



Northern Ireland
Assembly

Committee for Communities

OFFICIAL REPORT (Hansard)

Licensing and Registration of Clubs
(Amendment) Bill:
Copeland Distillery

4 February 2021

I listened to Nicola's queries about local producers working with other breweries. I understand the concerns. I have friends in breweries and distilleries who want to have a conversation with you. William Mayne from Bullhouse is probably the most vocal brewer to have been to the Committee. From the Hinch Distillery, Boatyard Distillery, Echlinville Distillery, Mourne Dew Distillery, Old Bushmills Distillery and the Shortcross Gin and Whiskey Distillery, we are all in the same boat and all of the same opinion.

From my point of view, it is not just about the change that the Bill will have on my business from a commercial point of view. The change will affect staffing levels, tourism, events and the wider picture not only for the next 125 years but also our short-term plans in Donaghadee. The Bill is a great start. We welcome it and the change that it will bring. I understand the angst of bars and licensees about taprooms. From the brief conversation that we have had with bar owners in the town, I know that they welcome the Bill and the amendments to it. However, a lot of brewers and distilleries want to chat about the wider picture. The Bill will create a huge social impact and change, and there is a lot to learn. Brewers, distilleries and producers will be given a huge power, and we all know that. We know that there is a huge responsibility and a huge learning curve. We see the impact that it will have, and I know that at first hand. I have a staff of 10, and, when the Bill is implemented, we will automatically take on three new employees as we will open longer for tourists and for socialising.

After the last 12 months and COVID, we have learnt that people in Northern Ireland are resilient. We have seen their appreciation and support for local businesses. The Bill not only supports my business; it supports my staff and the community with what we can do, sell, support and bring in. There is a lot we cannot do. The Secretary of State visited us two years ago, and we could not give him a gin and tonic as a freebie. There is a lot that we cannot do, and it is frustrating and confusing. We are all used to it now, but this positive change is definitely what is needed. From my side of things, it could not come at a better time. That is all that I have to say about it. That is my input as far as I can say.

The Chairperson (Ms P Bradley): OK. Gareth, thank you for that. Copeland Distillery is certainly a very well-known distillery and very much part of the tourism model for the area that it is based in. I know that Donaghadee is a small, close-knit town. What is your relationship like with the owners of the various bars and restaurants around you? What conversations have you had with them about how the Bill would impact their businesses? Do they see that it will have a positive impact on their business and that the increase in tourism will have a knock-on effect for them? Will you expand a wee bit more on that?

Mr Irvine: Yes, of course. To give you an idea, if you were to book a two-hour tour with us, the way it works — well, the way that it used to work before we have had to stop them — is that you would arrive in the distillery, you would sit down in our visitor centre, which seats about 18 to 24 — it will change a wee bit now — and you would get a quick chat about how we started and our history. You would then go down to the production floor, come back, grab your coat and whatever you have arrived with and go over to Harbour and Company, which is the bar across the street from us. We would go up to its top room, which looks out over the Copeland Islands, and you would start your tasting and events. We usually ran those on Fridays and Saturdays and did two, or perhaps three, sessions each day. We did not do anything on Sundays.

We started the tours in September 2019 and stopped them at the end of February 2020. Over that period, we had about 52 tours and just over 1,000 people came through our doors. Those 1,000 people were not just locals from Donaghadee; they came from the whole of Northern Ireland. They came just for the tour and booked rooms in the bars, hotels and bed and breakfasts. Over the Christmas period, we also catered for a number of staff parties.

From chatting to the bar and restaurant owners, I know that there is not one bar owner in Donaghadee who would say that we have had a negative or non-substantial impact, and that is especially the case for those that are in close proximity to the distillery. To give you an example, a party of 30 came for a quick tour before a staff party in 2019. Those 30 people then booked a table in the restaurant beside us. As a rule of thumb, 80% to 90% of the people who came on tours contributed positively to other businesses in the town. There is not a shadow of a doubt about that, and that number may even be higher. That is not only because we preach about the brilliant town that we are in but because we leave people wanting to experience more in Donaghadee. There is a huge impact, and not one bar owner would say otherwise.

