

# Business Plan 2020

## 1. Executive Summary

### Confor's Purpose

Confor is a members' organisation that represents, supports and promotes the sustainable forestry and wood products industry.

### Confor's Vision

To be the voice for the sustainable forestry and wood products industry.

We will achieve this by working on behalf of members and the wider sustainable forestry and wood products industry to:

- help build the market for wood products and forest services;
- create a supportive policy environment for sustainable forestry and wood-using businesses;
- work with partners to tackle important sectoral issues;
- provide high quality, valued member services.

### Member and business priorities for 2020

As a Members organisation, Members must always be seen to be at the heart of Confor and their continuing support can never be taken for granted. In 2020, Confor will aim to improve communication with Members alongside representing and promoting their interests and providing valued Member services. This will mean ensuring Confor staff are accessible to Members through regular regional meetings and phone/ email to support with relevant technical advice and information as required. There will also be a review of the Board to ensure that Confor is seen truly as being the voice of the whole Forest Industry, delivering value to all parts of the supply chain and across the UK.

Reflecting its increased scope and scale, Confor will ensure through a review that it has strong financial management in place. A review of the larger company subscription mechanism will ensure that Confor provides value for money for these Members following the recent merger with the UK Forest Products Association (UKFPA), and in 2021 this review will be extended to embrace all Members - developing an integrated and fair subscription mechanism.

In 2020, Confor will seek to retain the trust and support of those businesses who joined Confor from the former UKFPA, particularly important given the retirement of David and Dorothy Sulman at the end of December 2019. Confor will also strengthen its membership engagement generally through improved communication and a new integrated Member database and website, the latter will feature additional functionality for Members. These

developments will support continued improved performance on Member retention, and aid with further Member recruitment, especially, it is intended, of woodland owners.

As well as adapting to the retirement of David and Dorothy, Confor will also see its Technical Director, Andrew Heald leave at the end of February to take up a new role with Edinburgh University. Therefore, the internal focus in the first half of 2020 will be to bed in new systems and people, while keeping a focus on improved Member engagement and on delivering campaigns.

Confor operates in a dynamic political and timber market environment and aims to retain a focus on supporting Member businesses through advice, information, lobbying and promotion. Led by the Board, Confor has identified the following priorities (further details in section 4):

- Securing future wood supply
- Changing attitudes through offering Climate Change solutions
- Better industry statistical information
- Plant health
- Skills training
- Growing and promoting markets for timber
- Aiding the economic development of the industry

These priorities will be expanded on in Confor's campaigns with appropriate stretch targets and clarity on what will be delivered in-year and what will likely continue beyond end-2020.

## 2. Company Summary

### Company Ownership

Confor (The Confederation of Forest Industries (UK) Ltd)) is a 'company limited by guarantee and not having share capital'. It is owned by Confor Members and they are represented through the Board.

### Financial Summary

Confor is expected to have a turnover in the region of £1.3m in 2020 of which forest growers, nurseries and a range of smaller businesses will contribute £370,000 and around 70 larger harvesting and wood processing companies contribute £520,000. The balance of income arises principally from the facilitation of important initiatives on behalf of the sector, including Forest Industry Safety Accord (FISA), UK Woodland Assurance Standard (UKWAS), research commissioning, Wood for Good and Timber Transport and by sub-letting office space to the Institute of Chartered Foresters (ICF) and Scottish Forestry Trust. Confor also operates a UK Government approved Climate Change Agreement that provides sawmills with the ability to receive a significant reduction in their Climate Change Levy payments in return for committing to targets to reduce energy consumption.

The Company has invested reserves of around £650,000

Confor is principally a people business providing support and services to Members and representing their interests in a range of fora. Employment costs and on costs, including office space, travel, equipment, etc, will be around £800,000 - this includes delivery of the industry initiatives highlighted above. These initiatives also account for over £310,000 of (externally recovered) expenditure. Production of Confor's member magazine, website and diary costs over £87,000, though advertising provides a net income to the organisation. Lobbying, media and research which underpins a number of Confor's campaigns on behalf of Members is secured through external contracts totalling £82,000. The balance of expenditure is on professional fees, Member events and other costs, including contingency.

### Subsidiary and joint venture

Confor owns the APF International Forest Machinery Exhibition Ltd and co-owns Wood for Good Ltd with Swedish Wood. The plan that follows refers only to the parent business, Confor.

## 3. Market and Political Context

### UK Forestry and Timber Market

UK Timber Market Overview - The most significant impact on the UK timber market, as a whole, is the ongoing over-supply of timber from central Europe. This is due primarily to the impact of *Ips Typographus* and the drive for sanitation and salvage felling. This has resulted in significant over-harvesting of timber which is being sold at very cheap prices to mills, who in turn are seeking markets for large volumes of low-priced sawn timber - this is having a knock-on or direct effect with large supplies of cheap sawn wood entering the UK.

UK Forest Market Overview – 2019's John Clegg & Co and Tilhill Forestry Forest Market Report highlights that, despite wider economic and political uncertainty, the UK forestry market continues to perform robustly. While timber prices have fallen in 2018, investors remain confident in the price of timber over the longer term and seem to be anticipating potential new sources of income from the public goods, especially carbon benefits, that forestry provides. 2019 has been a busy year in the commercial forestry market. The report notes the sale of nearly 8,500 ha of land where it is believed the new owners' objectives include woodland creation - "a welcome increase over previous years". Investors are keen to support government policy and plant trees, and suitable sites attract strong market interest, robust competition and usually bids well above the guide price. Savills report that timber prices have fallen from 2018 highs, in particular, due to cheap imports of sawn wood, though small round wood prices remain relatively strong underpinned by strong demand from the panels, packaging and energy sectors.

## Country Political Overview and Forestry and Timber related Policy Priorities

### England

#### *Political Overview*

Continued lobbying and media activity has brought greater political support for forestry and timber and importantly secured greater understanding amongst officials. Recent Ministers have met Confor frequently to discuss practical action and this has helped to promote a range of actions on planting and funding. The December election brought competing (and much increased) party targets for tree planting. The Conservatives will aim for 30,000ha/yr across UK and this could mean up to 9,000ha/yr by 2025 in England. Significant funding (£640m?) could be allocated across the 5-year term of government. All this will require unprecedented change in England with strong local and stakeholder leadership that Confor has to gear itself up to take a leading role in.

