



19th October 2016

Dear Sirs,

Re: Licensing and Registration of Clubs (Amendment) Bill

We congratulate the Executive Minister in tabling the above legislation and welcome the opportunity to contribute to the committee debate.

We apologise for not responding as requested but unfortunately the draft bill does not take account of the micro brewing sector and therefore there is no draft to help the entire industry.

Work began on Bullhouse Brewing Company in February 2015. It took a year to complete the necessary building work to comply with Environmental Health Regulations and to obtain the necessary licenses. The brewery began production from a 2.5 barrel plant in Newtownards around February 2016. It currently employs 1 part-time employee and several employees on an ad-hoc basis. Our aim is to offer tourists something different when they visit the Ards Peninsula.

We have many barriers here in the Northern Ireland to increasing the market share of craft beer, from an uncompetitive environment to stifling legislation. The legislation is where we hope this draft bill can help.

We are members of Beer Ireland, an all-island approach to micro brewing and also members of the NI Artisan Drinks Producers Group which was established between brewers, cideries and distilleries coming together across NI to seek amendment to legislation, in particular The Licensing (Northern Ireland) Order 1996. Unfortunately, that does not seem to be moving anywhere and we feel within the legislation being tabled there could be scope to try and enhance the offering locally from breweries etc.

The first part of the bill being tabled is about licensing. Currently Northern Ireland is one of a small number of places in the world where microbreweries cannot sell on premises to people wanting to visit so-called "tasting rooms". Every week we are contacted by tourists coming to the area looking a tour of the brewery and the availability to taste beer and take some away as souvenirs. Existing legislation does not allow this. Within the draft bill we feel that an amendment could be made to allow manufacturers of craft products such as our beer (defined in HMRC) to sell from our premises or electronically online. This would allow ourselves as well as the 25 (approx.) other breweries in NI to offer something to the local tourism product. Currently we participate in many council events but to date have been unable to sell a single drop.

A second amendment could be that of a licence to sell online. In 1996, when the Order was completed, the drinks industry in NI was very different and the internet was only starting. Today, 20 years on, there is a need to have some sort of online facility which would boost the labour intensive artisan drinks producers in NI.

With the government's support of local produce and the expansion of tourism in Northern Ireland, to have changes to this legislation would see artisan craft drink producers being able to showcase their produce alongside other local producers, as well as the possibility of introducing tours/trails to the premises in support of NI tourism industry.

A third amendment could allow us to sell at festivals and craft fairs across NI.

Artisan drinks producers actively promote sensible consumption and are socially responsible. Packaging is clearly labelled as per government alcohol guidelines. We would welcome a tightening by Environmental Health officers to ensure that all products are of the same labeling standards.

Our produce is aimed at consumers that will savour and enjoy our products; the products have a story to be told about the history of the company making them, the origin of the ingredients and the manufacturing process from farm to table. When a bottle of beer retails for £3, this is not a drink people are likely to abuse, unlike the bland, cheap 'means to an end' drinks being produced by the mega corporations who receive Government support.

Craft drinks producers in GB are able to sell their products from their premises, and at events. This has been a critical source of income, enabling their businesses to be viable and has played a key role in the development of a flourishing craft beverage industry in GB. The absence of similar provisions in Northern Ireland has inhibited the development of the craft drinks sector, and makes it difficult for local producers to compete with those from England, Scotland and Wales.

We would extend an invitation to you to visit our manufacturing premises to discuss this matter in more depth, as we feel that as a manufacturing company we now have an opportunity to create more jobs, and maintain the current jobs. We are also seeking to develop tourism initiatives and help put The Ards Peninsula on the world map as an area of outstanding beauty, culture, food and drink. Your support in helping us overcome the red tape preventing us sell directly to the public, creating an even playing field with competitors in GB would be greatly appreciated.

I have attached an article I wrote for the What's Brewing National Newspaper for CAMRA which explains the differences in further detail.

Yours sincerely

A handwritten signature in black ink, appearing to read 'William Mayne', on a light grey background.

