

SCHEDULE 2

Regulations 16 and 20

Information specified for the purposes of a rent proposal or a rent assessment proposal

1. A summary of the methods which must be used under the tenancy or licence to calculate the initial or revised rent or the new rent including—

- (a) the information which will be used to support those calculations;
- (b) the justification for the use of such information.

2. An outline of the procedure to be followed during negotiations of the initial or revised rent or the new rent between the pub-owning business and the tied pub tenant.

3. A list of the matters which will be considered to be relevant and irrelevant in such negotiations.

4. Information in respect of the cost of service charges relating to the tied pub during the last 3 years.

5. A forecast profit and loss statement for the tied pub for the period of 12 months beginning with the day on which the initial or revised rent or the new rent is payable (“the forecast period”) and the figures and other information which have been relied on to formulate that statement, including—

- (a) the volume of alcohol, including the number of barrels of alcohol, purchased during the last 3 years from the pub-owning business or its agents;
- (b) the percentage of the tied pub’s turnover during the last 3 years which the sale of this volume of alcohol represents;
- (c) if different from the figure in (a), the volume of alcohol in respect of which duty was paid during the last 3 years;
- (d) a figure for the total estimated sales and gross profit margins of the tied pub for the forecast period, with a breakdown showing separate figures for the estimated sales, gross profit margins, for—
 - (i) draught ales;
 - (ii) draught lagers;
 - (iii) packaged beers;
 - (iv) draught ciders;
 - (v) packaged ciders;
 - (vi) wines;
 - (vii) spirits;
 - (viii) flavoured alcoholic beverages; and
 - (ix) soft drinks;
- (e) the percentage of the pub’s turnover for the forecast period which each drink in subparagraph (d)(i) to (ix) represents;
- (f) an estimate figure for the volume of draught beer and cider which will not be sold during the forecast period (including draught beer and cider wasted, unfit for sale or dispensed in promotions) where that figure has not been accounted for in the gross profit margin;
- (g) the estimated operating costs likely to affect the tied pub tenant’s profit during the forecast period including, where relevant, the estimated cost of a manager during that year, where the tied pub tenant is not the manager of the tied pub;
- (h) an explanation of how estimated income during the forecast period from any gaming machine, in the tied pub has been accounted for in the statement;

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- (i) a breakdown of any costs during the forecast period which have not been accounted for separately but have been included in the estimated figures for other costs (for example, the cost of cellar gas).
6. The figures which are provided under paragraph 5 must be provided net of value added tax or machine games duty (within the meaning of Schedule 24 to the Finance Act 2012⁽¹⁾).
7. The profit and loss statement provided under paragraph 5 must refer to relevant and current data available publicly in connection with the typical costs of operating a tied pub in the United Kingdom and explain any variance between the costs referred to and the pub-owning business's costs estimate.
8. The statement, figures and other information which the pub-owning business provides to the tied pub tenant under paragraphs 5 to 7 must —
- (a) be sufficiently clear and detailed; and
 - (b) include justification or supporting evidence for any assumptions,
- to allow the tenant to understand the basis on which the estimated figures in the statement have been calculated.
9. Any information which the pub-owning business provides under paragraph 5, must be—
- (a) accurate, wherever it refers to historical data; and
 - (b) reasonable, wherever it refers to projected data.
10. In paragraph 5(c) “duty” means any duty of excise charged on beer by section 36(1) or section 37(1) of the Alcoholic Liquor Duties Act 1979⁽²⁾.
11. Any information in Schedule 1 which—
- (a) the tied pub tenant has not already received; or
 - (b) has changed materially since it was provided to the tenant.
12. A timetable specifying the dates on which any other information will be made available to the tied pub tenant before negotiations begin.

(1) 2012 c.14. Schedule 24 was amended by section 124(2) to (4) of, and paragraph 31(2) to (4) of Schedule 28 to, the Finance Act 2014 (c.26).

(2) 1979 c.4. Section 36(1) was substituted by section 7(1) of the Finance Act 1991 (c.31) and then amended by paragraph 1(2) of Schedule 1 to the Finance Act 2002 (c.23). Section 37(1) was inserted by paragraph 1 of Schedule 1 to the Finance Act 2011 (c.11).