



Northern Ireland
Assembly

**COMMITTEE FOR
ENTERPRISE, TRADE AND
INVESTMENT**

**OFFICIAL REPORT
(Hansard)**

Tourism (Amendment) Bill

16 September 2010

NORTHERN IRELAND ASSEMBLY

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ENTERPRISE, TRADE AND
INVESTMENT**

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Members present for all or part of the proceedings:

Mr Alban Maginness (Chairperson)
Mr Paul Butler (Deputy Chairperson)
Mr Leslie Cree
Mr Paul Frew
Mr Paul Givan
Mr William Irwin
Ms Jennifer McCann
Dr Alasdair McDonnell
Mrs Claire McGill
Mr Gerry McHugh

Witnesses:

Ms Lorraine Fleming) Department of Enterprise, Trade and Investment
Mr John Simms)

Ms Caroline Adams) Northern Ireland Tourist Board

The Chairperson (Mr A Maginness):

Briefing the Committee will be Ms Lorraine Fleming and Mr John Simms from the tourism policy branch of the Department of Enterprise, Trade and Investment (DETI) and Ms Caroline Adams from the Northern Ireland Tourist Board (NITB). You are all very welcome, and I look forward to your contribution.

Ms Lorraine Fleming (Department of Enterprise, Trade and Investment):

I will kick off by giving you some background on the Tourism (Amendment) Bill. I will also address some of the comments that were received as part of the Committee's consultation.

I am the head of the tourism policy branch of DETI, where I work alongside my colleague John Simms. Caroline Adams is the quality and standards manager of the Northern Ireland Tourist Board.

The Tourism (Amendment) Bill is intended to amend the Tourism (Northern Ireland) Order 1992, which provides the Northern Ireland Tourist Board with powers to encourage the development of tourism in Northern Ireland. The three main amendments that are proposed in the Bill are to change the frequency of the statutory inspections of tourism accommodation, which we refer to throughout as "certification"; to change the mechanism for appointing the chairperson of the Tourist Board; and to make provision for the potential transfer of tourist accommodation grant to the Northern Ireland Tourist Board.

The main amendment is the change in the frequency of certification inspections. By way of background information, Northern Ireland is unique in the UK in having a statutory certification regime for tourism accommodation. In practice, certification is a guarantee of a minimum standard of accommodation for those coming to stay here; it reassures those visitors that the accommodation has been inspected and approved by the Tourist Board. If they are disappointed with the standards or have any complaints, they can complain directly to the board, and the board has powers to intervene. The board takes any such complaints seriously because obviously it has a bearing on the quality of the visitor experience in Northern Ireland. It will look into any complaint and take action as appropriate. A tourist in England, Scotland or Wales does not have similar redress.

The mandatory certification system is fully supported across the tourist accommodation sector, and we found that throughout the consultations. It is complemented by a voluntary classification scheme, which members will have heard referred to as stars. That relates to the quality of the accommodation, and we are not dealing with that in the Bill. We are dealing with the statutory certification, which is the minimum standard of accommodation.

Under the current legislation the Tourist Board is required to carry out an annual statutory inspection of every hotel, guest house, B&B, self-catering enterprise and hostel. Those inspections focus primarily on the physical attributes of the establishment such as size and number of rooms, catering facilities and so on. In most cases, those physical features change very little year on year. Therefore, in consultation with the industry, DETI and the Tourist Board concluded that it would be appropriate to move away from the current system of annual statutory inspection in favour of a statutory inspection once every four years, to reduce the burden on proprietors and on the board.

It is certainly not our intention that establishments should be left to their own devices during that period. The Bill requires the proprietors to complete an annual self-review and provide that statement to the Tourist Board, which will allow the Tourist Board to operate as an arm's-length regulatory regime in between the statutory inspections every four years. It is also important to note that the board will retain its powers to carry out ad hoc inspections as required throughout that period — for example, if it receives a complaint.

As the Minister stated during the Second Stage debate, we believe that the reduction in frequency is fully justified. It does not risk a dropping-off in standard and is a sensible move to reduce the regulatory burden on the accommodation providers as well as having the welcome result of reducing the overall fees that will apply.

