

# Proposed merger with UKFPA



by **Athole McKillop**,  
Chair Confor

When Confor was established in 2006 it was hoped that it would bring together all the representative bodies in the forestry and wood processing sector into one organisation so that the industry had a strong, single voice and the resources to provide high quality services to Members. Confor may now be in touching distance of achieving that ambitious aim.

Over the last 18 months, representatives of Confor have held discussions with representatives of the UK Forest Products Association (UKFPA) to explore the opportunity for a merger of the two businesses. These discussions picked up pace earlier this year, and there is now a proposal that merger should take place by end-2018.

I wrote to Confor members on 2nd July outlining the main elements of the proposed merger. The letter, and attached Joint Statement (see *next page*) from Confor and UKFPA, highlighted that the combined organisation will strengthen its practical support to members and benefit from increased capacity, while leaving the current subscription mechanism unchanged for the next two years and, going forward, retain a focus on members driving the work of the organisation through an agreed annual business plan.

The Confor name and brand will be retained, it has strong name recognition

amongst politicians, officials and the media.

Four additional Directors will be nominated by UKFPA to join the Confor Board for a period of two years. After that, the Board will review the appointments process with the aim of streamlining the Board while maintaining clear representation of all Members. Confor's Articles of Association would need to be amended to allow for this to take place, and it is planned that this change will be put to members at the September AGM.

## Due diligence

Ahead of the AGM, Confor will undertake formal due diligence and agree the final details of the merger proposal. It is expected that UKFPA members will vote formally on the merger prior to Confor's AGM.

If the members of both organisations support the merger, then it will take place at the end of 2018.

Both I and the wider Confor Board are fully behind this merger. We recognise that it will strengthen our sector and deliver increased benefits to Members.

As Stuart Goodall says in his lead article to this issue of FTN, a single voice for our sector will further strengthen our lobbying efforts and this is vital at a time of real change and opportunity - Brexit, modern day highs in timber prices, the ramping up

of public policy to reduce carbon emissions, increasing plant health threats, etc.

In recent years Confor has secured increased support and funding for new planting across the UK, we continue to fight against new bureaucracy and regulation and for the simplification of existing measures (not least certification), and the profile of forestry in political circles and the media has never been higher. Post-merger we aim to achieve even more.

Members are the life-blood of Confor and the merger will support additional services for members. Just to highlight a few things, we are working on a timber price index and greater market information, and the merger will provide greater resource for technical advice and support - we foresee Andrew Heald being freed to provide more focus on forestry matters, while David Sulman, Executive Director UKFPA, would bring unparalleled experience and knowledge in supporting wood processing.

I would encourage all members to engage with this merger process, and if you have any questions or concerns do please contact Stuart.

2019 is the centenary of the Forestry Act, and I hope it will also be the year that the forest and wood processing industry strengthens its voice and that a new Confor can begin to do even more to help businesses, large and small, be successful.

# Joint statement from Confor and UKFPA on proposed merger

Confor and UKFPA have complementary strengths, for example, Confor in promoting the industry in political and media circles and improving grant schemes, and UKFPA with a strong track record in practical, technical advice. A successful merger would bring additional services to the members of both organisations and increase the resources available to be used to promote our industry.

The Executive Council of UKFPA and the Board of Confor have discussed and endorsed the headline details of the proposed merger and **it has been agreed that the aim should be to complete the merger by the end of 2018, subject to approval by members.**

This would mean that on 1 January 2019 (the centenary of the Forestry Act) the sector would be united for the first time from nurseries to mills, able to speak with one clear voice, dedicated to providing the highest levels of service to Members.

The following key points have been agreed as the basis for the proposed merger:

- The organisation will have a practical focus, with specialist committees, including harvesting and contracting;
- Members will have access to technical and commercial information and advice on wood processing (David Sulman) and on forestry (Andrew Heald);
- A network of regional/country groups will remain;
- There will be no change or increase in subscriptions for members of either organisation within the first two years after merger. The Board of the merged organisation will consult with members on a unified, transparent subscription mechanism to be implemented after that;
- As is currently the case in UKFPA and Confor, members of all sizes will have a voice in the running of the organisation, and the organisation's business plan will be developed each year with the input of members through regional meetings;
- Current staff from both organisations will be retained with current terms and conditions. The office in Stirling will be retained as the main work place for David and Dorothy Sulman. In time, this arrangement will be reviewed;
- UKFPA will nominate four directors to join the Confor Board for a period of two years. After that, the Board will review the appointments process with the aim of streamlining the Board while maintaining clear representation of all members;

- The name of the merged organisation will be Confederation of Forest Industries (UK) Ltd – Confor for short. This recognises the current strength of the Confor brand in political and media circles, and the full name encapsulates who the organisation represents.

## Next steps

- 1 Following a positive presentation of the proposed merger to the UKFPA Executive Council and to Members at the UKFPA AGM on 29 May 2018, representatives of the UKFPA Executive Council and the Confor Board have agreed to provide this statement to members.
- 2 The covering letter to Confor members sets out the Board's support for the merger, highlights that there will be opportunities for members to ask questions and make comment, and that it is planned to have a vote on any changes required to the company Articles of Association at the company AGM on Thursday, 20 September at APF 2018.
- 3 UKFPA will undertake a ballot of members ahead of APF 2018.
- 4 If both sets of Members vote positively, then steps will be taken to effect the merger in time for the launch of the merged body on 01 January 2019.
- 5 The resources available to represent and service our sector are small in compared to agriculture, environmental bodies or industries like steel and concrete. We need to keep building on what we have achieved so far and maximise the value we can obtain from the resources we have available to us.

We believe this merger comes at the right time for our industry and that it will mark a significant step forward for Members and for the industry across the UK.

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**Gavin Davidson**  
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**David Sulman**  
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