



Northern Ireland
Assembly

Committee for Communities

OFFICIAL REPORT (Hansard)

Licensing and Registration of Clubs
(Amendment) Bill:
Northern Ireland Hotels Federation

14 January 2021

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Ms Paula Bradley (Chairperson)
Ms Kellie Armstrong (Deputy Chairperson)
Mr Andy Allen
Mr Mark Durkan
Mr Alex Easton
Ms Sinéad Ennis
Mr Robin Newton

Witnesses:

Ms Janice Gault Northern Ireland Hotels Federation

The Chairperson (Ms P Bradley): I welcome to the meeting Janice Gault, who is chief executive of the Northern Ireland Hotels Federation. Janice, you can go ahead and brief the Committee.

Ms Janice Gault (Northern Ireland Hotels Federation): Thank you very much, Chair. Thank you for the opportunity to speak to you this morning. I represent the hotel sector and the larger accommodation sector. We really welcome the changes to the liquor licensing legislation. Hotels have a unique position in relation to the relationship that they form with people. Over the last number of years, we have felt that the inability for formal to be staged in any meaningful way in the hotel industry has been a real challenge for us. That is an important part of this.

The other part is the tourism element. We are keen to see this jurisdiction operating in a similar way to other locations and for us to be able to make a better offering, particularly during holiday periods and for special events. People come here for festivals, and, although alcohol may not be the main impetus of those events, it is certainly part of the overall offering. We have seen, in recent times, the difficulties with the British Open and the like, and we would like to see those eradicated.

We would like to draw attention to the role that tourism has to play in the future of the economy, particularly when looking at new products and opening up food-and-drink offerings — a very popular type of tourism at the moment — so that distilleries and other producers are able to offer their product in situ in a controlled and regulated manner. We think that doing it in a controlled and regulated manner is the way to go and is very important. There are certain elements, including the code of practice, that, in principle, we do not have any objection to, but we feel that it is important that there is a strong legislative framework that is easy to enforce and that people understand the responsibility that they have. That responsibility relates not only to the licensee but to those involved in consumption.

The hotel sector contributes about £650 million to the local economy in normal years. Regrettably, over the last year, that has been significantly reduced. In the coming year, we would like to have an opportunity to grow that business to ensure that we are not incapacitated in any way. We very much look forward to working under the changes.

The Chairperson (Ms P Bradley): Thank you very much, Janice, for briefing us today. I have a couple of questions. First, you have raised a concern about the definition of a major event and the criteria needed. Do you want to explain that in a little more detail?

Ms Gault: Number one, we are concerned about the definition. Is a major event something of international standing? It would be difficult to ascertain what a new event is. Is it something that attracts a certain amount of economic impact? Is it about the amount of delegates that it has? Is it about the type of event? We are also concerned about the lag involved before something gets "major event" status and how will that be worked through. We are concerned that it would be seen as barrier when bidding for events like, for example, the World Police and Fire Games and the British Open. It would be much easier if the criteria were set out. If there were criteria and people did not meet those, they could look at ways to address that. Alternatively, we could find different ways of doing things. It is an area of concern, because it is seen as a barrier.

The Chairperson (Ms P Bradley): That is grand. Thanks for clearing that up. I want to ask you about your opposition to changes to the advertisement of functions in private members' clubs. Again, can you expand on that and your reasons for it?

Ms Gault: Members' clubs have an important role to play in the community, but there have been examples of people advertising the use of clubs for wedding fairs, for example. They have gone out and said, "You can use our premises for a wedding fair, if you become an associate member" for £10, £20, £25 or whatever. That, for us, presents a considerable issue. We pay rates. We have a fixed cost base that is quite considerable, and some of the elements of that we cannot compete on, because clubs do not pay in that manner. If a club is a club, that is fine. If they want to hold events for their members and their members wish to bring guests, we have no issue. However, we see that this may extend clubs into being simply another venue in a community, which will compete against us in an unfair manner.

The Chairperson (Ms P Bradley): I am glad that you went into a bit of detail there, because, when I originally thought about it, I thought it was just the seventieth birthday party or the fiftieth wedding anniversary party. However, it is more than that. It is bigger events.