The Chairperson (Ms P Bradley): OK. Thank you. I absolutely get that and can see how having your distillery based there would boost the town.

As it stands, the Bill does not allow for taprooms. Have you had any discussions with the other licensed premises around you about possible changes to that? Would that change your relationship with them or do you feel that you would continue to have good relationships? Do the local bars and restaurants in your vicinity stock your product?

Mr Irvine: The easy answer is to the second question, and that is yes. Every licensed premises in Donaghadee stocks our product, as do the majority of licensed premises in Bangor and Newtownards.

I do not need to say that the question of taprooms is contested. It is. I understand the desire for breweries to have taprooms and for bars to object to them. I have to be selfish. The taproom aspect for the distillery would not have the same commercial impact that it would have on a brewery. Breweries rely on high volumes of beers and lots of customers. We in the spirits game do not; that is the nature of the beast. If the legislation were to change to allow for taprooms, that could be looked at. There is a level of trust that needs to be understood. From the discussions that I have had with breweries, I know that the middle ground would be taprooms being limited to x times a year, x number of people a year, or areas. That is not saying, "Let's rule out taprooms completely" or "Let's have taprooms on Monday, Tuesday and Sunday nights", because that is a bar; that is a pub.

The impact on bars around here would depend on what the final outcome looks like for taprooms. I cannot give you an answer, because I do not know what the nitty-gritty looks like. In my opinion, it would be beneficial to both parties. The taproom on the Newtownards Road, run by Boundary Brewing, brings in 70-plus people, with other businesses that come in to do food for the night, for instance. They run those across a weekend — Friday, Saturday and Sunday. They are vital to the breweries, because a lot of the big pubs are run by the bigger breweries, such as Guinness and Heineken, and the breweries rely on the taprooms to help with business. You need to weigh up the ability to run taprooms from a commercial point of view. Pubs would be more open to an occasional licence for a taproom than to a full taproom licence.

The Chairperson (Ms P Bradley): Gareth, thank you for your answers. I will open up to members. Members, I still have an issue with not knowing who wants to speak, so I will go back and do the "Every member" part on StarLeaf. I will start the opposite way round, with Alex, who has an office in Donaghadee. Alex, do you want to ask Gareth anything?

Mr Easton: Thank you, Gareth, for your presentation. Your distillery is great. It provides local employment, and, if we can get the Bill right, it could be an amazing opportunity for Donaghadee. Donaghadee is an amazing place — and, I am not saying that just because it is in my constituency. It has come on in leaps and bounds in recent years, especially with its restaurants and pubs. This could be an added attraction. Could you expand even more than the extra two or three jobs that you could create if we get this right?

Mr Irvine: I cannot go into it too much yet. It is awaiting a number of empiricals, but we are looking at potential development for this site and for Donaghadee. This change in legislation would allow for development and planning to be a lot easier and smoother. We have a number of plans that rely on the development of this licence and on the development and ability for us to sell our own product. There is no doubt about that. Yes, it would significantly increase what we could do and how many people we could employ, without a shadow of a doubt.

Mr Easton: Keep up the good work. Thank you.

The Chairperson (Ms P Bradley): Karen, do you have any questions or comments?

Ms Mullan: I have no questions, Chair. Having listened to Gareth, I really want to visit Donaghadee. Hopefully, we can do that in the summer or before the summer, if restrictions are lifted. Thank you for your presentation; it was very interesting. You have given me a greater understanding, and, as we work our way through this, that will be useful. Thanks again, Gareth.

The Chairperson (Ms P Bradley): I think that we need to look at retrospective visits for the Committee on the Bill. We may have finished the Bill before everything is lifted.

I move on to Mark. Do you have any comments or questions? Mark, are you there?

