
From:

Sent: 17 May 2013 11:34

To: Pubs Consultation Responses

Subject: Pubco Statutory Code

I am an Enterprise Inns tenant.

I have been a tenant at the same pub for 6 years and worked as manager here for 5 years previously.

The town in which I am based had 20 pubs when I started. Over the past 5 years 9 of those pubs have closed due to financial difficulties, some of them on more than one occasion and not all of them have reopened.

The free hold of four of those pubs have been sold in this time, two of those have changed usage into houses or offices.

Enterprise Inns own four pubs in town, two of their other pubs have been returned to them or repossessed twice whilst the other one has been in dispute with Enterprise for the last 2-3 years over delapidations. I have had to personally borrow over £20,000 from family and injected all my inheritance last year to keep the business afloat.

The three biggest problems effecting us, in order of seriousness are expensive beer tie (some of the products I buy from Enterprise could be purchased for half the price on the free market), excessive rents, cost of building maintenance.

Enterprise Inns have made between £80,000 and £100,000 a year from our beer & cider purchases. If you include the dry rent we pay them you have a figure of up to £140,000 a year, far more than a fair open market rent would be and an almost impossible cost to bear.

The rent calculation is a farcical process in my experience conducted and without acknowledgement of their Codes of Practice.

Our rent review commenced a few months late and the first step taken was for Enterprise to ask for our figures and calculations, which is not how their Code of Practice stated it would happen.

Over the course of the review they refused to show a breakdown of their calculations, showed us other pubs arbitration paperworks as a threat against us going to arbitration (this was , and the pubs they showed us were London based that had no similarity with us) and refused to acknowledge our figures.

When they came to us with figures we agreed with (sales, costs, etc) but that they had added up incorrectly to calculate our rent our Business Development Manager () merely crossed out the sales figure they had on their calculations and put in a new figure, some £30,000 higher in the box. When asked to explain his actions he said he didn't need to. When informed that he should show calculations, as it stated in their Code of Practice, he stated that the Code of Practice was not a binding agreement.

We felt so threatened by Enterprise that we took their rent which was £30,000 a year rather than fighting for £28,000 that we calculated using actual trading figures. This was bearing in mind that our previous Business Development Managers had stated that we were exceeding trading expectations.

Another instance of problems with Enterprise was when there was an issue with land registration.

We were passed responsibility of this and spent over £1,000 on solicitors fees. After paying we were informed by Enterprise that it should have been their responsibility. It took us over 3 months to reclaim the money from them.

Since taking over the pub Enterprise have taken away our ability to deal with many Brewery reps, meaning that we have to pay Enterprise Inns for our glassware, bar towel and other paraphernalia that we used to get free of charge. This may seem like a small problem but has the potential to cost us hundreds of pound a year.

Another issue is the fully repairing lease. This requires us to keep the building painted, maintained and complying with health and safety regulations. This costs many thousands of pounds a year but is not budgeted for sufficiently in their rental calculations. We have just spent over £20,000 this year on painting the outside and fixing guttering, in 4 years time we will be spending a similar amount. I don't have the figures at the moment but their rent calculations allowed less than this, which is meant to cover internal decorations as well.

We have had an issue with subsidence that we first brought up with our Business Development Manager in 2007/8. Subsidence is an issue covered by the buildings insurance that we must take out through Enterprise Inns. assured us it was not a problem. After various emails and conversations Enterprise started to monitor the subsidence at the end of 2011.

Their slow response has lead to an increase in our insurance premium of a few hundred pounds a year and we have had to repair items that may have been covered by the subsidence insurance to the sum of many thousands of pounds.

Also, they have tried to take an insurance excess of £1000 on three occasions even though it is not due.

When we have tried to complain about the behaviour of Enterprise's agents we have been refused contact details to line managers, minutes taken by us during meetings are refused to be acknowledged as a representation of what was said and have been ignored.

From my experience Enterprise Inns add no value to our business, infact they cost us money through their incompetent actions our lack of any action when required. I would welcome any investigation into their behaviour and believe that strong action is required to save many pubs from bankruptcy.

Regards,

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