**Pubs Code Adjudicator (PCA) Levy Methodology for 2017/18**

Section 63(1) of the Small Business, Enterprise and Employment Act 2015 (the Act) authorises the PCA to impose a levy on pub-owning businesses towards PCA’s expenses. Section 63(5) of the Act permits the PCA to vary the amount to be paid by pub-owning businesses, to reflect the expense and time that the PCA expects to spend in dealing with matters relating to them in the application of the Code.

**Levy amount for 2017/18**

The PCA has obtained the Secretary of State’s consent to set the levy amount for 2017/18 at £1.74m. The levy has been raised against the six pub-owning businesses with 500 or more tied pub tenants.

For 2017/18, the levy has been split into two parts based on fixed and variable costs. The fixed costs of operating the office have been apportioned on a percentage basis reflecting the number of tied pubs each of the six pub-owning businesses owned at 31 March 2017. The variable costs have been apportioned based on a percentage reflecting the number of arbitration cases involving each pub-owning business from the introduction of the Code in July 2016 to March 2017.

The total levy contributions levied against the six pub-owning businesses range from 4.7% to 44.3% of the total levy amount. The minimum amount is £81,900 and the maximum is £770,213.

For this financial year only, the PCA will raise the 2017/18 levy in two equal six-monthly instalments from each pub-owning business. The credit (or deferred income) due to each pub-owning business arising from the 2016/17 financial year has been offset against these instalments.

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