The second amendment deals with the appointment of the chairperson of the Tourist Board. At the moment, the legislation requires that the chairperson be appointed from among board members. Therefore, board members are appointed and the Minister then selects the chairperson. It means that we cannot directly advertise for a chairperson for the Tourist Board. The Bill allows us to amend that and directly recruit a chairperson to the Tourist Board by means of external competition. That is really an updating exercise to bring it into line with best practice as set out by the Commissioner for Public Appointments.

The final change to the Bill relates to which part of the DETI family looks after the grant assisting tourist accommodation. That came about as a result of the independent review of economic policy (IREP), which made the recommendation that Invest NI should transfer its budgets relating to tourist accommodation back to DETI to be redistributed to a more appropriate body. As the Minister emphasised during the Second Stage debate, it is by no means a criticism

of Invest NI that we are looking at that recommendation. Rather, IREP suggested that assisting tourist accommodation, or grants to tourist accommodation, was misaligned with Invest NI's overall mission, while other bodies in the DETI family had the specific objective of supporting the tourism sector.

At this stage, we are taking the opportunity to use the Bill to make provision for the possible transfer of responsibility for tourist accommodation grants from Invest Northern Ireland to the Tourist Board. The Minister wishes to consider the matter more fully before moving to make that decision, and we are in discussions with Invest Northern Ireland and the Tourist Board about how best to take that forward. The amendment provides for the transfer to be implemented by commencement Order at a later date.

Mr Butler:

I see some of the responses about this four-year period from councils and the Local Government Association (NILGA). You are right about reducing administration and bureaucracy around it. It is like self-regulation and self-assessment every year. Is there a concern that four years is perhaps too long a period? Perhaps that will be an improvement, but there are obviously some concerns in local councils, which have an input into tourism. Moyle District Council said that four years is too big a gap. We are trying to improve tourism, and it has improved.

Mr John Simms (Department of Enterprise, Trade and Investment):

There are a couple of safeguards. First, last time around the Committee very helpfully suggested including in the Bill the ability to change the frequency by subordinate legislation. That is included in the Bill. If we find, going forward, that four years is too far apart — although we do not think that it is — we can amend that. Likewise, if we wanted to stretch it further, we have the ability to do that. To do the sums: every year, 25% of premises will receive an inspection. The Tourist Board has a voluntary classification scheme, which includes quality advice and the star grading, and we hope that at least 50% of premises will take that up. Therefore, the Tourist Board will still see those premises anyway. That means that only a small number of premises will not see the Tourist Board on a statutory basis every year, but the Tourist Board will retain the ability to act on complaints. Effectively, we see it as giving the Tourist Board the ability to focus in on problem premises. Although it does that at the minute, the Bill gives it more of an opportunity to do so.

The Chairperson:

So the ability to change the time period will be included in subordinate legislation and there will be reviews to look at how the legislation is being implemented? If problems are identified, the subordinate legislation can be changed to provide for a shorter time frame?

Ms Caroline Adams (Northern Ireland Tourist Board):

We already react immediately to negative feedback. If we get complaints through the tourist information centres or phone calls, we investigate every one and go back to the person who lodged the complaint with us to try to help the industry operator to improve. We monitor online user-generated websites such as TripAdvisor, which are useful tools for us to check constantly on how the industry is performing. We see it as continuing a strong relationship with the industry.

The sector is a small but growing one. Therefore, we do not wish to abdicate responsibility. However, we feel that the regulation, by the number of prosecutions that we have brought forward, does not require a continual, annual insistence that we go out and inspect premises and, therefore, have to charge for that inspection. We feel that we have a good balance going forward.

Mr Simms:

The in-year review will give the Tourist Board the opportunity to keep track of people. It is not going to be a complete self-assessment. We are not asking people to go round their premises and do a tick-box. We are asking that they provide some basic information as to whether they are continuing to provide tourist accommodation and whether there have been any changes to the property in the past year. The Tourist Board can use that information on a risk basis. For example, if five or 10 bedrooms have been added, it may want to go and have a look at the premises. That is another way in which we can keep track.

Mrs McGill:

I was not here for the earlier discussions on the Bill, so I am probably not as well informed as others. Nevertheless, the Deputy Chairperson, Paul Butler, raised the point about the frequency of inspections. Some of the comments from councils suggest that they are not entirely happy with the direction in which the Department might go on this, but I have heard what John and the Chairperson have said in relation to secondary legislation. In your own response, how can you be sure about this point:

“A key rationale for changing the frequency of inspections is that in most cases there can be little significant change in a

tourist accommodation establishment from year to year.”