Mr Durkan: Yes, I am here, Chair. Thanks to Gareth for the presentation. I have no specific questions. We have heard from a lot of his counterparts and other brewers. It is not that I am giving them any preference over you. This issue is certainly one that has given the Committee a lot of food for thought; it has probably taken up most of our time thus far at Committee Stage. That is reflective of the value that we are putting on the case that you guys are putting forward.

Ms Ennis: Thanks to Gareth. I concur with Karen's remarks; we need retrospective visits to some of the breweries.

The Committee will know that I have a number of good local brewers beside me, here, in south Down; the Mourne Dew and Killowen distilleries to name but two. I fully understand and appreciate the issues. I have said before that our local breweries could play a huge part in growing and expanding our tourism product here. That has to be paramount in our deliberations. Thanks very much for the presentation. It has been very useful.

Ms Armstrong: Gareth, thank you very much for coming along. Although Copeland is not in the Strangford constituency, it is not too far up the road from me. The presentations that we have received from those who are not necessarily in favour of taprooms having a licence in Northern Ireland have suggested that occasional licences are the way forward. Will you spell out for us what you think about those occasional licences?

Mr Irvine: My view is that occasional licences are too flexible, based on the area that you are in. I do not know how au fait you are with occasional licences, but in Donaghadee and especially north Down — this is why I am being pulled through the courts currently — it is all to do with the perspective of the police officer and how those occasional licences are used. There needs to be a review of occasional licences and their use. An occasional licence being levied in Belfast to run a taproom is not the point of them. As we all know, the point of occasional licences is for anything community-, charity- or event-focused. The 12 occasional licences a year that are available are not fit for purpose. They are not fit for my business. Do not get me wrong; if I were based somewhere other than north Down, I might have a different view. Occasional licences will not be fit for purpose for as long as they are based on the current legislation. That is my personal perspective. From a business point of view, we have used them in the past for different events. We have been declined them for charity events. We have been on the other end of them and have used them with other breweries, such as Bullhouse, for certain events. I am fairly familiar with occasional licences. Do I agree with them? In principle, yes. Are they fit for purpose? No.

Ms Armstrong: So, from your point of view, as a business developing a local Northern Ireland product, it would be easier if there were a licence for your particular type of business rather than having to depend on occasional licences? You said that they are not fit for purpose; will you explain that slightly? Please forgive me; I am not over every single detail of the legislation on occasional licences. That is because that is so complex, not because I do not know what is in it. Just explain to me why, from your point of view, they are not fit for purpose.

Mr Irvine: Yes, of course. If I want to get an occasional licence for the distillery, it will last six days in one period, as I remember. Say I wanted to run a taproom. In my police department area, which is Bangor, if I enter "taproom" on the occasional licence, or if I enter "open day", for instance, as my reason for wanting an occasional licence, it will be declined. However, if I were in Belfast, and I apply for the same licence with the same explanation for why I want it — "taproom for open day" — it would be accepted.

There is no black-and-white with the occasional licence. The application is a grey area. I make no issue about saying that. The occasional licence is not fit for purpose for where I am. If there were a producer's licence, it would be 100% accurate. There is no swaying from the legislation. It is a bit like how it is now with alcohol licensing. No interpretation comes into that, whereas, with the occasional licence, there is interpretation. Unfortunately, the people who make that interpretation are the PSNI. There is too much flexibility across Northern Ireland for breweries and distilleries to rely on occasional licences. I can give you 30 examples of how that is.

Ms Armstrong: Thank you very much for that. It is something that we are definitely considering. We will get to how it will fit into the Bill sometime. Thank you very much, Gareth. I have nothing more to ask you, because there have been a lot of presentations on that.

Sorry, I have just one thing. Let me check. If there was a taproom licence, applications would have to go through planning permission, and anyone could put up objections. That is the process; that is how we work. At the moment, when somebody applies for a liquor licence, I am under the impression that just one objection leads to investigations. I am not sure whether that is entirely fair. There is one organisation that complains about any application for a licence. Have you any concerns that that might happen with licensing of taprooms?