#### *Forestry and timber policy priorities*

Tackling climate change is expected to continue to increase in importance and Confor's work here to position forestry and wood as a key part of Government's strategy will be built on. Consultation on an England Tree Strategy is expected in March/April 2020, and it is vital that this has a greater recognition of the economic importance of forestry than previous Strategies. There is an opportunity to work with other trade bodies to promote the use of wood given its positive carbon qualities and a need to keep driving improvements to the process of approving new planting, in the immediate term with Countryside Stewardship and longer term in the design of a new Environmental Land Management Scheme and the establishment of regional Forest Partnerships. The benefits of managed woodland for carbon and wood supply need to be raised up the agenda.

#### *Timber Market*

The English market is key for mills across the UK and continuing significant quantities of cheap European timber are putting huge pressure on sawmills. The panel and energy sectors have been less affected and consequently prices for small roundwood remain strong. Local biomass chip and firewood markets, albeit seasonal, are strong and supply will only increase as a result of ash dieback, which may reduce firewood imports but will put prices under pressure. Supply from the public forest estate continues to underpin the English timber market.

#### *New planting and woodland creation*

Recent UK Ministers have committed to delivering far more planting, including productive at scale. However, the grant approval process in England is still seen as overly uncertain and bureaucratic, limiting new applications. Confor has successfully challenged Ministers, and will do so again with the new Government, to provide much stronger political leadership. Recent announcements like the Great Northumberland Forest and Forest for Cornwall show the desire for local action, involving local stakeholders, which Confor will encourage. More should

follow as County Councils enact their climate emergency plans and look to regional means to deliver the productive planting in their locales.

## Scotland

### *Political Overview*

Confor has secured strong cross-party support for forestry generally and understanding of the importance of wood processing in economic, employment and climate change terms. Support from successive Ministers has seen productive planting (and overall planting) increase and the present Cabinet Secretary has built on this successfully to surpass targets and promote confidence to invest in the sector. Like Wales and (probably) Northern Ireland there will be new elections in 2021 with campaigning and manifesto preparation beginning in 2020. The Climate Emergency declaration by Scottish Government has strengthened the case for continued and increased planting. However, recent developments in assessing the carbon impact of different establishment practices, including ploughing demonstrates vividly the need for sound evidence and the ability to act quickly to ensure that rushed policy making does not inappropriately damage the sector.

### *Timber Market*

Wood processors are still operating at sub-optimal levels, while recovering from the see-saw effect of the 2018 and early 2019 market, exacerbated by high volume imports. Demand for biomass continues to drive some markets.

### *New planting and woodland creation*

Shortages of some species may frustrate some planting schemes due for completion in the 2019/20 planting season, undermining achievement of the informal government target of 12,000 hectares. A strong pipeline for 2020/21 may be more than the Scottish Government budget will allow, highlighting again the need for continued lobbying and media work to promote support and funding for increased planting. Nevertheless, some schemes may be pushed back to a 2021 claim year. Confor has persuaded the SNP, the long-term major party in Scotland, to pledge to push on and deliver 18,000 hectares a year by 2030 with annual stepped increases in planting to build and maintain momentum.

## Wales

### *Political Overview*

The relationship between Welsh Government's desire to plant trees and the actions required to meet that aspiration are currently disjointed.

Labour policy indicates a significant desire to plant trees and the Environment Minister also chairs the Wales Decarbonisation Committee. The First Minister has pledged to develop a Welsh National Forest, with productive timber sited as a priority outcome. Overall across the parliament there is strong political support for planting and wood and the use of timber, in steel and concrete substitution roles. Positive action to date includes the reinstatement of

Glastir Woodland Creation and subsequent doubling of funding, but much more needs to be done with significant additional funding required.

There remains a challenge in converting this support into on the ground action and to date the Welsh delivery partners (Rural Payment Wales and Natural Resources Wales (NRW)) are identified as blockers to tree planting. This combined with the consistent failure to sufficiently fund the planting programs has seen planting numbers fall in 2018/19.

The lack of cohesive or effective opposition to hold ministers to account means delivering change must be done by public and industry pressure. The anticipated replacement of the Basic Payment System creates an opportunity to imbed forestry as a higher priority and valued land use.

### *Forestry and timber policy priorities*

The alignment of Confor's priorities (afforestation and management support; timber supply; and, promotion of timber products) with government priorities of climate change mitigation, decarbonisation, natural capital benefits and fiscal benefits remains at the core of the work in Wales. This can be delivered through continued engagement with Welsh Government's land use reform and forest policy teams, cohesive lobbying with the NGO stakeholders and engagement with NFU Wales and the Farmers Union of Wales.

Further focus is required across government departments and other sector stakeholders to increase the reach of forestry and forest products. The increasing demand to meet decarbonisation targets combined with zero carbon homes and farm diversification indicates a slow but increasing popularity for Welsh timber products and afforestation projects. Confor in conjunction with Wood Knowledge Wales continues to raise the profile and importance of wood for timber substitution.

### *Timber Market*

Imports to the UK of cheap European sawn timber, longer lead times on NRW sourced roundwood and private sector timber availability diminishing due to a drop in timber prices have resulted in difficult operating conditions for Welsh millers and processors.

### *New planting and woodland creation*

Historic performance has been poor and regulatory bodies administering schemes are still more of a barrier than activator. The lag created by the failure of Rural Payments Wales to swiftly administer the Glastir Woodland Creation Window 7 has excluded meaningful planting in the private sector till October 2020. The over-subscription of Glastir Woodland Creation Schemes is a strong indicator of the desire of land-owners to plant trees. Greater political pressure is required to emphasise this if more significant new planting is to be successful. NRW has started a land acquisition program for compensatory windfarm afforestation, but afforestation is not expected for 12 months as permission has not yet been granted to plant the purchased land.

