up of a further Scheme under which the Department for Infrastructure may make financial assistance payments to eligible holders of a taxi driver licence who have suffered because of the exceptional circumstances identified.
- 2.3. This Scheme provides for the Department to invite applications for funding under the Scheme, sets out the eligibility criteria that will be used to assess grant funding applications and covers how payments will be administered. In addition, the Scheme also provides for the obtaining of information from other public bodies and further information from the applicant for use in determining eligibility and for the sharing of information in relation to eligibility with other public bodies.

3. Background

- 3.1. The 2009 Act enables the First Minister and deputy First Minister, in recognition of exceptional circumstances, to designate a department to make schemes which provide financial assistance. The First Minister and deputy First

Minister, following engagement with the Infrastructure Minister, determined on 3rd November 2020 that exceptional circumstances, including financial hardship arising from the loss of business, do exist for holders of a taxi driver licence as a consequence of the outbreak of Coronavirus. They therefore designated the Department for Infrastructure as the relevant department (under section 1(1) and (3) of the 2009 Act) to make the required financial assistance scheme.

- 3.2. The Department subsequently launched the “Taxi Driver Financial Assistance Scheme 2020” (“the 2020 Scheme”) via the Taxi Driver (Coronavirus, Financial Assistance) Regulations (Northern Ireland) 2020 (S.R. 2020 No. 249) which came into operation on 13th November 2020. This initial Scheme covered an eligible period of 22nd March 2020 to 30th September 2020.
- 3.3. Given the ongoing nature of the pandemic and the associated restrictions, the Infrastructure Minister sought a further determination under the 2009 Act. This resulted in the First Minister and deputy First Minister, acting jointly, making a further determination on 20th January 2021 that exceptional circumstances exist for holders of a taxi driver licence as a consequence of the Coronavirus pandemic, including financial hardship arising from the loss of business. The determination again states that it is desirable to provide financial assistance to mitigate the effect of the pandemic on the holders of a taxi driver licence and designates the Department for Infrastructure as the relevant department to make the required financial assistance scheme.
- 3.4. Accordingly, these Regulations make provision for the “Taxi Driver Financial Assistance Scheme 2021” (“the 2021 Scheme”). The 2021 Scheme again recognises that taxi drivers have significant overheads and expenses, which may include personal protective equipment (PPE) expenses, that were not covered by any payments received through other available schemes that had been designed to mitigate the effects of the Coronavirus pandemic. Payments under this Scheme are therefore intended to be a contribution to such overhead costs and expenses that have been incurred by the taxi driver.
- 3.5. The 2021 Scheme covers the 12 month period from 22nd March 2020 until 21st March 2021. It is based on the same principle and sector evidence base (in terms of overheads) as the initial 2020 Scheme. However the 2021 Scheme is designed to address two issues. Firstly, it will provide financial assistance specifically for those taxi drivers who did not have continuous insurance that covered driving for hire and reward for the whole of the six month period from 22nd March to 30th September, i.e. the period that was covered by the 2020 Scheme, but did have such insurance for some of that period. Secondly, it will provide further assistance to all eligible drivers for the period from 1st October 2020 to 21st March 2021 in recognition of continued financial pressures.
- 3.6. The eligibility criteria for the 2021 Scheme are consistent with those for the 2020 Scheme. However the key distinction is that the 2021 Scheme will be open to applicants who had insurance that covered driving for hire and reward either continuously throughout the entire 12 month period or for part of that period only. This means that taxi drivers who were not eligible for the 2020 Scheme are

now able to apply for financial assistance. The 2021 Scheme will also be open to eligible drivers who had benefitted from the 2020 Scheme. To be eligible, taxi drivers will need to have held a valid taxi drivers licence at the time(s) when their driving for hire and reward insurance cover was in place.

- 3.7. The maximum amount payable to each eligible applicant under the 2021 Scheme is £3,000. Payments will be made on a pro rata basis, reflecting the individual circumstances of each driver, i.e. £8.25 will be paid for every “qualifying day” falling within the eligible period. A qualifying day is a day on which an eligible applicant held a valid taxi driver’s licence and also valid taxi insurance covering driving for hire and reward.
- 3.8. Since the 12 month eligible period covered by the 2021 Scheme includes the 6 month eligible period covered by the 2020 Scheme, any financial assistance payments made under the 2020 Scheme will be deducted from the amount payable under the 2021 Scheme. This will avoid the potential for double funding. So for example, taxi drivers who have a total of 365 qualifying days within the eligible period, and who satisfy the other eligibility criteria, would be eligible for the maximum amount payable under the 2021 Scheme of £3,000 (i.e. $365 \times 8.25 = £3,011.25$ but subject to the £3,000 cap). However if those taxi drivers have already received £1,500 under the 2020 Scheme, that amount will be deducted and they will receive a further £1,500 under the 2021 Scheme. They will therefore have received £3,000 in total overall.
- 3.9. The overall cost of the 2021 Scheme is estimated to be £10.5m subject to the eligibility of individual taxi drivers and the uptake of the Scheme. The cost of the 2020 Scheme had been estimated at £14m but in practice it is now estimated that it will cost approximately £6.5m, largely due to issues around the requirement to have held continuous insurance that covered hire and reward throughout the eligible period.

4. Consultation

- 4.1. A formal consultation exercise was not carried out in relation to these Regulations given the need to take urgent action to mitigate the effect of the financial hardship suffered by holders of a taxi driver licence due to the Coronavirus pandemic. However, the Department has engaged with sector representatives in the development of the Scheme.

5. Equality Impact

- 5.1. Consideration was given to the compliance of these Regulations with section 75 of the Northern Ireland Act 1998. No differential impact was identified for any group and a full equality impact assessment was considered unnecessary.

6. Regulatory Impact

- 6.1. A Regulatory Impact Assessment has not been completed given the need to take urgent action to mitigate the effect of the financial hardship suffered by holders of a taxi driver licence due to the Coronavirus pandemic. These Regulations will

have a positive impact through the provision of financial assistance to taxi drivers in recognition of the exceptional circumstances that exist.

7. Financial Implications

7.1. It is estimated that this financial assistance Scheme will cost approximately £10.5m, subject to eligibility and depending on uptake.

8. Section 24 of the Northern Ireland Act 1998

8.1. The Department has considered the matter of Convention Rights and Community Law and is satisfied that this Statutory Rule is compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. None.

10. Parity or replicatory measure

10.1 There is no equivalent GB Scheme.

11. Additional information

11.1. None.