



Northern Ireland
Assembly

Committee for Communities

OFFICIAL REPORT (Hansard)

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

13 October 2016

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Colum Eastwood (Chairperson)
Ms Michelle Gildernew (Deputy Chairperson)
Mr Andy Allen
Ms Nichola Mallon
Mr Fra McCann
Mr Adrian McQuillan
Ms Carál Ní Chuilín
Mr Christopher Stalford

Witnesses:

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| Mr Jim Cullen | Northern Ireland Federation of Clubs |
| Mr John Davidson | Northern Ireland Federation of Clubs |
| Mr David Larmour | Northern Ireland Federation of Clubs |
| Mr Lawrence Shearer | Northern Ireland Federation of Clubs |
| Mr Richard Johnson | Northern Ireland Sports Forum |

The Chairperson (Mr Eastwood): I welcome John Davidson, chairperson; Lawrence Shearer, chartered accountant; Jim Cullen, Golf Club Managers Association; and David Larmour, treasurer, all representing the Northern Ireland Federation of Clubs. You are very welcome.

Mr F McCann: At this stage, I declare an interest as a member of a number of registered clubs.

Ms Gildernew: How many?

Mr F McCann: One.

Mr Richard Johnson (Northern Ireland Sports Forum): If I can just interrupt, apologies, but I have been out of the country in Canada for three and a half weeks. People tried to contact me, and I have now discovered that my phone is not compatible with North America. I thought that somebody would love me, and when I got no text messages, emails or phone calls, I realised that something was up, so, apologies.

The Chairperson (Mr Eastwood): That is fine. Do not worry.

Mr John Davidson (Northern Ireland Federation of Clubs): Chair, thank you for giving us the opportunity to elucidate some of the points that we think have not been taken into consideration in the

consultation that is near completion and, hopefully, ready to go to the legislative stages in the Assembly. We have another gentleman from the Golfing Union of Ireland. We asked him to be here for 10.30 am. I know that we were asked for four people, but, hopefully, you will be able to facilitate him if he comes in the door.

There are a lot of good things as far as we are concerned. We have been lobbying extensively over the last 15 or 20 years. When Northern Ireland was under direct rule, the last gentleman was Malcolm Moss. We had a lot of MPs from the political parties sitting around this table here. At that time, we used to fly to Westminster regularly. Prior to 1996, Malcolm Moss said to the likes of Peter Robinson and other MPs who were with our delegation that he apologised because his portfolio was so vast that the licensing laws had very little impact on him, but he admitted to all the politicians in attendance that he acknowledged his officials had an anti-club agenda.

There are MLAs sitting at the table who we have lobbied regularly down through the years. Mr Johnson and Mr Cullen will speak on behalf of the other sports, but there are two issues that were not even up for consideration, and one of those is the PSNI rights of entry. I sent you all a copy of the PSNI rights of entry and the Registration of Clubs (Accounts) Regulations (Northern Ireland) 1997, which is a prescribed form. It is the only body, to our knowledge, in virtually the whole of the United Kingdom, that has been forced to operate under a prescribed format of accounts and regulations. Ladies and gentlemen, if you have genuinely looked at the information and documentation that we have sent you, I would like to know your opinions on it. Are they the same as ours? Are these draconian and not fit for purpose?

We could give you examples regarding the PSNI rights of entry. They should have rights of entry, but that should be where they are in pursuit of crime with a degree of evidence, not the right to come willy-nilly into any club, which they used to do regularly, and go round the club and interrogate the principal officers looking for all information relating to the club and the accounts regulations, etc. So, that is one that has not been put forward for consideration. We hope that you have read it.

I listen to the Chairman, Mr Eastwood, regularly condemning Sinn Féin and the DUP, saying that we are only nodding ducks waiting to be fodder for whatever Sinn Féin and the DUP want.

Mr Stalford: I think that is a good place for them.

The Chairperson (Mr Eastwood): Did I say that?

