



The Rt Hon Alok Sharma MP
Secretary of State
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

15 April 2020

Dear Secretary of State,

Furniture and Furnishings Manufacturing Support – COVID-19

I am writing on behalf of the British Furniture Confederation (BFC) regarding your letter dated 8 April 2020 to those working in manufacturing industries. The BFC is appreciative of the actions taken by the Government to secure manufacturing jobs, but the sector believes more needs to be done to protect 339,000 jobs and 52,500 businesses moving forward¹.

The furniture and furnishings manufacturing industry has been hurt by a rapid decline in orders from retailers as stores closed in response to government guidance. Most retailers have adopted policies which have also stopped furniture deliveries as, due to the typical weight of furniture, they require a two-person delivery team that need to go into customers' homes rather than being left on a doorstep.

The hospitality sector, a key purchaser of contract furniture, has also seen a similar decline and furniture and furnishings manufacturers are reporting a significant number of orders cancelled or delayed to an unspecified future date. Interim research indicates that the contract furniture sector will not recover until 2022.

Despite the introduction of the Job Retention Scheme, we have seen an alarming increase in the number of employees being made redundant and companies entering administration. More needs to be done to urgently address the high fixed costs incurred by the sector. Business Rates are the principle cost that is proving prohibitively expensive for the furniture industry under COVID-19 trading restrictions.

The BFC has requested that the Government helps the furniture and furnishings industry by broadening the 12-month Business Rates holiday, currently extended to the retail and hospitality sectors. Giving a Business Rates holiday to all furniture factories and B1 furniture related commercial spaces would provide vital support.

The Confederation would also like to suggest that when the Government begins to lift restrictions on the retail sector, you consider opening furniture retail space as early as possible. Due to the footfall and layout of furniture stores, appropriate social distancing measures can be more easily observed. Opening furniture stores is vital to restarting UK manufacturing and saving our industry as furniture represents an expensive purchase which customers want to see and try first before an order is placed. The industry also needs clear and unambiguous guidance on deliveries of bulky items to homes, similar to that provided to the logistics sector.

Trade associations representing the industry are also hearing a growing number of concerns that the substantial support offered by Government, like the Job Retention Scheme, will be removed on 1 June.

It is going to take many more months, after trading and movement restrictions have been lifted, for the benefits to pass through the supply chain. It is vitally important that any Government support is not withdrawn before the industry is back on its feet.

We look forward to your response and hope that you can urgently support a significant manufacturing industry through this difficult period.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Hindle', with a long horizontal flourish extending to the right.

Jonathan M. Hindle FCSD
Chairman, British Furniture Confederation

ⁱ 'furniture businesses' or 'furniture manufacturers' refers to the entire furniture and furnishings sector. Which in 2018 represented a total consumer expenditure on furniture and furnishings of almost £17 billion, supporting 339,000 jobs across 52,500 registered companies.