## Northern Ireland

### *Political Overview*

The re-establishment of devolved government at Stormont provides the opportunity for political lobbying and engagement. A crucial factor is that Northern Ireland does not yet have formal targets for tackling Climate Change.

### *Forestry and timber policy priorities*

The issue of post Brexit regulation is a major concern for many Confor Members, particularly regarding the need for additional paperwork for forest products moved between NI and GB, and the UK and Ireland. If the UK becomes a ‘third country’ then there will be new EU Timber Regulation requirements to demonstrate “due diligence” in sourcing.

### *Timber Market*

Timber production in Northern Ireland is dominated by the Northern Ireland Forest Service with 84% of the area of conifer forest being owned by the public sector.

### *New planting and woodland creation*

New planting remains at low levels with an average of 200 ha of new woodland planted each year. A growing issue in Northern Ireland is that a high % (circa 40%) of woodland creation applications are rejected each year. Funding is available to support much higher rate of woodland creation than is currently occurring. It is proposed to run a joint Confor workshop with the ICF early in 2020, with the Northern Ireland Forest Service and other regulators to attempt to improve the quality of applications.

## 4. Confor’s Business Plan Priorities for 2020

These high-level priorities have been identified by the Board supported by the Confor team. They encompass how Confor will fulfil its roles in:

1. Providing Member support and services
2. Developing the business to better support Members
3. Representing and promoting Member’s interests

Confor’s staff and financial resources will be mapped against these priorities. In seeking feedback on priorities, it has been highlighted that the industry’s resources are limited compared with that of other sectors and that of their representative bodies. In practice Confor is operating in competition with these organisations at a time when it also faces continued pressures from devolution, the climate change challenge (and opportunity), and increasing political and sector acceptance of Confor as the ‘go to’ industry body which brings additional demands on resources.

In terms of representing Members’ interests, Confor is currently represented on around 120 separate external groups – see Appendix 4. In 2020, Confor will review these groups with the



aim of ensuring that the resource of staff time (and of those Members who represent Confor on some of the groups) is utilised to best effect.

## 1. Providing Member support and services

### Delivering benefit to Members

Members must always be seen to be at the heart of Confor and their continuing support can never be taken for granted. As well as representing and promoting their interests (and communicating that work effectively to Members) it is vital that Confor provides valued Member services that are appropriate to different types of business. It is also vital that Confor staff are accessible to Members through regular regional meetings and phone/ email to support with relevant technical advice and information as required. There is scope for greater use of electronic communication in addition to the important face-to-face benefits of meeting with Members in person. The merger of Confor and UKFPA has brought together a suite of Member committees tackling technical matters and providing information and opportunities to network. It is intended that these will continue to be fully supported - see Appendix 2 for a list of groups and committees.

The sector faces long-term challenges and opportunities that are typical for maturing industries. In the past the former Forestry Commission would be the port of call for resource – people and money, to address these. In the current and foreseeable future political and public funding climate it will be up to the sector to provide the resource if these systemic issues – research and innovation, skills and recruitment, statistics and market information, and promotion of the industry, are to be taken on. Confor has been developing the concept of an Industry Fund which ultimately will require the support of industry if it is to be established and successful.

In 2020, Confor will:

1. Maintain, and grow Member participation in, technical committees
2. Maintain regional Member meetings provided by former UKFPA and Confor
3. Publish 6 editions of Forest and Timber News, distributed to all Members, including additional copies for employees of larger companies
4. Continue to publish a monthly update for wood processors and 6 editions of “e-News” for all Members
5. Continue to publish a monthly update for England and Wales Members
6. Introduce a searchable directory of Members on the website as a free Member benefit by October 2020
7. Work with Members to assess, by June 2020, Confor’s current service offering and identifying improvements so that Confor can cater for Member needs in an efficient and purposeful way - this will include identifying opportunities to improve communication with, and involve, the membership, including more linkage between the regional groups and from the head office to these groups



8. Work with the APF Show Committee to deliver the UK's largest forestry and woodland show, at Ragley Hall in September 2020
9. Run a successful Confor tent at the Royal Welsh Show in Builth Wells in July 2020 - target will be to match the 2019 output when we organised 10 separate events with 30 speakers etc
10. Continue working with partners to develop a Prospectus for an Industry Fund that can be the basis of a consultation with Members and wider industry by August 2020

## 2. Developing the business to better support Members

### A stronger Confor

A well-run Confor can best provide value to Members. In recent years the scope and scale of the organisation has increased, with a related increase in complexity and turnover. It is vital that Confor has strong financial management in place to ensure that it can balance the books in terms of matching all Confor income with all Confor expenditure, to leave a small surplus or break-even financial position at the year end.

Prior to the merger of Confor with the UK Forest Products Association (UKFPA) it was recognised that the Board was relatively large and that elements of the supply chain were not adequately represented. A review was put on hold and then restarted following the merger, when the issue became more pressing. In this review it is vital that Confor is successfully seen as being the voice of the whole Forest Industry through representing a broad church across our sector and delivering value to all parts of the supply chain and across the UK.

The merger also brought in larger companies with a different subscription mechanism from comparable businesses already within Confor. It is key that Confor provides value for money for Member subscriptions and this should underpin a successful evolution of the subscription mechanism to encompass all processor Members before end-2020 and in 2021 to embrace all Members - developing an integrated and fair subscription mechanism for larger companies should assist in securing continued membership. It is vital that Confor gets core subscriptions 'right', demonstrating value for money, before seeking to introduce an Industry Fund.

It is recognised that Confor is a 'broad church'. It represents a relatively small (and emerging) industry, which is competing for attention and support/partnership with much larger and/or established industries. Creating scale through operating across the supply chain has been key to success so far, as is being able to speak with one voice. However, internal challenges will arise, including being able to demonstrate that Confor does represent and deliver for each part of the supply chain and across the UK.

