

Tuesday, 15 April 2014

Rt Hon E Miliband MP  
House of Commons  
London, SW1A 0AA

**MMU Event Friday 28<sup>th</sup> March**

Dear Mr Miliband,

I wanted to write to thank you for your invite to the reception in Manchester last month at MMU Business School. Although we didn't get the chance to meet, I spoke to several of your colleagues and have to say I was very encouraged by what I heard.

My business is a joinery firm, based in the East Midlands, supplying door frames, windows and bespoke wood products into the construction sector. In addition I sit on the British Woodworking Federation Council and work on a number of industry initiatives focussed on training, safety and growth. The woodworking industry in the UK has a long heritage and today represents an estimated £3.8 billion spread across 5,070 firms. The vast majority of these businesses are, like us, SMEs, however we co-exist with a number of large corporations and global groups operating in the UK.

Finding a path in recent years has been tough, but those of us that have endured are now starting to find the confidence needed to invest for growth – AJB are currently looking at larger facilities and bringing in up to 20 new people over the next 12 months. In this process I am finding a number of factors that still concern me. Practically it is still difficult raise finance – the banks make all the right noises, but are simply not offering the right terms. Government initiatives seem to focus very much on export and, whilst we add value in the UK, our export opportunities are small – indeed we are seeing renewed competition from imports from markets where timber receives better recognition for the inherent carbon savings it provides. The Industrial Strategy for Construction seems to be light in supporting product manufacturers like ourselves.

Globally timber is increasingly being recognised as the most significant construction material for the 21<sup>st</sup> Century. The Embodied Carbon in timber makes it the greenest of all construction materials, absorbing and locking up Carbon – displacing materials that do the opposite. This is not following suit in the UK and the recent Housing Standards Review is a hugely retrograde step in terms of the message it sends out on materials.

We are investing in training and have 3 Apprentices currently working in our business. Support available through CITB has been great, but our 3 year apprenticeships are being devalued by shorter quasi-apprenticeships in other sectors, which can seem like an easy route.

**AJB group**

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It is vital that we help our young people to make positive decisions about careers and work together to build a manufacturing industry that people want to work in. The value of manufacturing should be better presented in schools and for ourselves we need clarity over support available for apprenticeships in the future - this is an ever moving feast, perhaps more so now with the Richards review hanging over us.

A focus on reducing taxation has been well received, but Business Rates remain high and particularly transport costs have increased hugely since we started. With construction picking up globally, availability of material means that prices are rising – as a consequence profit and turnover growth do not necessarily go hand in hand. Finally, more needs to be done to encourage recovery and better practice in the wider construction sector, particularly the RM&I market. Cutting VAT would make a huge difference to both aspects here.

I hope that these points are useful, I will certainly be looking to raise these concerns at Labour's Entrepreneurs' network as suggested.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'ABJ', written in a cursive style.

Mr Amarjit Binji  
Managing Director, AJB Group

CC: Mr Chuka Umunna MP