

POLICY PAPER 8.1 – RATE RELIEF FOR UNLICENSED AMATEUR SPORTS CLUBS

Hospitality Ulster is the professional body representing the Hospitality Industry in Northern Ireland. Our membership includes pubs, bars, café bars, hotels, restaurants and major visitor attractions.

- The NI Hospitality Industry sustains 60,000 jobs
- 45,000 in Food and Drink
- £653.4 million wage contribution of the hospitality industry
- Tourism in Northern Ireland provides c45,000 jobs
- Tourism delivers c£750 million to the Northern Ireland economy.
- Food and Drink accounting for over 30% of visitor spend
- NI Assembly has targets to grow Tourism income to £1bn annually and 50,000 jobs by 2020

The Hospitality Industry in Northern Ireland has undergone considerable change as trends and social habits have altered, having to adapt to market needs, growing competition and increased legislation. However, over the period of the last ten years, some of the most significant and indeed fundamental changes in the industry have taken place. These include supermarkets selling alcohol at prices well below cost (making alcohol cheaper and more available than ever before). The combination of which has brought about a considerable reduction in the number of people consuming alcohol socially in our pubs, bars, café bars, hotels and restaurants and a significant growth in the consumption of alcohol at home and on our streets- resulting in a dramatic increase in the misuse and abuse of alcohol in our society.

At the same time, the opportunities from tourism have grown with Northern Ireland emerging as a new destination in the global market place. However, with outdated and overly restrictive legislation the Hospitality Industry has not been able to capitalise on the opportunity.

With the Hospitality Industry providing the backbone of the Tourism product the Northern Ireland Assembly must also ensure that the industry has the skills, infrastructure and taxation that will support the development of a professional and sustainable industry.

Hospitality Ulster calls on the Northern Ireland Assembly to place Hospitality and Tourism at the heart the Northern Ireland economy and the Hospitality and Tourism industry at the heart of government in relation to providing the legislation, funding, skills, infrastructure and taxation that will stimulate the growth of the industry...

The Northern Ireland Assembly must...

1. **Commit** to the Hospitality and Tourism Industry as a key economic driver and a priority for the Northern Ireland Assembly
2. **Create** an enabling taxation and regulatory environment that can stimulate growth in Hospitality and Tourism
3. **Invest** in Hospitality and Tourism with long-term sustained funding to deliver a ten year Tourism strategy

Response to Call for Evidence by the NI Assembly Committee for Finance & Personnel

Hospitality Ulster recognises the value of our Community Amateur Sports Clubs (CASCs). And support the proposal to introduce total rate relief for unlicensed Clubs.

Many of our members provide financial support to these clubs and are themselves members / players of a wide range of clubs / sports.

However, Hospitality Ulster remains opposed to any potential amendment that would include licensed clubs in this bill.

Hospitality Value to Northern Ireland

Small businesses dominate the Northern Ireland economy, and even with significant overseas investment this will remain the case for the foreseeable future. A significant part of the Northern Ireland economy is the hospitality and tourism industry, which has a higher GDP than agriculture; generating £88.4million in tax and contributing £17.9million in rates annually.

It is important to remember is that whilst their characteristics are changing; the businesses that compromise the hospitality and tourism industry are often the generators of local employment and a hub of their community.

Unfair Competition

Hospitality Ulster remains opposed to any potential amendment to the bill that would include licensed clubs. Because many of the licensed clubs that would benefit operate as commercial businesses. In direct competition with pubs, hotels and restaurants without the overheads incurred by a normal commercial business.

Many businesses in the hospitality industry are already struggling to cope with increased overheads like wage and rate increases, plus increased competition for business with the Republic of Ireland, with its VAT rate of 9%.

With many licensed clubs already operating as public houses and or running functions, weddings and funerals in direct competition with local hotels, restaurants and licensed premises. Any revised rating model for sports clubs should take account of the hospitality industry's circumstances and its role as a key economic driver. By not introducing any relief scheme that would result in additional unfair competition.