In 2020, Confor will:

11. Finalise and implement the current review on Board structure and appointments, and sub-committees to be signed off by Members at the AGM in September 2020
12. Agree a new subscription mechanism for larger companies to be agreed by the Board in November 2020

13. Plan a review of the subscription mechanism for smaller businesses, including woodland owners in 2021, linking to the outputs of the larger companies review to be adopted by the Board in November 2020
14. From January 2020, map business plan actions against financial and team resources to show where Confor's efforts are being targeted and share with Members summary minutes of all relevant meetings where Confor's activities on behalf of Members are discussed
15. From January 2020, utilise new membership and accounting software to provide regular and clear summary reports to the Board and staff on performance against budget, cash flow, Member retention and recruitment and Campaign and Business and Member Priority actions
16. Review internal and external communications by June 2020 to ensure they are relevant, valuable and consistent and delivered effectively to Members and external audiences
17. Integrate the new Member database with the website to create a Members area enabling new Members to join via the website and all Members to access new functionality, including changing preferences online, making payments online and the members directory

### 3. Representing and promoting Member's interests

#### Wood Supply

Wood supply is regularly identified as the number one issue by Members, from those wanting to grow more trees or see more woodland managed to those Members processing timber. It is expected to continue as a priority into future years. Across the UK, Brexit provides a significant opportunity to promote tree planting to farmers. In Scotland the focus is on maintaining strong planting and on restocking - the latter is also significant in Wales on the public estate. In England and Wales, there is an urgent need to convert political support into faster delivery of new planting, and in England securing support through the Environmental Land Management Scheme (ELMs) for more managed woodland. In NI the lack of political leadership limits options for pressure to be applied to drive action on planting. The challenge of significant volumes of material being left behind on some harvesting sites has been identified as an issue that the industry should address collectively.

In 2020, Confor will:

18. In England, challenge the Minister, Zac Goldsmith to maintain his political leadership on planting with a focus on supporting regional initiatives and changing attitudes towards land-use change to trees in agencies. Also work to embed woodland management support into ELMs, to drive up woodland management, and engage with the farming community through regional partnerships (beginning in Northumberland) so planting is recognised as an opportunity not a threat

19. In Scotland, aim to support 13,000ha of new planting in 2020/21, ensure felled areas are restocked and maintain the strong cross-party consensus for supporting forestry ahead of the 2021 election
20. In Wales, press for political support at the Ministerial level to be turned into much increased planting and restocking on the NRW estate
21. In Northern Ireland, Confor will seek an early meeting with the new government to discuss and agree priority actions
22. Research greater onsite timber recovery through working with Member businesses, reporting to the Confor Board by August 2020

### Changing Attitudes through offering Climate Change solutions

Members often highlight the need for politicians and regulators to understand the scale and importance of the industry. Confor's ongoing Changing Attitudes activity (developing and communicating positive key messages about the industry) has secured political support across GB (NI has only recently re-established its Assembly), runs through all media, and has secured support (or reduced opposition) from ENGOs. This has significant benefit for Member priorities of greater productive planting, management and harvesting, as well as work to promote more use of wood. This activity can also be used to support robust engagement with regulators by communicating the importance of the industry and its beneficial role in tackling climate change. Confor has been very active in linking forest and wood to climate change and there is scope to build this further in 2020, not least by doing more with industry and NGO partners. One potential Achilles Heel we must address is that "commercial" forestry is seen to run counter to the emerging dual Climate and Nature emergencies. While a great deal of focus has been put on linking with the climate change agenda and securing the support of NGOs, it is important that Confor does not forget the important messages that forestry and timber is an industry that provides local jobs, often in areas with few other alternatives, and that it contributes to each countries' GVA.

In 2020, Confor will:

23. Work with wider industry through Wood for Good and Wood Knowledge Wales to develop and deliver an agreed programme of common messages in 2020 about the benefits of wood in tackling climate change through decarbonisation and timber substitution of concrete, steel, etc
24. Explore with Friends of the Earth a major joint conference in London in May 2020 that sets out how UK forestry and timber can do more to tackle climate change, and seek to secure commitment to increased tree planting targets and action on using more wood across the UK
25. Produce a robust analysis of the biodiversity benefit of productive forestry and management by April 2020 to ensure that planting and wood use isn't side-lined by the linking of the climate change emergency with a nature emergency, this can then be presented to politicians, officials and other stakeholder groups through conferences across the UK

26. By November 2020 liaise with regulators – specifically Environment Agency/Scottish Environmental Protection Agency/NRW to communicate climate change and biodiversity benefits and secure greater understanding/support for planting, management and harvesting/recovery
27. Monitor and explore opportunities for carbon offsetting throughout 2020
28. Work with the Tree Charter project delivery team, at Woodland Trust, to disseminate messages to the public on how the forestry industry can deliver on the ten Charter principles throughout 2020

### Better Industry Statistical Information

This is an issue that manifests itself in many ways, including an industry need to understand what is happening in planting, harvesting, forest loss, supply and demand, inventory, etc. Many Members have highlighted the need for accurate and up to date price indices to support long term marketing of timber and help prevent shortages. Confor has begun to identify statistical needs and spoken with Ben Ditchburn of the National Inventory team to cost delivery of these (and successfully brought pressure to bear to fill a £200k backlog in work), as well as exploring alternative means through remote sensing. Statistical information has been identified as an area that a Fund (if established) or similar mechanism could build and support on an ongoing basis. There is scope to work with partners, eg the forest agencies across GB on an updated GVA and jobs report – this has been very powerful in supporting promotion of the industry in Scotland and similar reports elsewhere are long out of date.

In 2020, Confor will:

29. Develop a costed needs analysis for UK industry based on assessing what industry in other countries provide – this would then be discussed by the Board in May 2020 to agree what should be developed and how that would be funded
30. By June 2020 explore working with the forestry ‘authority’ bodies on up to date GVA and jobs reports for the sector in each country

### Plant Health

This is an issue with potentially huge significance for the industry – what is happening in central Europe shows that very well. There is concern that Plant Passporting will do little to protect the resource. Confor has updated its call for action on restricting imports of high-risk material and promoting self-reliance in areas like nursery material and bark. Communication to Members of risks and mitigation, and vigilance is key. Ash dieback is developing into a major issue for growers and increased support from government is essential to assist harvesting and restocking. The loss of ash woodlands is an opportunity for Confor to shape and agenda to replace ash with productive species for the future.

