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Cornwall's Independent Family Brewers

SJS/KT

14 June 2013

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

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

I write on behalf of St Austell Brewery 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. *[See separate IFBB response]*

St Austell Brewery was established in 1851 and still remains in the control of the original founding family. We employ 1000 people and have an annual turnover of over £100m. Our pub estate comprises of 169 pubs of which 145 are tenanted houses, all of which operate under a system that ties tenants to purchasing all their drink products from us. Our tenancy agreements incorporate Version 6 of the recently launched Industry Framework Code (IFC) and are based on a 3 year renewal term and contracted into the Landlord & Tenant Act 1954. It 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 Version 6 of the IFC and increasing SCORFA benefits we believe that self-regulation is working.

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



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In order to support our comments above we are pleased to provide the following evidence below which is a selection of the results of two surveys carried out independently in our tenanted estate.

- Have you been made aware of your pub company's Code of Practice and how to access it?

Yes	97%
No	3%
Don't Know	0%

- Do you think your pub company's Code of Practice is fair?

Yes	98%
No	2%
Don't Know	0%

- Does your pub company stick to the Code of Practice?

Yes	96%
No	2%
Don't Know	2%

- My rent is fair for the business I do

○ Strongly agree	19%
○ Agree	28%
○ Neither agree/disagree	33%
○ Disagree	9%
○ Strongly disagree	11%

- My brewery has lived up to my expectations so far

○ Strongly agree	41%
○ Agree	34%
○ Neither agree/disagree	18%
○ Disagree	6%
○ Strongly disagree	1%

- I am happy with the level of support I receive from Head Office

○ Strongly agree	58%
○ Agree	27%
○ Neither agree/disagree	11%
○ Disagree	4%
○ Strongly disagree	0%





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In conclusion, 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.

Yours faithfully

S J STAUGHTON DL
Managing Director

