

Meeting between Macclesfield and East Cheshire CAMRA and William Robinson, Director, Robinsons Brewery at The Red Lion, Lower Withington, 12th November 2012

1. The current pub scene

WR commented on some of the positives for the pub and brewing industry at the moment. He said that the Localism Bill had reminded politicians of the importance of the pub in terms of social cohesion. WR is on the Board of "Pub is the Hub", helping to find ways in which pubs can meet this need and function as viable businesses.

Pubs are also important for employment. The on-trade contributes 18 times as many employment opportunities as the off-trade.

They also function as a way of controlling abuse of alcohol and, of course, are the only place you can obtain the highest quality beer.

On the negative side is the amount of legislation they contend with. The minimum wage inflates costs and publicans are now suddenly faced with Machine Games Duty as well. The views of individual Chancellors can have an impact. Following the above inflation increases of 42% over the last 6 years, the total duty, (inc VAT on the duty) currently on a pint of Unicorn is now 55p.

Pressure will continue from the Health lobby too. However, if as an industry we could get the lower duty rate adjusted to 3.5% rather than the current 2.7% there would be opportunities to offer really interesting beers for the consumer. Beer should be seen as a low alcohol alternative to wines and spirits. We need to encourage local MPs to lobby the current Chancellor to promote this.

Robinsons fall into a gap where Progressive Beer Duty is concerned. This benefits microbreweries and has barely any impact on the big multinationals but means that as a regional family brewer they are paying twice the duty a micro would pay on every pint they produce. 300 of the country's 1,000 brewers are less than three years old, which suggests that the progressive nature of this tax has encouraged new micros to set up on the back of it.

Recruitment of good licensees continues to be challenging; hence the brewery offer of a £2,000 "bounty". The company is investing in its staff and is aiming three new training courses at 16-18 year olds to bring new talent into the industry. They are also encouraging beer and food matching, seen as an opportunity for licensees to attract new custom, and run competitions on cooking with Robinsons beer. They also run e-learning courses which enable them to reach far more staff, more often.

They encourage licensees to look at new ways of marketing their pubs through micro-sites, email databases, SMS and social networking sites.

They recognise that quality of beer is critical and therefore have taken over dispense equipment on a buy-back arrangement, providing upgrades where necessary. Their cellar scores helps licensees to achieve cask marquee accreditation, for the top 30 scores the brewery pays for the accreditation.

In the brewhouse they have now replaced the 81 year old brew line, the old brew line will remain intact for visitors to view, with the old copper now on display in the visitor centre. Once the new kit comes fully on stream there will be scope for a wide range of interesting beers.

Feedback from the “perfect pub” mystery shopper scheme indicates an 82% satisfaction rate with Robinsons pubs.

Robinsons divide the market into seven different segments such as ‘village local’, ‘traditional community’, ‘destination food’, ‘great pub great food’ and ‘beer shrines’ (such as the Castle in Manchester). While they are open to some pubs such as the latter serving other beers, as a brewer, they also need to ensure their own brewing capacity is maintained.

Export is doing very well to ten different countries such as Sweden, Russia and Canada. The export market is particularly strong for Old Tom because it is the only beer hit by additional high strength duty because of its 8.5% abv in the UK.

2. Estate Strategy

There is undoubtedly more consolidation to come in the pub sector but there are reasons too to be optimistic. More meals are sold now in pubs than in restaurants and there is more growth in the food market in pubs than in restaurants.

Most of the pubs which are sold tend to go for alternative use, Robinsons have imposed covenants but only on a handful of occasions.

In the case of the Franklin, the pub had been in the same family for 30 years but its trade was then decimated by the smoking ban.

The Queen’s Arms in Bollington is hampered by the lack of space and neighbours close by who complain about noise. It is doubtful whether the site is really suitable for a pub. Other pubs in Bollington are doing very well but landlocked terrace pubs will always struggle in today’s climate.

Entry to Robinsons pubs is quite low risk with a bond offered for fixtures and fittings and no long-term contracts.

While they do look at pubs that are becoming available the current strategy is to invest in their existing estate rather than seeking new opportunities.

Around 12% of pubs (45) are currently vacant. Overall, WR estimated that 90% of those are safe going forward. Pubs are marketed as “profit opportunities” or “lifestyle pubs”. The latter are those which offer limited potential for profit but allow licensees to live in an area they aspire to, to access good schools, for instance.

3. Disposing of “redundant” pubs

The policy is always to get the best value possible for the company – but that usually means supporting pubs to stay open, in partnership with good licensees.

Looking at the list of pubs in Macclesfield, most of them have a viable future despite being wet-led. The Nags, for instance, has a reputation for music while the Dolphin’s USP is its cask ale. So they have found their niche and USP which is essential to ensure their viability.

Working together with CAMRA, Robinsons always appreciate feedback, for instance through their website, and this is welcomed by most licensees too.

4. Plans for the historic Albion window and Travellers Rest mosaic floor

The window was removed safely and is now owned by Robinsons. WR believes that the best place for it is a pub in Macclesfield rather than their visitor centre because it is more relevant to the town than to the brewery.

The Travellers Rest will not be used as a pub again. There are probably better examples of mosaic floors elsewhere.

5. Q&A

WR was asked for his views on CAMRA. He said that the organisation had done a lot which was positive over the years but it sometimes needs to take a step back and look at the wider picture. Some branches in particular are simply “against”.

CAMRA’s autonomy is a positive. He thought that CAMRA could engage family brewers more and have a more regular dialogue and two way relationship. There was a risk that they were seen by CAMRA as “not local enough”.