In 2020, Confor will:

31. 2020 is the International Year of Plant Health. During 2020 a series of articles will be published in FTN on best practice biosecurity throughout the supply chain

32. Work with government to communicate to Members the risks, mitigation opportunities, and need for vigilance of existing and new pests and diseases, throughout 2020
33. Work with government to maintain existing funding for plant health mitigation and restocking, and work to embed plant health support into future support schemes, i.e. ELMs, throughout 2020
34. Continue to press government on Confor's asks in the Plant Health and Brexit paper to stop imports of high-risk trees in pots, during 2020, building on the recent ban of large trees to mitigate OPM infection
35. Continue to press government on Confor's asks in the Plant Health and Brexit paper to continue to promote the use of homegrown firewood, during 2020
36. Continue to work with FISA to communicate to Members the risks of removal of ash infected with Ash Dieback and responsibilities for tree safety risk management. Furthermore, continue to work with government to support restocking of productive species to replace ash for the future, during 2020.

### Skills Training

The Confor Board has discussed this issue, recognising that it is an important subject and a multi-faceted one. Machine operator/forest technician training is a major priority with ageing operator population and ever more sophisticated plant being introduced. The sector needs technical skills training to be available UK wide, currently we have some of the highest harvesting costs and the least efficient machine use in Europe, this needs to change if we are to be an efficient industry at all levels of the supply chain. The work of the Skills Group of the Scottish Forest and Timber Technologies Industry Leadership Group (SFTILG) is beginning to make real progress, bringing together a wide range of interested parties from both the public and private sectors. The group is effectively addressing careers guidance, forest machine operator training, apprenticeships and pre-apprenticeships, amongst other things. The launch of the Scottish Government's Skills Action Plan for Rural Scotland, supported by Skills Development Scotland and with Ministerial attention, is both timely and appropriate. It is recognised that Confor alone cannot address all of the sector's requirements, however, by working in partnership with other organisations, there is a real prospect of solutions being devised for the good of the sector. The challenge then is likely to be how to fund action – without industry money progress has proven to be generally slow and limited across the UK. Industry funding, e.g. through a Fund or similar mechanism would make a significant difference.

In 2020, Confor will:

37. Work with SFTILG and Skills Development Scotland to identify by May 2020 the solutions needed and actions that can be taken
38. Capitalise on Focus on Forestry First funding available to the industry in Wales till April 2021 for knowledge transfer and training partnerships

39. Work with partners, as agreed, in the Forestry Skills Forum (England and Wales) to deliver the actions assigned to Confor in the Forestry Skills Action Plan (England and Wales) for 2020

### Growing and promoting markets for timber

This is a key topic for Confor that has been pursued through Wood for Good which pulls together partner funding and expertise. In 2020 there is scope to go further and utilise WfG's material on 'CO2ts Less' to co-ordinate trade bodies in support of a common message about the carbon benefits of using more wood products in the UK. It has also been suggested that Confor could adopt a multi-pronged approach to raise awareness of the benefits of trees, forests and forest products, including career opportunities, which would also help stimulate demand for wood products, by better educating professional specifiers/ designers and users, including architects, civil and structural engineers, quantity surveyors, building and civil engineering contractors, surveyors, landscape architects, etc.

In 2020, Confor will:

40. Work with Wood for Good (WfG) partners Swedish Wood to propose a new collaborative initiative from February to promote the use of wood through each organisation's channels in support of a WfG 'CO2ts Less' campaign, in addition to the current planned campaign in 2020 and potentially to 2022
41. Engage closely with Wood Knowledge Wales to assist in the delivery of the Modern Methods of Construction strategy delivering Welsh grown timber homes in Wales
42. In England, continue to work with Local Enterprise Partnerships to support supply chain development and work to embed productivity funding in ELMs, during 2020
43. Continue to advise BEIS on delivery of the UK bio-innovation fund throughout 2020

### Aiding the economic development of the industry

Work into a system for electronic delivery advice notes via an industry wide app is underway but will require support and funding. This has the potential to save large sums of money across the industry and aid industry data resources. The Scottish Forest and Timber Technologies Industry Leadership Group has agreed priority projects that could aid the economic development of the industry in Scotland and elsewhere. Potential Forestry Innovation Centre in the 'Borderlands'.

In 2020, Confor will:

44. Work with the SFTT ILG to identify by April 2020 how to facilitate delivery of priority industry projects
45. Support the continued development of a paperless delivery advice notes
46. In north England and south Scotland continue to facilitate assessment of the potential for a Forestry Innovation Centre through the Borderlands Growth Deal with a business plan expected by spring 2020



## Campaigns and Business and Member Priorities

Confor's Business Plan Priorities for 2020 will be delivered through a Campaigns approach – this involves taking the priorities from *a* to *i* in section 4 above and going through, for each priority, a process of:

- Grouping commitments into logical campaign areas
- Identifying a Board champion for each campaign and a team lead from within Confor
- Identifying other Members who could play a useful role in helping to deliver a campaign, as well as relevant team colleagues
- Developing and agreeing SMART objectives within the campaign

The detail of each campaign will be finalised by end-January 2020 and made available to Members and the Board.

## 5. Business Management

### Risk Analysis

In this section risks are identified under generic headings, the severity of each risk is assessed, and solutions are identified to reduce the impact of these risks.

There will be changes in personnel in 2020 with David and Dorothy having retired at the end of 2019 and Andy Leitch due to join in April. While Members will always be looking for Confor to demonstrate that staff understand Members' needs and wants and will communicate/engage effectively with them, this will be particularly important for wood processing Members in 2020. Confor is also introducing a new membership database and new accounting software, and it is vital that new and existing team members have the training required to service Members. Job Descriptions are in place for all team members and a new Business Plan will facilitate further clarity on roles, responsibilities and what is expected of staff in 2020.