Mr Irvine: I have not seen the taproom offer, so I cannot accurately comment on it. You are right. If I were to buy a bar in Ballynahinch, and pull the licence down to Donaghadee, one objection from one of the bars would make that a lot harder, both financially and from the time point of view. You are right; it does. Is that the same process with planning, if you are building a house? No, it is not.

As a whole, the licensing application process in Northern Ireland, again, in my opinion, is not fit for purpose. I understand why, after bars have invested £150,000 on a licence, they want to protect that asset. We are not asking for a bar licence. I have had the bar owners in Donaghadee come into the distillery and see our visitors centre and our area. You can quite clearly see — it is the same for taprooms and breweries — that we are not fit to run full-blown bars and restaurants. It is not what we want to do; it is not our bread and butter. At the end of the day, our main focus is on producing the best spirits and beers to export across the world. The ability to sell our product is but a positive and an advantage; it is not our sole business.

That is the key message that needs to be battered down here. We are focused on producing spirits, beers and ciders. We just want to be able to add further investment and employment to the business that we have built by having the occasional taproom or by having a producer's licence.

Ms Armstrong: That is brilliant. Thank you very much, Gareth. Keep doing what you are doing. This last year has not been an easy time. My thoughts are with you and all the guys who work with you. Thank you very much.

The Chairperson (Ms P Bradley): Just on the back of what Kelly was asking and your answers, Gareth, you obviously talk to other distillers and breweries across the whole of Northern Ireland. I know that there are time constraints on everybody, but could you talk to them about the occasional licence issue? If you could have a chat with them and have someone send a letter back to the Committee on the experiences, depending on the various districts across Northern Ireland, it would be useful for our decision-making. Can I ask you to do that? I know that I am asking you to do something that will take up some time, but it would be interesting for us to learn about that across the board.

Mr Irvine: That is no problem. I am looking more at breweries than distilleries — there are more distilleries with licences than breweries with licences — but I am more than happy to pull together a bit of an overview. It will be hard; not everyone will be as open as me, but not everyone has been pulled through the court as I have been. I am happy to lead on that and get something across to you as soon as I can.

I made a wee note to raise something that Nicola Carruthers brought up.

The Chairperson (Ms P Bradley): Absolutely; go ahead.

Mr Irvine: Nicola mentioned a concern about "pretend breweries" or home brewers who might have a small brewery at the back of their site with a full-blown bar at the front that they have merely camouflaged. I would love to pull together something as well. We, as a HMRC-operated site, adhere to a fierce amount of legislation, box ticking and record-keeping to enable us to produce alcohol. Our duty bill throughout the year, just for spirits, is well over any of our other costs, from rent to staff. The bill for HMRC duty alone is in excess of £300,000 a year. The idea that a brewery can be a "pretend brewery" or a non-essential brewery with a bar at the front is a nonsensical argument and should not even be brought up. There might be a minimum production level for a brewery; no brewery will operate without at least 5,000 hectolitres of beer production capacity — it is the same for me — so it would not be cost-effective to put a small distillery in a building and call it a pub. From a HMRC and a legislative point of view, it would not make any sense to do that. That aspect that Nicola brought up should not cause much concern.

The Chairperson (Ms P Bradley): Thanks for that, Gareth. I know, from hearing from the various breweries that have come in to give evidence, the hoops that they have to jump through as regards registration, time, money and all of that. I absolutely get that and do not see the issue that Nicola

brought up being an issue. I am glad that you were able to clarify that, because we have heard the same from other brewers.

Gareth, I am finished and nobody else wants to ask any further questions. Thank you very much; you are the first distiller to brief us. I wish you every success with your business, which shows the fantastic entrepreneurship that we have in Northern Ireland, and the Committee will want to do all that it can to help you in making your business a success.

Mr Irvine: Thank you; that is much appreciated. If you need any help, I am more than happy to talk again. I will talk to other distillers and get you a bit of an overview of the accuracy and helpfulness of occasional licences.

The Chairperson (Ms P Bradley): I thought that you were going to offer to do another job for us, Gareth. We have given you enough [*Laughter.*] Thank you very much.