



Pubs Code
Adjudicator

RESPONSE 5





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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): Justice for Licensees

Address:

Email: info@justiceforlicensees.org.uk

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

Pub-owning business with 500 or more tied pubs	
Tied pub tenant	
Interest group, trade body or other organisation	x
Other (please describe)	

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?

In part, they are a small step in the right direction, but do need to go further.

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

We are not so sure that the proposals will be of much help to prospective TPTs, who may have well be bombarded with information and may well fail to understand the importance of it. The internet is now one of the key players in securing new tenants, PoB's websites are somewhat opaque in this area, not surprising considering the PoB's opaqueness on the subject. It should be made clear on the websites, at first point of contact, of the duty that has

been paid on the alcohol supplied to them. It should be made abundantly clear to the prospective TPT that operational wastage should not, under any circumstances, be included in the HMRC agreed volume, operational wastage is in addition.

PEAT must include, in unequivocal terms, the importance of duty paid on alcohol and how it will impact on the TPTs business. It must be made clear that the container size has very little to with reality and that all calculations must be based on the HMRC agreed volume for duty. It must also be made clear that operational waste is in addition to the agreed volume.

Industry professional advisors, in particular those that are given to TPTs by the PoBs, such as the FLVA and the BII who have been somewhat complicit in the ambiguity that has shrouded this trade for far too long, must include this subject when advising TPTs and prospective TPTs.

Any and all information on this subject being supplied to TPTs and prospective TPTs must be in clear, concise, and understandable language, it must be understood that there is the possibility that some TPTs will not have a degree in law!

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?

Accounting for Waste

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

We agree that sediment and operational waste should be accounted for separately.

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?

Our only concern is that pubcos will, by any means necessary, try to revert back to 72 pints, this cannot and must not be allowed to continue. It is simply untrue, there will always be sediment waste, as acknowledged by HMRC.

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

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?

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?

Providing separate figures for draught ales, lagers and ciders must be the bare minimum, the PCA must ensure that ALL categories of draught products are covered.

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

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?

Training and Support

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

We are concerned that any training provided will not be of a satisfactory nature. Unfortunately for prospective TPTs PEAT training is not really as good as it should be, we are concerned that this training will end up the same way.

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

Office of the Pubs Code Adjudicator

This document can be accessed at 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:

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