



INDEPENDENT FAMILY BREWERS
SINCE 1882

S.A. BRAIN & COMPANY LIMITED
WALES' LEADING DRINKS & HOSPITALITY COMPANY



OFFICIAL
SPONSOR

JSW/ALP

14 June 2013

Pubs Consultation
Consumer and Competition Policy
Department for Business, Innovation and Skills

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 S.A. Brain & Co Ltd 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.

S.A. Brain & Co Ltd was established in 1882 and still remains in the ownership of the original founding family. We employ over 2000 people and have an annual turnover of over £100m. Our pub estate comprises of 248 pubs of which around half 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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Over recent decades and particularly over the past 5 years, we have strived to build effective and supportive relationships with our tenants. We believe that the relationships that we have formed are strong and based on the mutual benefits of their businesses being as successful as possible.

In conclusion, our industry has already experienced considerable and unwarranted Government and European interference over recent years. Given the well documented pressures on business in this economic downturn, we appeal to Government to allow our industry to focus on making a success of pubs in collaboration with our licensees as opposed to spending even more time grappling with yet more regulation.

Yours faithfully

Scott Waddington
Chief Executive