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16 July 2019

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Pubs Code Review Team
Department for Business, Energy and Industrial Strategy
1st Floor, Orchard 3
1 Victoria Street
London
SW1H 0ET

Dear Sirs,

Pubs Code and Pubs Code Adjudicator Statutory Review

I am writing to you on behalf of Arkell's Brewery; we are an independent family brewer who have been brewing beer and running pubs in our local community for over 175 years. As we own and operate fewer than 500 tenanted pubs, we have adopted the voluntary code of practise.

In our opinion the voluntary code has worked extremely well and helped to crystallise the relationship between the tenant and brewer, as well as provide an extremely robust grievance system through PICAS and PIRRS.

Since the voluntary code was introduced in 2016 we have taken on 21 new tenants and carried out 41 rent reviews. In this period, we have not had any cases sent to PICAS or PIRRS and we feel this is a clear indicator that companies such as ours are not only fair to work for, but people want to come and run our tenancies. The tied tenancy business model offers a relatively low cost and low risk entry point for individuals to not only become licensees within the community but also self-employed business operators. The relationship between brewer and pub operator is based on collaboration and joint investment in the future of their pub business, without the sub 500 exemption to the statutory code this collaborative relationship would be stretched.

In the past 12 months alone, we have invested over 3 million in improvements across all of our pubs; we fear this level of investment would not have been possible had the traditional tied tenancy business agreement not been in existence.

Given the supporting evidence that I have outlined above I conclude by requesting that pub companies owning less than 500 tenanted pubs continue under the current successful regime which has in place a Code of Practice which is working well. With the success of that system, there are no new reasons for further intervention to give our businesses the additional cost and burden that would arise from inclusion in the scheme for larger businesses and we request that they continue to remain exempt from the Pubs Code.

Yours sincerely,

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