



Pubs Code  
Adjudicator

**Deputy Pubs Code Adjudicator and Punch Tenant Network meeting  
1 February 2018 11.00 – 12.00  
1 Victoria St., London**

**Attendees:**

Chris Lindesay (CL) Punch Tenant Network  
Carol Ross (CR) Punch Tenant Network  
Lee Worsley (LW) Punch Tenant Network  
Paul Crossman (PC) Punch Tenant Network  
Paul Newby (PN) Pubs Code Adjudicator  
Fiona Dickie (FD) Deputy Pubs Code adjudicator  
Stephen Childerstone (SC) Office of PCA  
Alex Lawther (minutes) (AL) Office of PCA

The meeting was held to discuss the issue of assessment of revenue by container description rather than saleable (duty paid) content on which the Punch Tenant Network (PTN) had long campaigned. PTN had raised the issue since meetings which predated committee meetings before the Bill which led to the introduction of the Pubs Code. PTN were unhappy about perceived lack of action on the issue which, they say, continues to impact tenants on a daily basis.

Their three main concerns were understood to be:

1. Ensuring that information on the volume of cask ale in a container on which duty had been paid and was therefore deemed saleable was passed to tenants at or before the time of receipt as required by HMRC and Schedule 2 of the Pubs Code. This will assist tenants to formulate and execute sustainable business plans and accurately determine their expectations of turnover and profit.
2. Ensuring that pub-owning businesses will not inaccurately notify tenants of volumes of saleable ale, and expect them to make good the loss of revenue resulting from this, and from wastage, by selling pints with excessive heads bearing in mind the BBPA guidance on head on beer and including their analysis of the actual potential contents of government stamped glassware or by any other means.
3. It was agreed that it was useful to distinguish between “sediment” which is not saleable and “operational waste” which is beer that could have been sold but was not, for a variety of reasons. The two different categories should be

evaluated separately. It was noted that Punch Taverns had agreed to do this and had indicated their weighted average saleable volume in cask ale across their estate was 69.3 pints in a 72 pint firkin, it is not clear whether Punch Taverns or other pub-owning businesses are doing this in practice.

4. PTN contend that by using 72 pints rather than (say) 69 as a base volume of saleable cask ale before operational waste is deducted, means turnover and gross profit margins are overstated, and tenants are misguided as to the correct retail pricing and expectations of turnover and profit. In a typical pub, PTN have estimated the financial impact on revenue and profit not received, and rent assessed on the expectation of its receipt, could be £3,000 or more per year.

The PCA had taken two points from the discussion:

1. there were issues around information for tenants and training; and
2. accurate trading information should be made available for rent assessments.

The PCA also sought PTNs assistance with providing a worked example (CL agreed to provide).

**Action:** PTN (LW/CL) to provide the PCA with example evidence to support their concerns

The meeting ended with the Deputy PCA agreeing to gather more information on the subject and to then consider what further action might be required.

**Action:** PCA to contact pub-owning businesses seeking information on allowances made for unsaleable ale, and information regarding how they ensured accurate information was considered and made available during rent assessments in accordance with the Pubs Code.

**Action:** PCA to add issue to agenda for next CCO meeting.

**Action:** PCA to revert to PTN once the information had been collated.