### Membership Risks

Risk that processor Members do not renew their membership in January 2020 because they are concerned that they do not get value for their subscription following the retirement of David and Dorothy Sulman – see h.1 above. This risk is assessed to be real and potentially severe. **In response, Confor has acted quickly to bring in Andy Leitch who has experience in working with wood processing businesses and understands their needs and interests, and who can ensure that the quality of services to this part of the sector is maintained. Confor will also move to an “account management” service for larger company members with an identified primary point of contact in Confor.**

Risk that Confor does not meet Members' expectations as it expands and comes under pressure of work from external demands and needs like devolution, success in securing political support for action in key priorities like wood supply, promotional work on climate



change, etc. This risk is assessed as low but increasing and could become severe if perceptions of Confor's effectiveness turned negative amongst smaller businesses. **In response, Confor will assess and review membership engagement to ensure the team understands and cater for the needs of Members in an efficient and purposeful way, reflecting Confor's Values.**

Risk that many Members have the choice of joining an alternative organisation and choose to give up their membership of Confor. This risk is assessed to be low but increasing and could become severe if Confor is not seen to be offering value for money and operating professionally. **In response, in addition to the action in point 2 above, Confor will assess what competitor services are available and whether more should be done – an ongoing suggestion is to employ a Membership Officer who will introduce greater structure and professionalism to Confor's engagement with Members.**

### Human Resources Risk

Confor is a people business and there is a risk of losing quality staff. This risk is assessed as moderate as staff churn is always a possibility. In response (and following discussion with the team), to mitigate this risk **Confor will review training and development needs for Confor to ensure that team members have the training and tools required to do their job effectively. It is also important that with the new Business Plan workloads for the year are planned and set at an appropriate level agreed between the manager and team member and that job descriptions are kept up to date. A further action will be to review succession planning.**

### Financial Management Risks

Strong financial management is key to managing risk in all successful businesses. The risk is currently assessed as low given that Confor utilise external accountants who prepare the monthly management accounts and these are assessed every three months by the Board. However, there is scope to improve future budget planning and to tap into external expertise. **In response, and flowing out of the review of the Board (see 4.i.i), following the introduction of Xero software Confor will establish a finance sub-committee of the Board who can work with the CEO and Company Secretary.**

### External Risks

Political situation: The turnover of Ministers is always a challenge to securing continuity of public policy and activity. This is assessed to be moderate in 2020 with a new UK Minister likely and, looking forward, the possibility of a new Minister in Scotland from May 2021. **Confor has sought to manage this through building understanding and support amongst key officials and building relationships with a core of politicians in each parliament/assembly - this activity needs to be at least maintained in 2020.**

Stakeholder opposition from ENGOs and local communities can undermine increased productive planting (and potentially harvesting and transport. This risk is assessed as moderate given that the RSPB appears to remain opposed to planting in principle and farming (and some local community) interests may strengthen their efforts to slow planting and

reduce timber movements. **In response, Confor’s work with politicians and officials should maintain the dialogue regarding stakeholder views, seeking to avoid knee-jerk responses and stressing the many benefits (outline elsewhere) that the industry provides. In Scotland, Confor will lobby for continued funding of Timber Transport, especially if there is a change of Minister.**

## Resource utilisation

Once the above has been agreed by the Board, this section will be expanded on to set out how the Confor team (people, financial resources and external consultants - David Lee and Neil Cuthbert) will be utilised to deliver business’s priorities for 2020, including the campaigns, member services and development of the business

## Financial

### Projected Profit and Loss etc

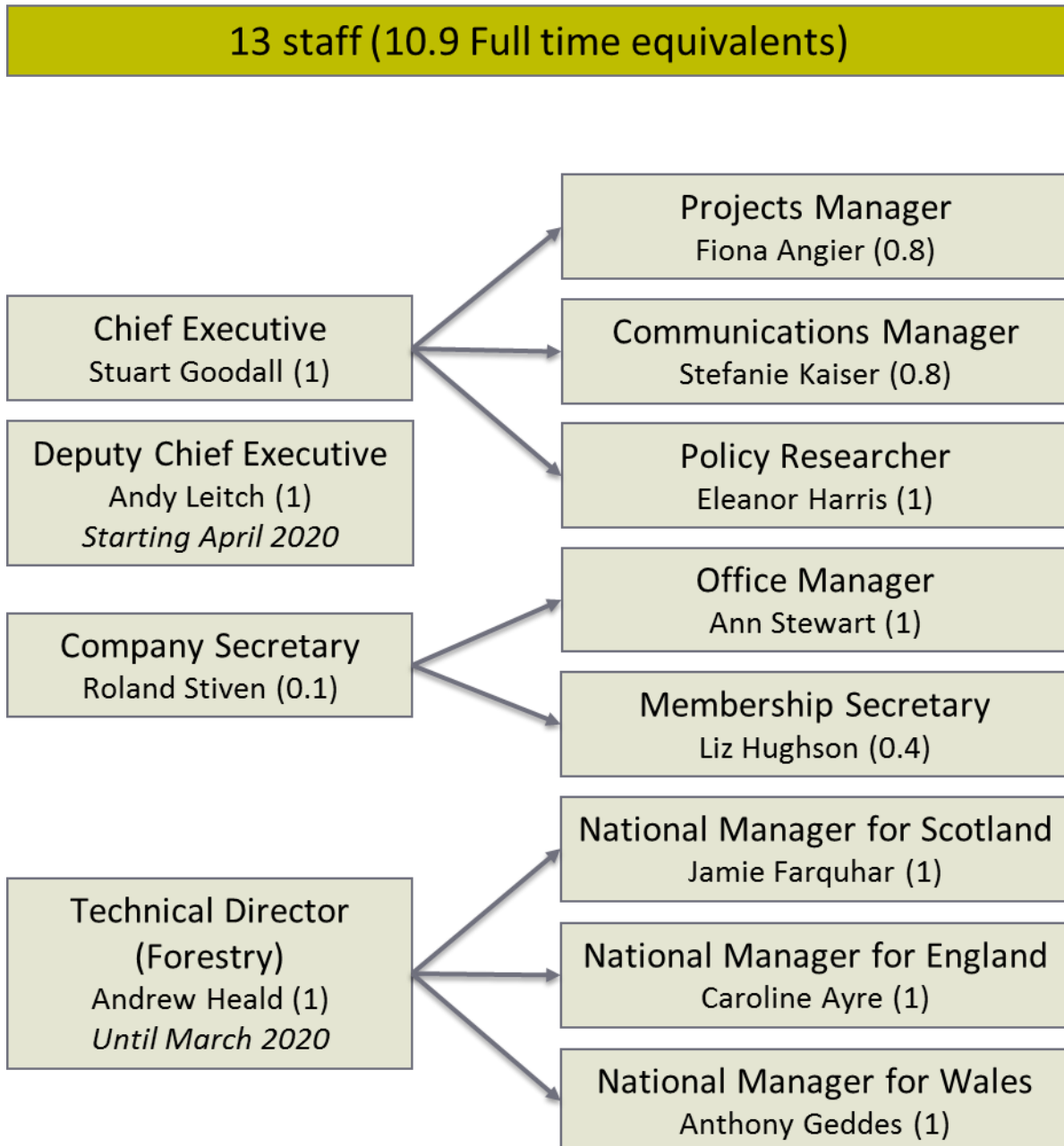
As a membership organisation funded primarily by member subscription, Confor does not aim to make a significant profit to distribute or re-invest, though it does seek to maintain a strong reserve (currently provided for by invested funds). Each year, including 2020, Confor expects to return a small operational surplus overall allowing for minor fluctuations from year to year. The budget for 2020 has been set by the Board and is available from Confor.