Mr Davidson: You are on television regularly. You are all elected to the legislative Assembly. Prior to this, it was under direct rule. What has been put forward to you has come from civil servants. That has happened right from 1964 to now. The 1964, 1986 and 1996 Orders were all drafted by the Civil Service and put forward just for ratification. I hope that will you look at the way that the Registration of Clubs Order is formatted. I am sure that you can all be given copies of our paper. You can send for us again and say, "We have a different view from that of your organisation." We hope that you do not just take the word of civil servants who have drafted all the previous legislation and framed this legislation and the changes to the 1996 Registration of Clubs Order and accounts regulations.

Over the last 10 years, we have been promised by the Civil Service and MLAs that the accounts regulations are going to be changed. We have not seen any evidence of that to date. Clubs throughout the Province are struggling to get people to hold office because virtually every page of the legislation criminalises the officials of the club if they fall foul of it, even for minor offences. Province-wide, clubs are having serious trouble getting people to hold those offices. Over the last two or three years, about 19 clubs have handed in their registration because of what we are bringing to your attention. Although there are a lot of good things here, we think that it should be hardened up. I am looking for the likes of the Golfing Union of Ireland (GUI) and Cricket Ireland to elaborate.

The Chairperson (Mr Eastwood): Just for information, we have this stuff, but the meeting is being recorded for Hansard. If you have a specific thing that you want to tell us, do not assume that it is being recorded just because you have sent us the papers. This is your chance to let us know.

Mr Jim Cullen (Northern Ireland Federation of Clubs): I am the secretary of the Northern Ireland Golf Club Managers' Association. We represent all Northern Ireland golf clubs that are in the GUI. We have about 85 clubs. From a golf clubs' perspective, it is more to do with survival at the moment. It is very difficult for golf clubs when disposable income is pushed; the sports factor gets brought into it. We are looking at how we run our business. We need to control our costs. We need to control

overheads. Member retention is obviously critical for us. It is really about looking at how we manage the club. The restrictions in the Registration of Clubs Order do not help us. What we are looking for today is flexibility to reduce that in some way.

Our environment is very much governed by the social aspect, family atmosphere and family membership. We have to have kids out by 9.00 pm, but the family may want to stay on. We need to look at relaxing some of the restrictions to give us a better opportunity to perform our business. There is also an issue in relation to the licence in that it covers a club's grounds. We do a lot of corporate business. A lot of clubs do corporate business. There are restrictions on serving alcohol in certain areas outside the club premises when they are playing golf. There are aspects of that that we need to look at.

John mentioned that it is becoming very difficult to get people to stand for office. The treasurer's position, for instance, is becoming very difficult to fill. A lot of our guys are volunteers who put in a lot of time and effort. We are finding it difficult to get people to stand for office because it is a big commitment. There are a lot of restrictions in the Registration of Clubs Order as regards how we produce accounts. Some of the smaller clubs really struggle financially because they do not have an officer manager to manage the accounts. We have to look at the practicalities and at how we move forward to make it much more amenable to run our business. That is what we are looking for today.

Mr Johnson: As John stated, I am a past president of Cricket Ireland. I am also treasurer of the Northern Ireland Sports Forum. I totally concur with what Jim said, although I will try not to repeat it. In my opinion, volunteers are getting older and older; I certainly am. I hear from a lot of people that bringing in young people has become very difficult because of the various further restrictions and the fact that they could be more liable. I am not saying that you should skirt over things, but we find it harder and harder to get volunteers to come in now.

Cricket is my main sport, and it is played in the summer when allegedly it does not rain. We are trying to encourage youth. Cricket matches and cricket practice do not, by and large, finish until after 9:00 pm because players have to be coached by volunteers who work during the day. I am totally against underage drinking, but to be able to go into clubhouses after 9.00 pm is important. I am enthused by the way it looks as though it will go; that we are going to ease the restrictions as regards getting into club premises.

As an accountant, I am enthused by the possibility of the easement of producing yet another set of accounts. As long as they get to the same result, I genuinely think that there should be one set of accounts, which can be audited by anybody.