Ms Gault: We have seen examples where, for commercial events, people have got a quotation from a hotel or another licensed premises, and then come back to us and said, "You were much more expensive than x, y and z." The event has gone to a club and been based in a club. There are ways around membership. That is where our objection lies.

The Chairperson (Ms P Bradley): Thank you for that. I open the meeting to members.

Ms Armstrong: Hello, Janice. Thank you very much. I declare a bit of an interest, because I have a daughter who, once the COVID lockdown stops, will be delighted to have a school formal and looks forward to going to a hotel and enjoying the premises.

I want to ask you about that. Bringing back the formals will be welcome, and, across Northern Ireland, a lot of people will say, "That is reasonable. Why were they stopped in the first place?". However, licensing requires that no alcohol is made available to those young people. Will your members incur additional costs in putting processes in place that close off the bars? Obviously, when the young people are there, they buy soft drinks, so there will be the ability to sell that. However, the alcohol will be closed up. Is there any cost to your members?

Ms Gault: There is no cost as such. Prior to formals being removed, most places would have operated on a soft-drinks policy. You simply either close your bar and offer a side table with soft drinks on it or you serve soft drinks from your bar area. We had a code of practice in place before this, where there were certain restrictions. There is a little extra cost, occasionally, in security, where you had to check to ensure that people were not bringing in alcohol. However, in general, we had a system going there. We also ensured that a parent, guardian or schoolteacher was involved in the formal. We realise the importance of getting young people, in particular, in to have their first event, and they appreciate

where they are, what they are doing and how they do it. At that stage, they form a relationship with the hotel. Many people go for a family occasions, be they weddings or civil partnerships, and that is when they form that relationship with the hotel. That is important.

Ms Armstrong: I agree with you. I go back to the hotel where I had my wedding reception, and that was not yesterday. I know what you are talking about.

Ms Gault: I want to make another point. We feel that the current situation in relation to formals is that young people are going early for a formal, getting out of the premises by 9.30 pm and then going on to an unregulated environment. It is much easier to police 150 young people in one venue than it is when they break out into groups of 10.

We also think that, in reality, people are going out earlier, and it is not really the true experience that we wish people to have. We have also seen that, in border areas, there has been what is called "the border bleed", where people go from Derry/Londonderry into Letterkenny or Buncrana. From Newry, they go into Dundalk. We find that element of particular concern. It is business that we have effectively lost. For a number of premises in the country, this is a big income stream over the winter months. They host formals from maybe five, 10 or 15 schools. They specialise in it, and we are keen to see it restored in normal circumstances.

Ms Armstrong: I agree with you completely. Large numbers of young people arrange transport to parties or another place that they can hire out, and that is concerning because we want to protect them. Some of them may be 18, but quite a lot of them are not, and we want to protect them from misuse of alcohol elsewhere. You are right: hotels can provide that protection. Some of your members across Northern Ireland will be in areas that are residential, and I have asked others about this. Have you any concerns were a hotel has had planning permission and has its licence in place, but, when we go to later licences, they may have difficulties with those licences given the residential nature of the area in which they are situated? Do any of the members have any concerns about that? Does the Committee need to consider anything with regard to planning, or are there any criteria that we need to be aware of?

Ms Gault: People are acutely aware of their neighbours and the area around them, and they have no desire to cause difficulties. Most people police this quite easily. We feel that, maybe, with the longer hours, people will leave in a more orderly manner. They may not all stay to the end but may trickle out over a period, and we see that as a good thing.

We have to look at decibels and levels of noise, and that is an important feature of the entertainment licence. Hoteliers, in general, are part of a community and are quite respectful of that, so we do not envisage that there will be any particular issue with that measure.

Ms Armstrong: That is good to hear. I know that in my area there is a hotel that has struggled with COVID, dear love them, but they have been amazing. As part of that whole COVID cycle they have been such an integral part of the community, providing food and other things. They are amazing people.

There is a lot that you have agreed with in the legislation. Is there anything that you want to bring to our attention that impacts negatively on your members?

