
DRAFT STATUTORY INSTRUMENTS

2016 No.

The Pubs Code etc. Regulations 2016

PART 1

General

Significant increase in price: alcoholic drink other than beer

4.—(1) For the purposes of these Regulations, a “significant increase” in the price of alcoholic drink supplied to a tied pub tenant takes place on the issue to the tied pub tenant of an invoice for alcoholic drink (“the relevant invoice”) where the following two conditions are met.

(2) The first condition is that—

- (a) one or more invoices for alcoholic drink were issued to the tied pub tenant in the comparison period; and
- (b) those invoices included at least one for alcoholic drink of the same kind as alcoholic drink invoiced in the current period.

(3) The second condition is that—

$$\left(\frac{A-B}{B}\times 100\right) > \left(\frac{C-D}{D}\times 100\right) + 6$$

where—

A is the average unit price of current period alcoholic drink;

B is the average unit price of comparison period alcoholic drink;

C is the level of the producer price index on the day the relevant invoice is issued;

D is the level of the producer price index on the day 12 months before the relevant invoice is issued.

(4) In this regulation—

- (a) “alcoholic drink” means alcoholic drink supplied under a product tie, other than beer;
- (b) “current period alcoholic drink” means all alcoholic drink invoiced to the tied pub tenant in the current period, excluding any of a kind not invoiced to the tied pub tenant in the comparison period;
- (c) “comparison period alcoholic drink” means all alcoholic drink invoiced to the tied pub tenant in the comparison period, excluding any of a kind not invoiced to the tied pub tenant in the current period;
- (d) alcoholic drink invoiced in a period is “of the same kind” as alcoholic drink invoiced in another period if they are—
 - (i) of the same category (see paragraph (5)); and
 - (ii) sold in the same units;

- (e) “the current period” means the period of 4 weeks ending with the day on which the relevant invoice is issued;
 - (f) “the comparison period” means the period of 4 weeks ending with the day 12 months before the day on which the relevant invoice is issued;
 - (g) “invoice for alcoholic drink” includes an invoice which covers (in addition to alcoholic drink) products other than alcoholic drink, or services; and references to alcoholic drink being invoiced are to be read accordingly;
 - (h) references to prices are to prices exclusive of value added tax but inclusive of excise duty;
 - (i) “the producer price index” means the producer price index published by the Statistics Board in respect of alcoholic beverages (including duty);
 - (j) references to the level of the producer price index on any day are to the level of that index, in the index most recently published before the end of that day, in respect of the most recent month covered by that publication.
- (5) For the purposes of paragraph (4)(d)(i) the “categories” of alcoholic drink are—
- (a) blended whiskies;
 - (b) single malt whiskies;
 - (c) gin;
 - (d) vodka;
 - (e) brandy;
 - (f) spirits not within any of sub-paragraphs (a) to (e);
 - (g) red wine;
 - (h) white wine;
 - (i) rose wine;
 - (j) cider⁽¹⁾;
 - (k) alcoholic drink not within any of sub-paragraphs (a) to (j).

(1) Section 68(8) of SBEEA 2015 defines “cider”.