Those are my points, Mr Chairman.

Mr Davidson: There are couple of other points to which we would like to draw your attention. We have been advocating three late nights per week. We are honestly not too worried what the pub trade gets, whether it is seven nights to 1.00 am or 2.00 am. I know that it is probably six nights to 1.00 am presently, and it has been offered a further twelve. We are not against that. However, we requested either two per week, or possibly three; which is an increase of 19 late bars. That would take us to two per week to give us an opportunity to make our club rooms financially viable, so that we can pursue our sporting basis.

We also welcome the abolition of children's certificates, and that children will be allowed in sports grounds and sports rooms up to 11.00 pm; but we think that the restriction of that to three months per annum should change. We negotiated and argued this point; it all came about because of the Irish Open at Royal Portrush. That club put up a tented village. It is a very prestigious and world-renowned club, but it had to go to a bar in Portrush to use its services. I am sure that you are all well aware of that part of the law.

We welcome that clubs will be able to use their own registration, but we feel that the summer is not three months; it is a six-month period. Club rooms should be allowed to use their sports grounds for sporting events, to put up a marquee or for charitable events, which a lot of clubs look forward to doing to raise funds for charities Province-wide. We think that the three-months' allocation, which is being considered, should be extended to six, allowing children on site until 11.00 pm.

In the Clubs Order, children under 18 are not allowed to be seen to be bringing in the club's products or deliveries. We feel that most children who are in their last years at school, young boys and girls, employed in the club and performing that duty, are probably fitter and stronger than the existing bar

personnel. We ask why we should restrict young people who are coming into the club room to learn a profession in the bar trade. They should be allowed to help bring in whatever orders are being delivered on any particular day. Presently, they are restricted; you have to be 18 or over to do that work.

We hope, ladies and gentlemen, to see a root-and-branch review of the Clubs Order, but it would probably put back the consultation that is taking place, so we do not think it is viable. We are reasonably happy with what is taking place presently. The areas that we have brought to your attention are the PSNI rights of entry, the accounts regulations and extension of the summer months period when children can be on site.

We have also, along with us, our federation's accountant and he will explain why we are arguing for an easement of the accounts regulations.

Mr Lawrence Shearer (Northern Ireland Federation of Clubs): Good morning, everybody. My name is Lawrence Shearer. I am a practising chartered accountant and statutory auditor, and I also represent the Northern Ireland Federation of Clubs. We audit numerous clubs all over Belfast, and I am here to add some evidence to the session about the very prescriptive and rigid way in which clubs have to report their annual accounts under the current legislation. This dates back to 1997, nearly 20 years, and there has been no new law or amendment to the regulations since then.

As a case in point, let us look at other business models. UK companies have to report under what is called the financial reporting framework. It is a new scenario brought out in July 2015 — FRS 102 — and it distinguishes between micro companies, small companies and large companies. Micro entities are dealt with under financial reporting standard 105, and the other two are under FRS 102. Small companies, believe it or not, are classified as such if they have a turnover that equates to sales of £10.2 million or under, a balance sheet total of £5.1 million or under and 50 employees. A micro entity would have a turnover of £632,000, 50% of that for their balance sheet, which would be £316,000, and 10 employees. I am sure that John will agree with me that probably none of the clubs throughout Northern Ireland would have turnovers in excess of any of those figures. They would all be classified as small. Under the Companies Act 2006, all those companies can elect to be exempt from audit completely and just have independent examination. Maybe the proposal would be to try to bring the club sector more in line with what the Companies Act states.

Another interesting point is that, for Northern Ireland charities that deal with public money, if their turnover is £500,000 or below, they are not required to complete an audit either, but, for anything over that, they would be required to have an audit. As has been stated, the clubs currently have to present their accounts, no matter how small their income and expenditure, in a very prescribed format and have to have a statutory audit. The proposal is that, depending on the size of the club, the audit thresholds could be looked at and, in addition, there could be some relaxation of the accounts format going forward. I have presented additional evidence that you do not currently have. Maybe that could be added to the paperwork.