Ms Gault: Apart from the points that we have raised, we think that most of it is fairly straightforward. The only concern that we have is the code of practice and whether it will cause confusion. It is more the confusion part of it as opposed to the process itself. I do not think that anybody wants to be seen as irresponsible, but it is important that we understand that there is legislation here. We would be keen to see the legislation supported by a strong communication message, particularly a short form of it — I am a great believer in the one-page communication — so that people know exactly what is expected of them. Sometimes — this is not a general comment — people can feel that a code of practice gets them away from it and that there can be a different interpretation on it. When you are introducing new legislation, it has to be very clear what the differences are, and that is very important for our membership.

Ms Armstrong: That is very interesting, thank you very much. I will hand you back to the Chair. I absolutely appreciate your written document that you have given us and your time today. Thank you.

Ms Gault: Thank you.

Mr Newton: I have one small area to discuss. Janice, the hoteliers have played a major part in the development of tourism in Northern Ireland over the past number of years. Millions of pounds have been invested by the sector in the industry, and it has lifted Northern Ireland's offering in the tourism field. In addition to that, jobs and careers have been created through it. In general, Northern Ireland owes a debt of gratitude to those who have been forward-thinking and visionary in their investment in the infrastructure of Northern Ireland to allow other sections of the economy to grow. Well done to all of your entrepreneurs, business people and corporations that have done that.

That having been said and considering the scale of your sector, you had partially answered a question to the Chair on private members' clubs and premises and gave a small example of the wedding exhibition: can you elaborate and provide more detail on what your concerns are about private members' clubs premises being allowed to open as a function and event space? My understanding of them was that the vast majority of them are not grand premises and are attractive to their members rather than commercially to the wider public.

Ms Gault: Some of them are grand premises, and some of them are not. The clue is that they are private members' clubs. Apart from the wedding thing, a series of events have been staged in them that are not really for their members. A series of events that we generally stage — not just hotels but other commercial premises — go to those clubs.

From our point of view, it is really about the cost base question. We pay rates, VAT and all those other things, and we make a contribution to the economy. We have a different cost base. Private members' clubs were designed for the use of private members. Sometimes, people will have a wedding or a function there, and that is fine, but we have had occasions when a cookery demonstration or something like that has taken place in them. The hotel might not wish to do that, but, if it is staged there, is open to the public and has a ticketed price, it becomes an income stream. I can understand that people have to break even and that they want to do that, but they then directly compete for events. They may compete for smaller events that may not seem all that important. Training has been done in them, and events that take place in the local community have, all of a sudden, moved into them, and, in general, those are not really members' events. They have been advertised and anybody can go along to them, and our concern is that, once those events are open to the public, it will be difficult to police them. You have to join the membership to attend a dance or whatever, but it is easy to get round that membership. It could be a members' dance, but you may be able to afford membership for a very small fee, and it is that public thing that, all of a sudden, you open a new venue in an area, which is not competing on the same cost base as the rest of us, and that cost base question is the issue for us more than the event itself. If everybody was paying rates and all those other costs, such as staff costs, it would be a fair playing field. It is a different matter if you are going to an event that is run by volunteers, does not have to open 365 days a year and does not have to pay commercial rates.

Mr Newton: Can you identify any areas where you see private members' clubs operating in a much more commercial environment via a policy that they are putting forward, or is it really an ad hoc reaction to opportunities?

Ms Gault: The policy document would be that they would pay public liability insurance like the rest of us, pay VAT like the rest of us and also pay rates. Some of the more commercial clubs, I hasten to add, do operate in that manner, and that is fine, but if they want to do something of a public nature and provide facilities that the public can use, it would only be fair that they are based on the same cost base as the rest of us, as well as using the same licensing rules in terms of public liability and stuff like that. That is important from the point of view of how we compete for different businesses, particularly in rural areas. Everybody wants to have a hotel in their local area, and that is nice to have, but some events that take place — Summer barbecues in the local golf club might sound lovely, but, in reality, the public are going to those, and that is an opportunity that, obviously, we have missed against a background that, if the club is paying VAT, rates and all those other things, that is fine, but, because of the way they are set up, some of them are not. They are not doing anything illegal, but if they are going to compete on the public playing field, that would need to be addressed.

