



FREDERIC ROBINSON LIMITED

UNICORN BREWERY

WJR/OJR

13 June 2013

Pubs Consultation
Consumer and Competition Policy
Department for Business, Innovation and Skills
3rd Floor, Orchard 2
1 Victoria Street
Westminster
SW1H 0ET

Sent via email: pubs.consultation@bis.gsi.gov.uk

Dear Sirs

PUB COMPANIES AND TENANTS:
A GOVERNMENT CONSULTATION BY THE
DEPARTMENT FOR BUSINESS, INNOVATION AND SKILLS

We write on behalf of Frederic Robinson Limited, Brewers of Stockport and in response to the Government consultation.

We strongly oppose the imposition of a Statutory Code on the industry as proposed by the Department for Business, Innovation and Skills. As members of the IFBB and BBPA the Company wholeheartedly supports both their detailed responses. We attach the IFBB document for information.

Frederic Robinson Limited was founded in 1838, and this year we celebrate our 175 year anniversary. We directly employ over 250 people and have an annual turnover of £60m. Our Pub estate is comprised of 340 pubs of which 338 are tenanted houses, through which indirectly around 4,000 people are employed. All our pubs operate under a system that ties tenants to purchasing all their drink products from us. Our tenancy agreements incorporate the current Voluntary Industry Framework Code (IFC). We have 3 leased properties within our estate, with 335 being run under our standard 'rolling' tenancy agreement which includes a 4 year rent review and is contracted into the Landlord & Tenant Act 1954. Any of our tenants can leave at any time, by giving us 6 months notice, at the end of which we are obliged to return their bond, and purchase the stock, glassware and fixtures and fittings from them, the latter being valued by an independent third party industry valuer, thus their financial risk is minimised.

Regd Office: Frederic Robinson Limited, Unicorn Brewery, Stockport, Cheshire, SK1 1JJ. All communications to be addressed to the company

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As a company we have operated tenancies since 1878. During which time we have never had any of our rents or any element of agreements taken to any form of third party for arbitration. This is to the best knowledge of the members of the family working within the business today (the longest serving member of the family joined the company in 1953). We have families running pubs within our estate who are now themselves in their third generation as tenants, their tenancy having spanned over 80 years. The traditional tenancy is a business model that works well and indeed has stood the test of time.

We operate in a highly competitive marketplace and given the current particularly challenging economic conditions, we are constantly seeking ways of improving our support to our tenants through benefits that are recognised by the European Commission as Special Commercial or Financial Advantages (SCORFA).

Through a combination of embracing the voluntary IFC and increasing SCORFA benefits we believe that self-regulation is working.

In the event that a Statutory Code was to be implemented we would support the 500 pub threshold on the basis that it includes tenanted and leased pubs only and not managed houses.

Our industry has already suffered too much unwarranted Government and European interference over recent years and given the extreme pressure on business in this recession, we appeal to the Government to finally let our industry get on with trying to make a success of pubs in collaboration with our licensees as opposed to spending even more time grappling with yet more regulation.

When Government last legislated to intervene in our industry it took away the major integrated brewers and created the Pub companies of today, this was without doubt a significant un-intended consequence of that legislation. There have been issues between tenants and landlords principally linked to the leasehold, however the introduction of the voluntary IFC has meant that all companies of all sizes have looked very carefully at the relationship they have with their tenants or lessees. The voluntary IFC has only been in place for 3 years and is working. It is in our opinion wrong to believe that the industry overall has not responded in a positive way towards this and looked to provide more support for our tenants.

Our family business is still run by a wholly family board who are direct descendants of the founder. As a family and as a company we clearly see the benefits of working in partnership with our tenants to build strong long term relationships. Put very simply it is in our best interests for their business to succeed, and in doing so our business succeeds.

We strongly oppose the imposition of a Statutory Code on the industry as proposed by the Department for Business, Innovation and Skills.

Yours faithfully

W J Robinson BA (Hons), Dip Arch. RIBA
Managing Director Pubs Division

O J Robinson
Managing Director Beer Division