

A red bridge spans across a river, with a city skyline visible in the background. The bridge is illuminated with a red glow, and the water reflects the light. The city skyline includes several prominent buildings, including a tall spire.

PRIORITIES FOR PRINT

2012-2013

A call for action to Government in support of
one of the UK's leading manufacturing sectors

BPiF

A close-up photograph of a silver metal door with a red circular opening. A blue sign with the word "WESTMINSTER" in white capital letters is mounted on the door. The background shows a perforated metal surface.

WESTMINSTER

www.britishprint.com

INTRODUCING THE INDUSTRY

Printing, packaging and graphics communications is one of the UK's largest manufacturing industries, with sales of around £14 billion. It employs around 135,000 people in about 10,000 companies spread throughout the UK. The printing industry is an advanced manufacturing sector, utilising leading edge technologies and skills. Printed products make a positive contribution to the UK trade balance with exports exceeding imports by around £700 million.

This briefing document sets out the industry's current concerns and the actions we believe need to be taken by Government to address these.

SUPPORTING PRINT MANUFACTURING

- Curbs on late payment
- Simple and relevant support funding for restructuring and growth
- Reduced regulatory and tax burdens
- Limits on business rate increases

SUPPORTING PRINT MANUFACTURING

Printing adds relatively more value than any manufacturing industry apart from pharmaceuticals – a gross value added of £6.4 billion annually. It invests for the long-term to cut waste and raise competitiveness, as well as reducing carbon footprint.

Printing companies excel at developing innovative products that enable customers to access new markets, using flexible workforces with specialist skills in science, technology, engineering, mathematics and design. Printing companies are increasingly becoming multi-channel marketing solutions providers. Many print companies serve international markets such as publishing, banking and insurance, multiple retail, and pharmaceuticals.

Call for action

- address the damaging effects of late payment of commercial debts
- simplify business support programmes, grant funding and tax credits, ensuring that these are relevant to the needs of SMEs and well-communicated to them
- establish a Sectoral Growth Fund to assist long-established industries to restructure and meet the challenges of the digital revolution
- follow through on the Red Tape Challenge by reducing unnecessary regulations that stifle growth
- reduce tax burdens on wealth creating activities and limit increases in business rates.

A close-up photograph of a book's spine. A vibrant red ribbon is wrapped around the spine, and a braided cord in red and yellow is also visible. The pages of the book are visible on the left side, showing a slight blur due to a shallow depth of field.

PRINT'S ROLE IN SOCIETY

- Understanding print's role as a highly effective and sustainable communications medium
- Retention of VAT zero-rating for printed books, newspapers and magazines in order to ensure high standards of literacy

PRINT'S ROLE IN SOCIETY

Print is an important vehicle for advertising, education and entertainment. It plays a vital role in disseminating information and in business communications. It serves all parts of the UK economy – including central and local Government, financial services, retailing, distribution, travel and tourism and manufacturing. Print is crucial to maintaining high standards of literacy.

Call for action

- understand the power of print as a highly effective and sustainable medium and a launch-pad for multi-channel communications
- retain VAT zero-rating of printed books, newspapers and magazines.

ACCESS TO FINANCE

- Increase the supply of accessible bank lending to SMEs
- Greater competition in the lending sector through the development of alternative sources of finance

ACCESS TO FINANCE

Access to finance remains difficult for print businesses, with borrowing costs continuing at high levels.

Call for action

- increase the supply of accessible bank lending to enable established credit-worthy businesses to maintain essential investment in capital equipment and service development
- strengthen incentives and penalties necessary to encourage increased banking lending to SMEs
- ensure greater competition in the lending sector by supporting the development of alternative sources of finance and encouraging new lenders to enter the market.



ENERGY AND ENVIRONMENT

- Curbs on energy price increases and environmental taxes
- Greater incentives for energy efficiency
- Improved security of supply
- Retention of the sector's Climate Change Agreement
- Recognition that print and paper is inherently sustainable

ENERGY AND ENVIRONMENT

Print and paper is a highly sustainable sector (see www.twosides.info). Paper is made from a crop, and for every tree that is logged in managed forests, three to four trees are replanted. 65% of all paper is now recycled. The industry has high levels of take-up for both the ISO 14001 environmental management standard and for FSC and PEFC chain of custody accreditation.

However, while the industry is continually reducing its carbon footprint and energy consumption, it is reliant on affordable and reliable energy supplies.

