



THE BRITISH FURNITURE CONFEDERATION

The single voice of the furniture & bed industry

## **Political Notebook – October 2009**

A monthly activity report from the British Furniture Confederation

### **1. Pre-Budget Report discussion with the Treasury**

Representatives from the BFC have met with Treasury officials to discuss the issues raised in their Pre-Budget Report submission. On Thursday 29<sup>th</sup> October, Martin Jourdan, Chairman of the BFC, and Adam Mason, BFM Membership Development Officer, met with the Treasury's Growth, Competition and Markets Team, and also with the Business Tax Coordination Team.

Speaking after the meeting in the Treasury, Martin Jourdan said:

"It's important that the furniture industry actively engages with the Treasury on economic policy, and our submission to the Pre-Budget Report marks the first round of what we hope will become a productive dialogue. The BFC needs to communicate the needs of its members directly to Government and today we have done exactly that. Nobody doubts the challenging state of the public finances, the state of the economy as a whole, and the difficult Pre-Budget Report which the Government will have to produce. However, it is vital that we put the case for the furniture industry and place the needs of our members firmly on the agenda.

"I was pleased with the discussions we have had today, and I now know that the Treasury takes our industry's problems seriously. I'm looking forward to further dialogue between the BFC and the Treasury, and I hope that they can look to respond to our requests, such as extending the trade credit insurance scheme beyond this December."

#### Note to Editors:

At the start of September the BFC made a submission to the Treasury's Pre-Budget Report consultation. The Pre-Budget Report, scheduled to take place at the end of November, is an important opportunity to communicate the views of British businesses on budgetary and taxation matters. The BFC's letter, which was signed by all members of the executive committee, set out the key economic and business issues that were identified by BFC members. The submission highlighted three key areas where the Treasury could act to support the furniture industry:

- 1) The BFC asked the Government to consider a time extension to the Trade Credit Insurance top-up scheme, in order to protect firms over the Christmas period. The BFC also asked that cover be expanded to protect firms which have found their insurance completely removed.

- 2) The BFC called on the Government to consider the introduction of a consumption tax. By removing the social security charges and related taxes paid at the point of manufacture, and instead replacing those with a rise in VAT for labour-intensive products at the point of sale, the Government would reduce those labour costs that are constantly scaled up through the supply chain from factory to show room. Projections have shown that this would have the effect of reducing final sale price; reducing the cost to manufacturers; and ensuring that the level of tax taken by the Exchequer would remain constant.
- 3) The BFC have asked the Treasury to consider the possible benefits of assisting with exports for SMEs, through the introduction of an Export Tax Credit Scheme. By providing financial relief from Corporation Tax for exporters in the form of Export Tax Credits, the Government would create a financial incentive for growth that would benefit those companies who sought out new markets for British trade and, ultimately, benefit the whole of the UK economy.

## **2. All Party Parliamentary Furniture Industry Group**

On Monday 26<sup>th</sup> October the All Party Parliamentary Furniture Industry Group met in the House of Commons. Chaired by Madeleine Moon MP, the group discussed the current economic conditions and the situation for the furniture industry; as well as the effectiveness of Government action and the role of international trade and imports on the performance of the industry.

The group also discussed the need to extend the Government's trade credit insurance top up scheme; the role of the flammability regulations in protecting British homes and businesses; the lack of banking services available to businesses; the role of a consumption tax on labour costs and the reduced risk of a potential swine flu epidemic.

The Group also highlighted a new Proskills campaign to raise awareness of the furniture industry in schools. For further information about this campaign, please email: [info@proskills.co.uk](mailto:info@proskills.co.uk)

The next All Party Parliamentary Furniture Industry Group meeting is on the 14<sup>th</sup> December in the House of Commons Committee Room 21. All are welcome to attend, and no invitation is necessary. If you wish to attend the next meeting, and want further information about how to access the Palace of Westminster then please email: [secretariat@britishfurnitureconfederation.org.uk](mailto:secretariat@britishfurnitureconfederation.org.uk)

## **3. Skills intensive industries**

As mentioned in the last BFC Political Notebook, the BFC is currently organising the first ever joint policy meeting for the trade bodies representing skills intensive industries. Organisations representing a wide range of industries, such as ceramics, textiles, footwear, woodwork and printing have been invited to take part in the forum to identify common areas of interest and coordinate mutually beneficial lobbying activity. The BFC intends to use the meeting to discuss its policies on the failure of Regional Development Agencies and a potential Consumption Tax. The date for the meeting is 12<sup>th</sup> November at the WCFM, Austin Friars, and details from the event will be available in the next edition of the Notebook.

## **4. Early Day Motion update**

The current Early Day Motions will fall and become defunct after the Queen's Speech on the 18<sup>th</sup> November. Because Madeleine Moon, Chair of the Furniture All Party Parliamentary Group, has been appointed as a Parliamentary Private Secretary in the Government she can no longer table EDMs. However the BFC is working with other supportive members of Parliament to consider our future Parliamentary campaigns and will update members shortly.