### Projected Cash Flow

Income from smaller businesses is mostly received in October to December of each year, while larger company income is spread throughout the year with a peak in January-February. Project costs are generally recovered from external funders and some of this is recovered in arrears. While efforts are made to recover costs promptly, cash resources may become limited in the months leading up to the October renewals for small businesses and managing this will be a financial priority for 2020.

**Confor  
December 2019**

## Appendix 1 – Company Structure (as at 1 January 2020)



Please note: a campaign manager for Wood for Good is in the process of being recruited.



## Roles and Responsibilities

- Chief Executive - Provide overall leadership and management of the organisation.
- Deputy Chief Executive - Support the CEO and, when requested, to deputise for the CEO. Work with and represent the technical and commercial interests of Members engaged in wood processing and to foster greater understanding, connecting the needs of growers and processors, in the interests of the overall long-term viability of the UK forest industry.
- Company Secretary - Be responsible for company financial, staffing and organisational management issues.
- Technical Director (Forestry) - Work with members on matters relating to forest management and timber harvesting and wood supply. Develop new member services in market and statistical information and research. Ensure National Managers deliver excellent service to members.
- National Manager - Identify key issues and opportunities affecting members and the wider forest industries in the country and develop and implement an effective sector response.
- Projects Manager - Manage Confor's project work with FISA, UKWAS and Nurseries, supporting the Board and a technical group.
- Communications Manager - Manage integrated print and digital communications targeted primarily at members and the sector.
- Policy Researcher - Provide support to CEO in areas of policy development and representation.
- Administrative Secretary - Support Deputy Chief Executive (with potential for a wider role across Confor).
- Office Manager - Provide book-keeping and administrative support for the organisation
- Membership Secretary - Manage membership matters, provide administrative support, and provide similar to external parties where contracts exist.

## Appendix 2 – Committees

### Committees

Confor has 18 standing committees and groups delivering member representation, communication, events and engaging in work.

#### Regions (10)

North Scotland  
Mid Scotland  
South Scotland

Deliver biennial events supported by Scottish Forest and Timber Technologies.

Wales

Provides representation and communication, and engages in political advocacy.

Northern England  
East England  
Marches  
South East England  
South West England

Provide representation and communication for members, and organise annual member field events.

Northern Ireland

Provides representation and communication for members.

#### Technical committees (3)

Harvesting and Contracting  
Safety, Technical and Compliance (north)  
Safety, Technical and Compliance (south)

Forums for communication and discussion on a wide range of technical issues.

#### Sectoral groups (5)

Southern & Western England Processors Group  
Wales & Midlands Processors Group  
Northern England Processors Group  
Scotland Processors Group  
Nursery Producers Group

Forums for particular sections of the supply chain to discuss relevant issues.

## Appendix 3 – Confor Projects, Subsidiaries and Joint Ventures

### Projects and joint venture

Confor helps to deliver a number of industry supported projects that (apart from Wood for Good) do not come under the Confor business plan and all are externally funded, ie not funded by membership subscriptions.

#### Projects to which Confor provides secretarial and management support

**FISA**  
Driving up safety

**UKWAS**  
Timber certification

**Scottish Forestry Trust**  
Education and research

**Timber Transport Fund**  
Provide officer services to the Forum and administer Scottish Government fund to upgrade haulage routes

#### Joint venture

**Wood for Good**  
Timber promotion. Joint venture with Swedish Wood. Confor CEO chairs the WfG Board and Confor Company Secretary is paid to provide financial and administrative services. Confor also employ the campaign director (currently Christiane Lellig)

### Subsidiaries

Confor has one wholly owned subsidiary business – APF International Forest Machinery Exhibition Ltd.