William Mayne

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Bullhouse Brewing Company
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INDUSTRY INSIDER

LICENCE TO THRILL BUT NOT SELL HOLDS BACK MICROS

Starting any new business is hard, but legal constraints mean setting up a brewery in Northern Ireland is even more difficult, as **William Mayne** explains

WHEN I started home brewing in 2011, I never expected that five years later I would set up a brewery. I also work full time, so when I started converting a farm outbuilding into a brewery, I quite enjoyed evenings and weekends painting, plastering and building.

I thought that when all the "hard" work was completed, I'd be able to brew, bottle and sell to my heart's content. I didn't expect the relentless task of brewing at evenings and weekends, delivering orders and cleaning to dictate my life.

In terms of the recent explosion in the number of UK microbreweries, Northern Ireland was slightly behind the curve, and things only really started to pick up pace from 2011 onwards. Early on in my brewery project, I spoke to several of the new Northern Irish brewers, to see if the idea was viable. The overwhelming majority of brewers I spoke to gave me great encouragement but advised margins are low, and it is an increasingly competitive market.

I got the feeling that for most brewers (myself included), their job is a labour of love. That can only be a good thing for consumers and there has never been a better time for Northern Irish beer drinkers, given the vast range and quality of beers now available. The business failure rate of microbreweries in the UK is extremely low, but there is no doubt that if brewers were less passionate about their product, it would be much higher.

I believe many of the local microbreweries that have popped up in the last few years will not be in business in five or 10 years without the support of government and the community. In Northern Ireland we have 27 breweries, one for every 70,000 people. This is still significantly less per head than the UK as a whole, so a large number of mainland-based breweries have spotted this gap and are now exporting across the Irish Sea to Northern Ireland.

Unfortunately, Northern Irish breweries are at a distinct disadvantage



compared to the rest of the UK. In Northern Ireland, breweries are excluded from the premises which are eligible to apply for an alcohol licence. This has a huge impact on their ability to sell on site, offer tours with tasters or sell products online. Because breweries in Northern Ireland are not eligible for a premises licence, they are also excluded from getting an occasional licence. This means breweries cannot sell their product.

In contrast, breweries in England, Scotland and Wales are eligible to apply for a premises licence, allowing them to sell products online (including to Northern Ireland). With the increase in people buying beer online

and drinking at home this puts Northern Irish breweries at a significant disadvantage.

CAMRA has launched a campaign to support Northern Irish breweries and lobby for a change in legislation. If the legislation was brought into line with the rest of the UK, it could increase tourism, create jobs and generate interest in brewing.

However, even if the Department of Social Development allows breweries to apply for licences, this may not alleviate the situation entirely. This is because the Northern Irish licensing system relies on the surrender principle. Under this, there are a fixed number of licences for pubs and off-licences.

The granting of a licence is conditional on the surrender of an existing one. This means breweries will be competing with pubs, restaurants and supermarkets for these scarce licences, which can cost up to £100,000.

Many brewers lament we cannot sell directly from the brewery or at events. If breweries were added to the list of licensed premises, we could apply for an occasional licence, which would allow us to sell alcohol away from the brewery.

Allowing breweries to apply for a premises licence could also increase beer sales in pubs. It would help generate an interest in brewing and also allow them to promote pubs which sell their beer. I urge all CAMRA members to get behind the campaign so we can compete on an equal footing with the rest of the UK.

● *William Mayne is the owner & brewer of Bullhouse Brewing Company, a 2.5-barrel brewery under the shadow of Scrabo Tower in County Down. His passion for real ale was inspired by trying Whitewater's Belfast Ale on cask in the Crown Bar, Belfast. All Bullhouse beers are currently bottle-conditioned, with plans to produce cask ale in the next six-12 months.*

BEER BUSINESS

BRUCE SEEKS GROWTH CASH

WEST Berkshire brewery has launched a £1.5m crowdfunding campaign for its new brewery, visitor centre and first pub. Chairman David Bruce said: "We need to move the brewery to a bigger home and invest in other landmark initiatives that will create a bigger business."

PRAYERS ANSWERED

THE Chapel Down Group has closed its equity crowdfunding for its beer and cider business, Curious Drinks. The campaign, which went live on the Seedrs platform in October 2015, has raised £1,710,700 with 895 investors, exceeding its original £1m target.