The Chairperson (Mr Eastwood): Yes. Thank you.

Mr Davidson: That is our case. We will now answer any questions.

The Chairperson (Mr Eastwood): Thank you very much. I do not think that the issue of audit is in the Bill, but you have raised an issue that is obviously of deep concern to you. We will take this up with the Department to see if it is possible to put it into the Bill or if there is another way of tackling it. You have made it fairly clear that it is difficult for you, and you will not find anybody around this table who wants an issue that makes it difficult for you to continue, whether we deal with it in this Bill or in another way.

I know that civil servants have to write legislation, but rest assured, John, that we are already working on a number of Committee amendments, and I am sure that individuals and parties will also put in amendments to the Bill. What happens is that, when we get our teeth into a Bill, it usually ends up fairly different from the original proposal. It does not always end up better, but it usually ends up different. Rest assured that we will take your concerns on board. It is very useful to hear. Do any members have any specific concerns about that?

Ms Ní Chuilín: No, I have listened to officials, and if it cannot be added, they could look at drafting an amendment to it. If they cannot, we need to try. There could be a hybrid. Hybrid Bills are now

passed and it could be done under companies or charities legislation. Let us look at how we can do that. We are sympathetic with the issues that you have.

The Chairperson (Mr Eastwood): The issues of auditing, in particular, and police entry. We will figure out where exactly they sit, and whether they need to sit in this Bill or somewhere else. It is fairly clear that there is an issue.

The issue around children's access is probably similar to that of the Hotels Federation. I know that you are competitors at times, but it is about having a sensible approach to these things. I cannot speak on behalf of the Committee, but given what we have heard from the Committee up to now, I do not think anybody wants to put prescriptive rules in place that make your life any more difficult than we have to. We understand the good work. A lot of us are members of, or have been involved with, some of your clubs. We want to try to make sure that you can do your business as best as possible for your members and the community.

Is everybody content? We will get into this, and you will see, I think, that some of your concerns are taken on board.

Mr Davidson: We are not in opposition to Pubs of Ulster or even the hotels group. All sections of the licensing trade that is called the hospitality trade are having serious problems because of the on-trade. Even the Minister says that 80% of alcohol consumed is now being consumed in the home. That is the same in England, Scotland and Wales.

We need the 20% that is being consumed in pubs, clubs and hotels for different reasons. We need it to maintain the sporting base of Northern Ireland. Northern Ireland punches way above its weight in sporting arenas throughout this Province. Over the last lot of months alone, you can see the benefit that sport is bringing to the Province. It is getting people out of their houses in the thousands, the hundreds of thousands, and that is what this is all about. If the clubs continue to fade and die — 19 clubs in the last two years handed in their registration, a lot of sports clubs among them — once they go, they do not come back. We are here to impress that upon you about the clubs sector. Northern Ireland is fortunate. In England they have thousands of working men's clubs, but Northern Ireland's sports base is sports clubs. There are very few social working men's clubs in Northern Ireland. The overwhelming majority are sports clubs — all sports clubs — which you can see Northern Ireland is benefiting from, getting thousands and thousands of boys and girls out of their homes at the weekend, and their parents and volunteers. We must do everything we can to develop and encourage that. At present, we are on the slide, on our way down.

The Chairperson (Mr Eastwood): I think we are probably all in agreement that the big issue here — I said it earlier, and I will say it again — is that large supermarkets, whose money is largely going out of the jurisdiction, are able to charge less for lager than for water, as we heard earlier. That puts lots of people in a difficult financial position.

I think all of us agree that we need to try our best to protect the sector, and that includes clubs. We will do whatever we can to help you. We will not be able to deal with all the issues because, you know, there are issues around minimum pricing. It is going through Europe at the moment, and we have to await that result. Speaking personally, that will be one of the ways that we can tackle the bigger problem, which is that supermarkets can sell drink far too cheaply. But we will do whatever we can within the scope of the Bill to take some of the burden off.

Thank you very much for coming. It has been very useful.