

# [Press release: Pubs Code Adjudicator Launches Consultation on Beer Duty and Waste](#)

The decision to launch a [statutory consultation](#) follows a review by the Adjudicator, Paul Newby and Fiona Dickie, Deputy Pubs Code Adjudicator over how pub companies regulated by the Pubs Code disclose the quantity of alcohol on which duty has been paid and how they calculate the saleable volume of draught products supplied under their tied agreements. These calculations can affect both achievable turnover and expected profit margins, and they are therefore important factors for tenants when considering the fairness of their tied rent.

The consultation, which will run until 11 January 2019, sets out proposed guidance in relation to pub companies' statutory obligations to accurately account when proposing a new tied rent for both the duty paid on alcohol that will be supplied under the tenancy and the volume of draught beer and cider that will be saleable after allowing for waste. In particular, the PCA will be expecting pub companies to account for sediment and operational waste separately.

Paul Newby said: "This issue of compliance has been discussed at length with the pub companies and the PCA's approach will not come as a surprise. Fiona Dickie and I have decided to launch a consultation because these cover complex and technical areas of the Pubs Code and we want to ensure that all industry stakeholders have the opportunity to comment on what we are proposing."

Fiona Dickie said: "Historically, all pub companies have dealt with waste in different ways. The Pubs Code requires them to give tied tenants a clear explanation of how waste is calculated, and this consultation sets out our proposals for delivering fairness for tenants by ensuring greater consistency and transparency in the way these calculations are set out."

The consultation also sets out proposed guidance on how the PCA will expect pub companies to ensure that all their tied tenants have access to training on cellar management and dispensing best practice, as well as to ongoing cellar management support, so that they can realise the levels of business on which their rent is based.

Business Development Managers employed by the regulated pub companies should also be trained to understand and explain to tenants how waste has been calculated.

The PCA is working towards publishing statutory guidance for the industry during Spring of next year.

Note to editors:

The detailed consultation can be read [here](#) where responses can be submitted online.

Or responses can be sent to:

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