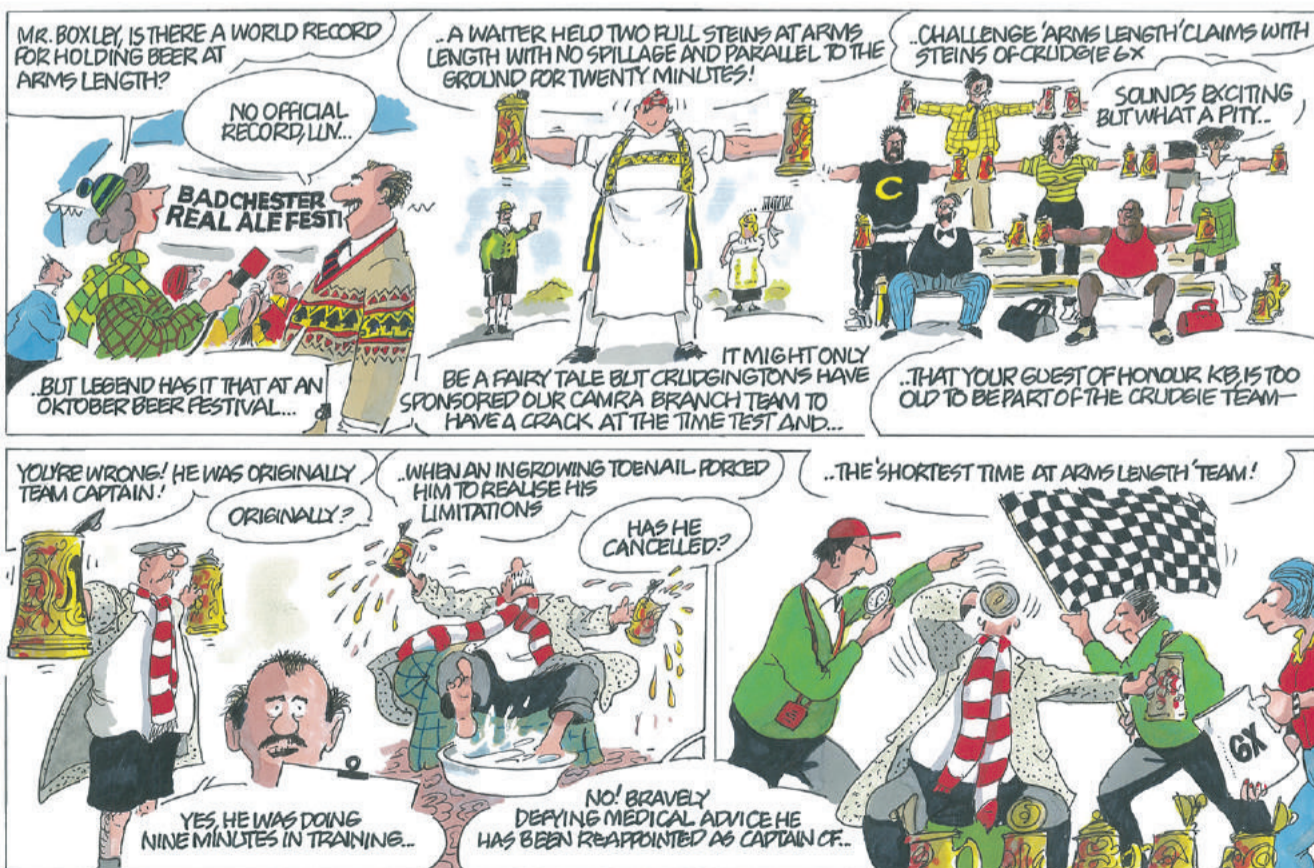
SPIRITS RISE ON THE COAST

ADNAMS has posted a rise in operating profits of 7.3 per cent. Pre-tax profit was £4.72m. Beer sales were largely flat against last year, however the company saw growth in its spirits sales.

CLUB PLEDGES MORE MONEY

THE CAMRA Members' Investment Club (CMIC) has agreed to make further investments in the Beer Consortium and purchase shares in Greene King and Marston's. At the end of March, the fund value was just under £20m.

KEG BUSTER BY BILL TIDY



BEER FESTIVAL EQUIPMENT

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for more information
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