
STATUTORY INSTRUMENTS

2016 No. 790

The Pubs Code etc. Regulations 2016

PART 1

General

Significant increase in price: beer

3.—(1) For the purposes of these Regulations, a “significant increase” in the price of a beer product (“the relevant product”) supplied to a tied pub tenant takes place on the issue to the tied pub tenant of an invoice for that product (“the relevant invoice”) where—

- (a) the relevant product has previously been supplied to the tied pub tenant,
- (b) the unit price of that product on the relevant invoice is higher than its unit price on the most recent previous invoice for that product issued to the tied pub tenant, and
- (c) the following two conditions are met.

(2) The first condition is that one or more invoices for the relevant product were issued to the tied pub tenant in the comparison period.

(3) The second condition is that—

$$\left(\frac{A - B}{B} \times 100 \right) > C + 3$$

where—

A is the amount that comparison period beer would have cost the tied pub tenant if it had been invoiced at current period prices;

B is the amount that comparison period beer cost the tied pub tenant at the prices actually invoiced;

C is the relevant annual percentage change in the consumer price index or, where that is negative, zero.

(4) In this regulation—

- (a) “beer product” means a product which is beer and which is supplied under a product tie⁽¹⁾;
- (b) “comparison period beer” means all beer products invoiced to the tied pub tenant in the comparison period, in the quantities so invoiced, but excluding any beer product for which no invoice was issued to the tied pub tenant in the current period;
- (c) “current period” means the period of 4 weeks ending with the day on which the relevant invoice is issued;
- (d) “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;

(1) Section 72(1) of SBEEA 2015 defines “product tie”.

- (e) “current period price”, in relation to a beer product, means the price of that product on the last invoice for that product issued during the current period;
 - (f) “invoice for a beer product” includes an invoice which covers (in addition to beer products) products other than beer products, or services; and references to a beer product being invoiced are to be read accordingly;
 - (g) “the relevant annual percentage change in the consumer price index” means the annual percentage change in the consumer price index most recently published before the day on which the relevant invoice is issued, in respect of the most recent month covered by that publication.
- (5) The prices to be used in determining the unit price of the relevant product for the purposes of paragraph (1), and in calculating A and B for the purposes of paragraph (3), are prices—
- (a) excluding value added tax and excise duty; and
 - (b) disregarding the effect of any discounts which the pub-owning business was not contractually required to give to the tied pub tenant.
- (6) For the purposes of this regulation, beer products invoiced to the tied pub tenant are different beer products if—
- (a) they have different names on the invoice or invoices in question, or
 - (b) they are invoiced in different units (for example, in units of different size or capacity).