

Nightclubs and late bars will be forced to hand over €2.2m to Government before they can reopen – LVA

Urgent response required from Gov to suspend costs and allow Late Bars/Nightclubs obtain SEOs ahead of 22 Oct reopening

Nightclubs and late bars will be forced to hand over an estimated €2.2 million+ to the Government before they can open, the Licensed Vintners Association (LVA) has warned.

Despite being kept shut by Government order for 18 months or 585 consecutive days, late night venues will be required to make significant advance payments to the Government to facilitate opening their doors once more.

With nightclubs and late bars expected to open on 22nd October, they will need to start applying for their Special Exemption Orders from next week. These orders are granted by the courts, but each Special Exemption Order requires a payment of €410 to the Government for every late night of trading. Generally, licensed premises seek to secure special exemption orders for six week blocks at a time.

The LVA estimates that on average the 300+ nightclubs and late night venues around Ireland will seek to secure three nights of late night trading per week for that first six week period. That will see more than €2.2 million provided to the Government by late night businesses who have not been able to have customers in their premises since March 2020.

The LVA believes these up front costs are also likely to reduce the level of late night trading provided initially, as many venues with limited resources will concentrate on only opening late at weekends. This will also have implications for the recovery of night time entertainment, with venues providing fewer spots for musicians and DJs who are also looking to get back to work post pandemic.

The LVA is calling on the Government to scrap the Special Exemption Order charges for the first six months of trading, to allow these venues to recover and to encourage the resumption of late night activity. This temporary measure would work in a similar fashion to the current liquor license waiver for other hospitality businesses as has been adopted by the Government.

"Speaking to those who are working in the late night sector, we know everyone is looking forward to being able to open again and to have their customers and staff back in their venues," said Donall O'Keeffe, Chief Executive of the LVA. "585 days of closure is a very, very long time for any business and many just can't wait to dust off the dancefloors and flick the lights back on.

"So it is a bit of a surprise that these businesses, having done all that was asked of them during the pandemic, are now facing what effectively amounts to a Government tax of more than €2.2 million to allow them to open their doors again. That doesn't seem fair and I think most businesses who have been kept closed for a year and half would struggle to pay costs like this upfront.

"There are also wider implications surrounding the return of these venues. Reopening of nightclubs and late bars will help revive late night activity, bringing more people back into the cities and towns of Ireland and benefitting a range of other businesses too. It will also come as a major boost to musicians and DJs, providing a significant increase in locations where they will be able to perform. All that means that if late night activity takes longer to recover due to extensive upfront charges, then there will be further knock on implications too. Surely the Government can recognise simply waiving these charges for a temporary period is warranted given the exceptional circumstances that have faced this sector over the last 18 months?" Mr. O'Keeffe concluded.