
From:

Sent: 07 June 2013 18:16

To: Pubs Consultation Responses

Subject: Enterprise Inns Licensee

I am an Enterprise Inns leaseholder of five years standing and I would like to make the following observations.

Last week the Chief Executive of Enterprise Inns, Ted Tuppin, claimed that 99% of his tenants were satisfied with their lot and the Code of Practice. He claimed that EI had spent an average of £10,000 on every one of their pubs. He also claimed that on average, his tenants were earning about £30,000 per annum

Firstly, I have never been asked if I am a satisfied tenant. What happened was, when the new Code of Practice was distributed every licensee was asked to sign a piece of paper to acknowledge that they had received it. I queried my Area Business Manager about this and said that I did not want my signing to indicate that I approved of its content and he replied that no such inference was to be drawn. Within a matter of weeks Ted Tuppin was declaring to the world that all his tenants were 'happy' with the new Code.

Secondly, in five years EI have not spent one penny piece on my pub, either in money or kind. So where's my £50,000? We have a fully insuring and repairing lease which means that every year we have to spend thousands on repairs and maintenance not to mention statutory compliance on a 500 year old building

Thirdly, in the five years since we bought the lease, we have not taken any income out of the business. Despite virtually doubling the turnover, if it was not for the fact that my partner has another job and has been able to plough most of salary into the business in order to keep us going, we would not have survived. The business currently owes us £38,000 (not counting our original investment on purchasing the lease, initial stock or rent deposit etc.) This is purely money lent to the business and not yet repaid. Just today a survey was released demonstrating that the vast majority of pubco tenants were on less than the minimum wage.

We are dedicated licensees running a successful, busy, community pub yet we cannot make a profit because of the high rental and beer charges through the 'tie' made by EI. In the five years of being the leaseholder our valuation of the business is now slightly over half of what we paid for it and this in spite of nearly doubling the turnover. When you run an EI pub you cannot make a profit, the rent and the beer 'tie' and the onerous obligations of being the leaseholder make it nigh on impossible.

If this business was allowed to buy its beer on the open market we would be able to decrease our expenditure by about forty thousand pounds a year. The problem is not the 'tie' per se, it's the 66% average overpricing by EI that ruins everything. We can't EI's prices be competitive? Other beer wholesalers can make a profit why not EI? We are people who are paying with our livelihoods for their disastrous mismanagement. They are a zombie company that will not repay their debt.

I am sure we are not alone in this position and it galls me to hear Ted Tuppin make these outrageous statements.

This situation has gone on for far too long, too many people have lost their livelihoods and their life savings and a great British tradition of the local pub is fast disappearing. Pubs are one of our great national assets, no other country has anything like them, tourists flock to them, please don't let them

continue to be destroyed by this odious man and his henchmen.

Yours sincerely

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