**ENDS**

Editors' Notes

The British Furniture Confederation (BFC) acts a single voice for UK furniture and bed manufacturers. Led by an executive, comprising representatives of BCFA, BFM, FIRA and NBF, and supported by associate members (AMUSF, GMB, Proskills and WCFM), its mission is to ensure that the UK furniture industry has a strong and sustainable dialogue with Government. Its roles include:

- Securing the long term future and prosperity of the British furniture industry
- Raising the profile of the industry at a political level
- Formulating strategies for dealing with key industry issues
- Engaging in dialogue and negotiating with Government on these issues
- Working with the All Party Parliamentary Furniture Group to promote cross party discussion and to meet with senior influencers within Government agencies
- Ensuring that the industry gains the recognition and attention that its size deserves

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**Supplementary Information Full text of the BFC EDMs**

**EDM 1530**

**FURNITURE AND FIRE SAFETY GUIDE**

19.05.2009

**Moon, Madeleine**

47 signatures

Anderson, David

Anderson, Janet

Bottomley, Peter

Browne, Jeremy

Campbell, Gregory

Campbell, Ronnie

*Caton, Martin*

Clapham, Michael

Clarke, Tom

Corbyn, Jeremy

Crausby, David

Cryer, Ann

Cummings, John	Dean, Janet	Dismore, Andrew
Dobbin, Jim	Drew, David	<i>Durkan, Mark</i>
Francis, Hywel	<i>George, Andrew</i>	Hancock, Mike
Harvey, Nick	Hoyle, Lindsay	Hughes, Simon
Iddon, Brian	Illsley, Eric	Jackson, Glenda
Jenkins, Brian	Jones, Lynne	Leech, John
Lepper, David	Llwyd, Elfyn	McCafferty, Chris
McDonnell, Alasdair	McDonnell, John	McGrady, Eddie
Moffatt, Laura	Prentice, Gordon	Riordan, Linda
<i>Russell, Bob</i>	Simpson, Alan	<i>Spink, Bob</i>
Vis, Rudi	Wareing, Robert N	Williams, Betty
Williams, Stephen		

That this House welcomes the launch of the British Furniture Confederation's Guide to the Fire Safety of Furniture and Furnishings in the Home; recognises that the UK flammability regulations have been in existence for over 20 years and in 2000 it was estimated that they had saved up to 1,860 lives since their introduction; notes the importance of the new guide in clarifying and explaining the existing regulations to account for recent precedents and changes; and further notes the high quality and standard of British furniture.

## **EDM 952**

### **ASK IF IT IS GREAT BRITISH FURNITURE CAMPAIGN**

03.03.2009

#### **Moon, Madeleine**

45 signatures

Borrow, David S	<i>Browne, Jeremy</i>	Burgon, Colin
Campbell, Gregory	Campbell, Ronnie	Caton, Martin
Corbyn, Jeremy	Cryer, Ann	Dean, Janet
Dismore, Andrew	Dobbin, Jim	Dodds, Nigel
Drew, David	Etherington, Bill	Foster, Michael Jabez
Francis, Hywel	<i>Goodman, Paul</i>	Hancock, Mike

Hemming, John	Howells, Kim	Iddon, Brian
Jenkins, Brian	Jones, Lynne	Kidney, David
Leech, John	McCafferty, Chris	Moffatt, Laura
Osborne, Sandra	Pope, Greg	<i>Prentice, Gordon</i>
Riordan, Linda	Robinson, Iris	Rowen, Paul
Simpson, Alan	<i>Spink, Bob</i>	<i>Taylor, David</i>
Vis, Rudi	Williams, Betty	Williams, Mark
Williams, Stephen	Willis, Phil	Wilshire, David
Wilson, Sammy	Winterton, Nicholas	

That this House acknowledges the importance of the furniture manufacturing industry to the UK economy, with an annual output of almost £10 billion and direct employment of around 124,000 people within 7,500 enterprises; notes the Ask If It Is Great British Furniture campaign, as featured on the BBC 2 programme, Working Lunch and in the national press; emphasises the qualities of British furniture which comes from craft skills which have been conceived, developed and perfected over many years, decades and centuries of tradition, producing inspirational designs, from the most traditional manufacturing methods, with the most stringent environmental and health and safety standards, the shortest delivery times and the best after-sales service; and further notes that the campaign is an important initiative that should be supported and applauded.

## **EDM 500**

### **CREDIT INSURANCE AND THE FURNITURE MANUFACTURING INDUSTRY**

19.01.2009

#### **Moon, Madeleine**

47 signatures

Anderson, David	Austin, John	Battle, John
Bottomley, Peter	Burden, Richard	Caton, Martin
Corbyn, Jeremy	Crausby, David	Cryer, Ann
Dean, Janet	Devine, Jim	<i>Dismore, Andrew</i>
<i>Dobbin, Jim</i>	Dobson, Frank	<i>Doran, Frank</i>
Drew, David	Durkan, Mark	Etherington, Bill
Evans, Nigel	Francis, Hywel	Hancock, Mike

<i>Henderson, Doug</i>	<i>Hopkins, Kelvin</i>	Howells, Kim
Hoyle, Lindsay	Illsley, Eric	Jenkins, Brian
Jones, Lynne	McCafferty, Chris	McCartney, Ian
McDonnell, Alasdair	McDonnell, John	McGuire, Anne
Meale, Alan	Osborne, Sandra	Prentice, Gordon
Robinson, Iris	Roy, Lindsay	Simpson, Alan
Simpson, David	Singh, Marsha	Taylor, Dari
Taylor, David	Wareing, Robert N	Williams, Betty
Winterton, Nicholas		

That this House acknowledges the importance of the furniture manufacturing industry to the UK economy, with an annual output of almost £10 billion and direct employment of around 124,000 people within 7,500 enterprises; further notes the problem of obtaining credit insurance in light of the economic downturn particularly in the furniture manufacturing industry; and recognises that credit insurance companies are promoting panic by removing insurance cover from furniture manufacturers and their suppliers, often without basing such action upon the risk involved or the financial viability of the individuals or firms involved.