



Pubs Code
Adjudicator

RESPONSE 24





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:

Organisation (if applicable):

Address:

Email:

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 checked="" type="checkbox"/>
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?

We agree with the main principle of the guidance, namely that there should be one unified transparent approach to the treatment of duty paid cask product under tied agreements, under schedule 2 of the Code.

One of the main issues with the Pubs Code is lack of transparency and guidance on key areas, certainly including schedule 2 information, something that we and one of our predecessor bodies has long been calling for.

We welcome guidance on this issue, however whilst there has been a number of surveys, verification exercise and reports from the PCA's office, we remain of the view that the key priority for the PCA should be fast and effective arbitration decisions with clear precedents, so tenants are not financially disadvantaged.

There should be full focus on speeding up and resolving MRO cases.

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

Any final guidance on this issue should be transparent and clearly presented, for TPTs to easily understand how this technical area works in practice.

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?

As above.

Accounting for Waste

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

As stated, we welcome all moves to increase transparency for tied pub tenants in all aspects of the Pubs Code, including on sediment and operational waste and agree there are different issues relating to both and should be treated 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?

We agree with a consistent approach to the treatment of unsaleable cask ale, across all companies covered by the Pubs Code.

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?

The final guidance should be clear and concise, to ensure that tied pub tenants have full transparency as to how sediment is treated.

We agree that the P&L required under schedule 2 of the Code should show how the level of undrinkable sediment will affect the tenant's turnover and how the tied rent is calculated.

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?

As with sediment allowance, we agree that the P&L required under schedule 2 of the Code should show how the level of operational will affect the tenant's turnover and how the tied rent is calculated.

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 support training for TPTs in this area.

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

We agree that BDMs should be fully trained in this area, and receive refresher training after 12 months.

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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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