

BUSINESS PLAN YEAR 1 REPORT, SEPTEMBER 2008

Organisation

Finances – surplus of £2,300 on turnover of £854,000. Core income targets met or exceeded.

Membership up across processing and growing sectors - priority aim to continue.

Head office staff relocated to more efficient offices.

FTA building sold for £390,000 - £50,000 more than highest evaluation. Inherited loan of £60,000 paid off. Balance, less fees and tax, will be invested as a strategic reserve and to produce funds for industry research.

Planned refocus on country activity complete with full-time appointments in England (Caroline Harrison) and Wales (Kath McNulty). New EFIP co-ordinator appointed - Gesa Reiss.

By end 2008 further staff changes will enable ConFor to beef up policy development and political lobbying.

Now six Forestry and Timber News a year, sales to non-members up and advertising revenue increasing. Refreshed web site in place.

Governance review undertaken and now being implemented.

Market development

ConFor channels industry funding to Wood for Good (now including Pontrilas). W4G delivering on-line training and CPD events for architects and specifiers. Additional work includes promotional material for pallet manufacturing – ConFor lined up to support political lobbying with Timcon.

ConFor companies have driven a W4G review - will now deliver greater focus for domestic producers.

Government policy and support towards biomass continues to be in line with ConFor's lobbying, aiming to develop markets for woody biomass that complement rather than compete with existing wood using businesses.

ConFor in discussion with Scottish Enterprise over production of industry information to promote the sector (along lines of FICGB industry yearbook) and market information for growers to develop confidence in the market place. To be followed up in England, Wales and Northern Ireland.

Policy

Devolution continues to challenge as country policies and approaches diverge. Progress is being made, in particular regarding timber supply.

ConFor changing attitudes telling policy makers and influencers that sector is modern, competitive with imports, and able to grow if supply is there.

Working with Forestry Commission to improve production forecasting. In England pressing for better information on timber demand and supply.

Scottish Government supporting expansion of timber supply, including increasing new planting of commercial conifers for first time in years. Secured Ministerial support and action to tackle delays in implementing new grants programme.

In England secured policy shift towards embracing timber output as a way of delivering sustainable forest management, in particular of small, broadleaved woodland. Range of threats to commercial conifers is being countered, including deforestation for habitat restoration and general decline of productive area due to environmental policies.

In Wales a major policy change towards mixtures has been anticipated and efforts now focused on securing effective wood supplies for the future.

The Forestry Commission has expressed interest in exploring options for deregulation to help facilitate woodland and forestry management.

Key area of future work is climate change. Provides opportunity to change attitudes and policies through the sector's ability to contribute to a low-carbon economy. Government actions will impact on businesses through energy and carbon reduction policies, as well as provide opportunities. Commissioned a well-received analysis of challenges and opportunities for businesses in the sector.

Tackling emerging threats to sector from EU – loss of pesticides, restrictions on harvesting, etc.

Project work/ strategic development of the sector

ConFor has worked with partners in development agencies, FC and elsewhere to improve industry identification of, and action on, key strategic issues central to the continued economic success of the sector. These include:

- skills and recruitment with the Scottish Forest Industries Cluster, England Forest Industries Partnership and FC.
- research with the Scottish Forestry Trust, SFIC, FC and wider industry.
- timber demand and supply with the FC, SFIC and EFIP.
- supply chain action with FC, SFIC and the Timber Transport Forum.
- supporting standards development, including certification (with focus on small woods), E-business and carbon sequestration.

ConFor acts as a key partner in these initiatives, employing project staff and helping to engage wider industry. ConFor also acts as a political link for the SFIC and Wales Forest Business Partnership.

Other specific actions include co-ordinating industry funding for the Napier led Strategic Industry Research in Timber programme, part-funding related research in south-west England and developing a sector wide strategic research agenda for the UK. Continue to support nursery group within ConFor.