



Pubs Code  
Adjudicator

## RESPONSE 18





Pubs Code  
Adjudicator

# Guidance: Accounting for duty paid on alcohol and volumes of unsaleable draught products in Pubs Code forecast profit and loss statements

Consultation under section 61(4) of the Small Business, Enterprise and Employment Act 2015

## Response Form



## Annex C: Response Form

Name: [REDACTED]

Organisation (if applicable):

Address: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Email: [REDACTED]

Please tick the box below which best describes you as a respondent to this consultation:

Pub-owning business with 500 or more tied pubs	<input type="checkbox"/>
Tied pub tenant	<input type="checkbox"/>
Interest group, trade body or other organisation	<input type="checkbox"/>
Other (please describe) A failed leased tenant that wondered for [REDACTED] where all my beer went. Why the volume delivered did not equal the volume sold plus waste. And why we were losing money when my POB insisted we were profitable.	

### Accounting for Duty Paid

**Question 1: Do you believe that these proposals will ensure that tied pub tenants are fully informed of the duty that has been paid on the alcohol supplied to them under their tied agreement?**

**No.**

**Question 2: If not, please explain what additional or different approaches you think would ensure compliance with Pubs Code requirements.**

**The relevance of this information needs to be stressed to the TPTs in training and a culture shift in the way POBs conduct business which is unlikely to happen.**

**Question 3: Can you foresee any unintended ways in which these proposals might have a detrimental effect on tied pub tenants? If so, how might such effects be mitigated?**

The sudden revelation that the tenant is not getting what he is paying for will undoubtedly increase cask ale prices or reduce GP and tenant profitability. The POBs will ultimately recoup any additional costs of compliance from the tenant. All rents should be immediately recalculated. I fear that they will not and POBs will prevaricate to delay. Any refunds on overpaid rent and lost profit will not happen.

### Accounting for Waste

**Question 4: Please indicate whether you agree with the proposal to account for sediment and operational waste separately.**

I agree that sediment and operational waste should be accounted for separately. The POBs should not be given any room for creative accounting that would be detrimental to the tenant. Operational waste should be independently calculated for each pub and industry standards on line cleaning should be used to calculate annual operational waste.

**Question 5: If not, please explain your objections.**

### Sediment Waste

**Question 6: Do you believe that these proposals will ensure that tied pub tenants have a clear and consistent approach to information about the volume of cask ales supplied under their agreement that will be unsaleable for reasons of sediment waste?**

No. The POBs will employ every trick to maximise their profit and deceive the tenant.

**Question 7: If not, please explain what additional or different approaches you think would ensure compliance with Pubs Code requirements.**

The volume of sediment should not be calculated by the POB. At the very least it should be calculated and rounded down to the nearest whole pint by an independent assessor. The simplest approach would be that the PCA impose an across the board assumption that there are 65 saleable pints in a firkin. And that should be used in profit and loss calculations to set rents.

**Question 8: Can you foresee any unintended ways in which these proposals might have a detrimental effect on tied pub tenants? If so, how might such effects be mitigated?**

The POB will calculate to fractions of a pint. The calculations should be rounded down to the nearest whole pint. The tenant will ultimately lose if this does not happen.

### Operational Waste

**Question 9: Do you believe that these proposals will ensure that tied pub tenants have clear and consistent information about the volume of draught products supplied under their agreement that will be unsaleable for reasons of operational waste?**

The proposals will only work with the full cooperation and transparency of the POBs with clear and meaningful explanation of the figures. The cynic in me tells me that this will not happen.

**Question 10: If not, please explain what additional or different approaches you think would ensure compliance with Pubs Code requirements.**

The POBs should not be trusted to perform their own calculations on sediment and operational waste. Figures should be supplied by independent sources.

**Question 11: Can you foresee any unintended ways in which these proposals might have a detrimental effect on tied pub tenants? If so, how might such effects be mitigated?**

These proposals will only be effective if there is meaningful change to the POBs and brewers transparency. There will always be the underlying culture to circumvent these proposals and perpetuate the untruths told to the tenant in the name of profit.

## Training and Support

### **Question 12: Do you have any comments on the proposed approach to access to training for tied pub tenants?**

The training should not be under the control or supplied by the POBs. Training should be independently provided and the course content verified to assist the tenant NOT the POB.

### **Question 13: Do you have any comments on the proposed training requirements in respect of BDMs?**

Again, training should be provided by an independent training provider with the content verified to improve transparency and assist the tenant. The training should NOT help the BDM or POB improve profitability from the tenant.

### **Office of the Pubs Code Adjudicator**

This document can be accessed at [www.gov.uk/pca](http://www.gov.uk/pca)

If you require this information in an alternative format or have general enquiries about the Pubs Code Adjudicator and its work, contact:

Office of the Pubs Code Adjudicator  
Lower Ground Floor  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4AJ

Tel: 0800 528 8080

Email: [office@pubscodeadjudicator.gov.uk](mailto:office@pubscodeadjudicator.gov.uk)

