

Pubs Code Adjudicator (PCA) Levy Methodology for 2018/19

Section 63(1) of the Small Business, Enterprise and Employment Act 2015 (the Act) enables the PCA to require a levy to be paid by pub-owning businesses towards the PCA's expenses. Section 63(5) of the Act permits the PCA to vary the amount to be paid by pub-owning businesses, to reflect the expense and time that the PCA expects to spend in dealing with matters relating to them.

Levy amount for 2018/19

The PCA obtained the Secretary of State's consent to set the levy amount for 2018/19 at £2,553,000. The levy has been raised against the six pub-owning businesses with 500 or more tied pub tenants.

For 2018/19, the levy has been split into two parts based on fixed and variable costs of the PCA. The fixed costs of operating the PCA office have been apportioned on a percentage basis reflecting the number of tied pubs each of the six pub-owning businesses owned at 1 March 2018. The variable costs have been apportioned based on a percentage reflecting the number of arbitration cases involving each pub-owning business from the introduction of the Code on 21 July 2016 to 1 March 2018.

The total levy contributions levied against the six pub-owning businesses range from 3.2% to 49% of the total levy amount. The minimum amount is £82,717.20 and the maximum is £1,250,523.23.

For this financial year, the PCA has raised the 2018/19 levy in two equal six-monthly instalments from each pub-owning business. The credit (or deferred income) due to each pub-owning business arising from the 2017/18 financial year has been offset against the second instalment.

October 2018