Call for action

- regulate the escalating price of energy
- minimise the cost burden of environmental and fuel taxes, and provide incentives for companies to invest in improving energy efficiency
- improve the security of energy supply through investment in new generating capacity
- retain a Climate Change Agreement for the print sector
- recognise the inherent environmental sustainability of paper and print, and that electronic alternatives do not come with a zero carbon footprint.



POSTAL SERVICES

- Improved quality, reliability and pricing of postal services
- Maintaining pressure on Royal Mail to reduce costs, improve efficiency and improve customer focus
- Retention of 'opt-out' options for direct mail recipients

POSTAL SERVICES

Efficient, economical postal services are essential to the service offering of a large proportion of printers.

Call for action

- improve the quality, reliability and pricing of postal services
- maintain pressure on Royal Mail to reduce costs, improve efficiency and improve customer focus
- maintain universal coverage of postal services
- resist calls to replace 'opt-out' options for direct mail recipients with 'opt-in' requirements.

PUBLIC PROCUREMENT

- Ensuring simplicity and fairness in public procurement
- Procurement decisions not made on price alone but which also consider value for money, financial security, sustainability and social consequences
- Pre-qualification tender requirements that are simplified, standardised, and universally applied
- Ensuring that public sector organisations offering printing services on a commercial basis compete on a 'level-playing field' basis
- Requiring all public authorities and Government contractors to pay their suppliers within 30 days

PUBLIC PROCUREMENT

Government must ensure simplicity and fairness in public procurement. Procurement decisions should not be made solely on price but should also consider value for money, financial security and sustainability offered by suppliers as well as the social consequences of those decisions.

Call for action

- ensure public bodies adopt fair, charge-free and transparent print procurement policies and procedures, seeking optimum value for money from viable UK print manufacturers that use efficient and sustainable production processes
- simplify and standardise pre-qualification tender requirements and ensure these are applied by all public sector print buyers
- ensure that public sector organisations competing with the private sector in offering printing services on a commercial basis do so on a 'level-playing field' basis
- ensure that all public bodies, and their contractors, pay suppliers within 30 days.

SKILLS

- Increased skills funding support to enable printing companies to adapt to structural change
- Simplified funding mechanisms and reduced bureaucracy
- Removal of any age restrictions on skills funding
- Investment in improving the image of manufacturing
- Amendment of age discrimination legislation to allow mandatory retirements to facilitate apprentice recruitment

SKILLS

As an innovative and advanced technology-driven sector, print is reliant on its highly skilled workforce.

Call for action

- provide increased skills funding support to enable printing companies to adapt to structural change
- simplify funding mechanisms and reduce bureaucracy
- ensure no age restrictions on apprenticeship or other skills funding
- invest in improving the image of manufacturing
- amend current age discrimination legislation to allow companies to retire employees in circumstances where this would increase recruitment of apprentices.

PRE-PACK ADMINISTRATIONS

- Precluding any person advising on a pre-pack from becoming the administrator for that company
- Mandatory requirement for court or creditor sanction for any deals involving connected parties
- Automatic scrutiny of the directors' and administrator's actions by a public body
- Requirement that pre-pack sales should be subject to notice requirements where there has been no open marketing of a company's assets



PRE-PACK ADMINISTRATIONS

These controversial business rescue arrangements enable the debts of previous owners to be written off. Creditors are aggrieved because they have lost money owed to them, and competitors because they now have a rival with an unfair trading advantage.

Call for action

- any person advising on a pre-pack should be precluded from subsequently becoming the administrator
- court or creditor sanction to be required for any deals involving connected parties
- administrators undertaking a pre-pack sale must record in the 'consent to act' document that the prospective sale price represents the best value for creditors
- administrators and liquidators to give at least three days' notice to creditors of the terms of any proposed pre-pack sale of a company to a connected party where there has been no open marketing of the assets
- detailed explanation and justification for any pre-pack sale of a company to a connected party to be provided in the administrator's proposals to creditors or liquidator's first progress report in any instance where the sale is made before these statements are issued
- automatic scrutiny of the directors' and administrator's actions by a public body, which should be required to take account of wider issues of public concern (including whether it is in the public interest for directors of a failed company to continue to serve as directors of a new company).

BPIf

British Printing Industries Federation
The Old Pump House
19 Hooper Street
London E1 8BU

Tel 0845 250 7050

www.britishprint.com



MIX
Paper from
responsible sources
FSC® C019447