#### Subsidiary company

**APF**  
Delivers biennial show. Confor CEO sits on Board to provide for liaison between the two companies





## Appendix 4 – External Representation

What	Who	Where
Biomass Suppliers List - Advisory Board	AH	UK
UKWAS - Director	AH	UK
Expert Group on Timber Trade and Statistics	AH	UK
Woodland Carbon Code - Management Board	AH	UK
Grown In Britain - Management Board	AH	UK
Natural capital forums?	AH	Scotland
Plant passporting timber subgroup	AH	UK
Timber transport forum	AH	UK
Plant Health Advisory Forum	AH	UK
GB & NI Tree Health Advisory Group	AH	UK
Confor's Standard and Technical Compliance Group (South)	AH	England and Wales
Confor Wales Committee	AG	Wales
Confor's Standard and Technical Compliance Group (South)	AG	England and Wales
Ministers round table for Brexit group	AG	Wales
WG Land use sub group	AG	Wales
WG Supply chains sub group	AG	Wales
WG people and communities sub group	AG	Wales
WG Expert group on climate change.	AG	Wales
WG Woodland strategy advisory panel	AG	Wales
WG Natural resources policy groups	AG	Wales
WG Wales land management forum	AG	Wales
WG Wales tree & plant health steering group	AG	Wales
Wales peatland restoration group	AG	Wales
Glastir woodland planners	AG	Wales
Glastir working group	AG	Wales
Welsh water independent environmental advisory panel.	AG	Wales
Brecon Beacons mega catchment group	AG	Wales
Forest Business Sector group	AG	Wales
NRW charge payers group	AG	Wales

NRW Better regulation	AG	Wales
NRW Felling licence review group	AG	Wales
Farming Connect programme	AG	Wales
P Ramorum operations team	AG	Wales
West Wales river basin management group	AG	Wales
All Wales river basin management group.	AG	Wales
Focus on Forestry First	AG	Wales
Royal Welsh Show	AG	Wales
Royal Welsh show woodland and forestry committees	AG	Wales
Squirrel forum.	AG	Wales
Institute of Welsh affairs	AG	Wales
Wales biodiversity group	AG	Wales
Woodland heritage	AG	Wales
Cooperative forest planning bid leader	AG	Wales
Plant Health Advisory Forum	CA	UK
GB & NI Tree Health Advisory Group	CA	UK
UK Squirrel Accord	CA	UK
Tree Charter Board	CA	UK
National Tree Safety Group	CA	UK
Deer Initiative	CA	England and Wales
Confor's Standard and Technical Compliance Group (South)	CA	England and Wales
England Tree Health Policy Group	CA	England
Forestry Skills Forum	CA	England and Wales
Forestry Education Network	CA	England
Applicants Focus Group	CA	England
Countryside Stewardship Technical Stakeholder Group	CA	England
ELMS Strategic Engagement Group	CA	England
Forestry Climate Change Working Group	CA	England
National Forestry Forum/Tree Strategy	CA	England
Forestry Investment Zone National Steering Group	CA	England
Northumberland FIZ group	CA	England
Woodland creation group	CA	England
Woodland management group	CA	England

Nursery Producers Group	CA	UK
Confor Woodland Show Committee	CA	England
Forest and Woodland Advisory Committee	CA	Regional (south west)
DR Company Board	CA	Regional (south west)
HoTSW LEP Rural Special Interest Group	CA	Regional (south west)
Confor Devon & Cornwall Committee	CA	Regional (south west)
Confor Wessex Committee	CA	Regional (south west)
Confor South East Committee	CA	Regional (south east)
Confor East Committee	CA	Regional (east)
Confor Marches Committee	CA	Regional (marches)
Confor North Committee	CA	Regional (north)
Scottish Wildlife Trust Riverwoods project	EH	Scotland
Timber Transport Forum (TTF)	JF	UK
Confor Nursery Producers Group (NPG)	JF	UK
Confor Technical Committee (North)	JF	UK
Agriculture & Rural Development Stakeholder Group (ARD)	JF	Scotland
Rural Development Operational Committee (RDOC)	JF	Scotland
SRPD Customer Reps Group (CRG)	JF	Scotland
Scottish Forest & Timber Technologies Industry Leadership Group (SFTT ILG)	JF	Scotland
SFTT regional steering groups (North-east, Central & South)	JF	Regional
Delivering 6 regional SFTT meetings per annum	JF	Regional
Highlands & Islands Forest Industry Cluster (similar to SFTT)	JF	Regional
Strategic Timber Transport Scheme Assessment Panel (STTS)	JF	Scotland
Regional Timber Transport Groups (7) (RTTGs)	JF	Regional
Scottish Tree Health Advisory Group (STHAG)	JF	Scotland
Various specialist tree health groups (e.g. P ram, PtLM, plant passporting)	JF	Scotland

National Species Reintroduction Forum (NSRF)	JF	Scotland
Lowland Deer Network Scotland (LDNS)	JF	Scotland
Association of Deer Management Groups (ADMG)	JF	Scotland
Deer Round Table	JF	Scotland
Moorland Forum	JF	Scotland
Scottish Partnership for Prevention of Rural Crime (SPARC)	JF	Scotland
Scottish Squirrel Group	JF	Scotland
Grampian Biomass Group	JF	Regional
UK TIMBER GRADING COMMITTEE	DS	UK
SIRT MANAGEMENT BOARD	DS	UK
UKWPMMP	DS	UK
FORESTRY ENGINEERING GROUP COMMITTEE	DS	UK
AFAG	DS	GB
FISA	DS	UK
WOOD SAFETY GROUP	DS	GB
TIMBER TRANSPORT FORUM	DS	GB
STTS - ASSESSMENT PANEL	DS	SCOTLAND
SFTT SKILLS GROUP	DS	SCOTLAND
SFTT INDUSTRY LEADERSHIP GROUP	DS	SCOTLAND
EGTTS	DS	UK
GB/NI TREE HEALTH ADVISORY GROUP	DS	UK
TIMBER PLANT PASSPORTING TECH. WORKING GROUP	DS	UK
SCOTTISH FORESTRY STRATEGY IMPLEMENTATION GROUP	DS	SCOTLAND
SEPA SECTOR PLAN	DS	SCOTLAND
BSI B/515 COMMITTEE	DS	UK
HARVESTING AND CONTRACTING COMMITTEE	DS	GB
SCOTTISH WOOD PROCESSING MEMBERS REGIONAL GROUP	DS	SCOTLAND
N. ENGLAND WOOD PROCESSING MEMBERS REG. GROUP	DS	N. ENGLAND
WALES&MIDLANDS WOOD PROCESSING MEMBERS REG.GP	DS	WALES AND MIDS

S & W ENGLAND WOOD PROCESSING MEMBERS REG. GROUP	DS	S&W ENGLAND
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