How can you be so confident about making that point? You also said that:

“The proposed reduction in the frequency of inspections is fully justified and does not risk any dropping of standards in tourist accommodation in Northern Ireland.”

How can you be so absolutely confident about that?

Mr Simms:

That is a very fair question. The regulations by which we administer certification are very much infrastructure based. They are based on the physical attributes of premises, that is, the number of rooms, what is in those rooms, and checks that fire and health and safety regulations are in place. It is not so much the quality angle. It is about the bricks and mortar and the equipment and furniture that are inside the premises. We have found that, over time, that might not change that much. You will maybe come at it from the quality angle, which is the star grading, but the absolute minimum that we require of people — the physical attributes — does not tend to change that much year on year.

Mrs McGill:

In relation to the transfer of funding from Invest NI to NITB, Omagh District Council and Strabane District Council, to whom I spoke this morning, accept that it is helpful if there is some coherence in the funding mechanism and the approach of those who deal with the funding and if it is all in one place, which is potentially now NITB. However, Omagh District Council was concerned that the funding will go to the signature projects, and there is a concern in Tyrone that the funding will not go to places like Strabane and Omagh.

An officer in Strabane District Council, which is in my constituency, said that she would be content for the funding to go to NITB provided that there was an equitable distribution across the areas. That is what everyone in the west is looking for.

Ms Fleming:

Any assessment of new accommodation grant would be based on existing supply and market demand. The usual monetary and non-monetary criteria would be applied to those projects. The new tourism strategy, while endorsing the signature projects and hopefully bringing those to fruition in the next few years, also sets out a plan to move beyond that to the nine key destinations across Northern Ireland, which broadens out the whole process in respect of developing the destinations more broadly to include Fermanagh, the Sperrins, Derry and Lough Neagh.

Hopefully, that might allay some concern around the previous concentration on signature project areas.

Mr Givan:

How many people are on the current board of the NITB?

Mr Simms:

Nine, including the chairperson.

Mr Givan:

The Bill will allow up to nine members plus the chairperson. I am always keen to see the numbers of people on such boards driven down as low as possible. Can you pass that on? I will speak to the Minister when it comes to the appointment of this new body. On all agencies of this type we need to have as lean and efficient board structures as possible. I question the need for a board with 10 individuals on it. Exactly what benefit is there in having so many board members? My experience is that very little challenge function is exercised by board members — that is usually left to the Department and its officials, which should be expected. With devolution, there is not the same necessity to have so many people on so many boards.

This type of board would be particularly attractive to some individuals, given its nature and the pleasant travel opportunities that may exist. I want a board that is as lean and efficient as possible. That is something that the Committee may want to take forward when we look at the Bill in more detail.

Dr McDonnell:

Would you like to be nominated? Is that a bid for a position? *[Laughter.]*

Mr Givan:

I do not think that MLAs can get on to the board.

The Chairperson:

Mr Givan's point is well made.

Ms J McCann:

Sorry for missing your presentation; I had other things to do. I want to ask about the provision of financial assistance to tourist accommodation. Several years ago when you came before the Committee, we raised the issue of west Belfast having one of the biggest festivals in Europe — Féile an Phobail — every year. The local organisations and cultural groups are finding it difficult to get financial assistance from the Tourist Board for guest houses and B&Bs and things like that. Has that improved? Do you have a better relationship now with some of the local tourist groups? Are you more open to those types of facilities and to putting financial provision into them?

Mr Simms:

First, from the Invest NI point of view, there is a moratorium on tourist accommodation in the Belfast area.

Ms J McCann:

I am talking specifically about west Belfast.

Mr Simms:

Cases can be put to go past the moratorium if there is a proper business case. I can get you figures, but from talking to Invest NI, guest houses and B&Bs have not come forward that much for assistance. I am not sure about west Belfast in the past couple of years, but the sector as a whole has not come forward for assistance that much. We can check with Invest NI the amount of interest that there has been in the west Belfast area and refer that information to the Committee.

The Chairperson:

Thank you for your presentation to the Committee.