Mr Durkan: Thank you, Janice, for the presentation. I had to nip out for a while so someone may have raised this. If they did, apologies, and you can feel free to cut me off, Chair. Janice, in the presentation, you expressed concern around the designation and criteria of a major event. Are there any specific features that you would like to see or not see in that definition?

Ms Gault: I did answer that question a little, but your question is slightly more specific, Mark. There are so many events, and my definition of a major event and your definition could be different. For example, Derry may be doing a new festival event on the walls and may invite 50 or 60 delegations from other walled cities around the world. That event may never have been held before and has no track record. Our concern is about defining that as a major event or not. A major event in some cities might be £1 million, and it might be a global event. A major event in other locations may not be so big, and we need to be careful about that.

It is also about the process that people will have to use to decide whether it is a major event. Can a code be drawn up automatically if something falls into that criteria to enable you to bid accordingly? However, there would be nothing worse than bidding for an event, assuming it had a major event designation, suddenly finding out that it did not and finding yourself back at square one again.

A good example is the BBC 'Good Food Show'. If it were to come to Guildhall Square, it might be decided that it was a commercial event and not a major event. A lot of the stalls would not be able to execute their business if the event could not get that status. Many sporting events such as the Open Championship at Portrush are also good examples. The Open Championship has a major whiskey sponsor that wanted to sell a product to mark the occasion. It was not for consumption on-site; it was a souvenir to bring home. The time that the process takes, as well as the designation, worries us. Sometimes there is only a very short bidding window for events, and any barriers that an organiser sees can put them off. We are keen to see global events coming to Northern Ireland, and that is important. A number of years ago, we had the MTV awards. In the current climate, it would be nice if we could go back to getting large events. Large events really help to put Northern Ireland on the map globally.

We did a fantastic job at the Open Championship, and it really wants to come back. If we are going to do other golfing events, they may have a similar structure with a whiskey or food sponsor. I would not have thought of a sponsor doing a souvenir product for an event. The nuances worry me, as does how the process can be speeded up. Can you decide that it is a major event in 10 days, 10 weeks or 10 months? It is that bit of it that concerns us as much as anything else. Also, if someone creates a new event, how will that be viewed?

Mr Durkan: Yes. You have touched on sporting events and the Open. No one could dispute that the Open was a major event. However, if Derry City or Glentoran was playing in a semi-final on a Friday evening, could that be judged to be a major event? It might be major in an area but not in the greater scheme of things. It is a major event for the area where the applications will come from and where those who will benefit live. Could that be abused by people who are geographically further removed from that area? They may put in applications and say, "If they are applying for that and get it, so will we".

Ms Gault: These are commercial events. Commercial people tend to want decisions to be made quickly. A really good example is a competition. For example, I am going into a fantasy world where Derry City are in the finals of the Champions League.

Mr Durkan: That really is a fantasy world.

Ms Gault: That is a fantasy world where the Brandywell would suddenly be elevated and they are playing Real Madrid, which really does take you to a new world.

Mr Durkan: They have played them before. Real Madrid have played at the Brandywell.

Ms Gault: Indeed. I might have been there, and that proves it was a long time ago.

If you were to do that, would that be a big thing? Suddenly, maybe two weeks out, you might have to decide whether it was going to be a major event. Another good example would be if James McClean decides that he wants to play a series of testimonial matches. Are they major events or not? You may or may not want alcohol provision at those events. You may have a sponsor that wants to do certain things such as feeding people later on in the evening or looking at different types of sponsorship. When you get into the commercial side of this, it can become quite a minefield.

Mr Durkan: OK. Thank you, Janice. Sorry, Chair. I should have declared an interest in this session as well. Thank you.

The Chairperson (Ms P Bradley): No problem, Mark. Thank you.

Janice, no other members want to ask anything further. I thank you for your submission and for briefing the Committee today.

Ms Gault: Thank you. It was nice to talk to you all. Thank you very much indeed.