

# Business Plan 2021

## 1. The role of Confor

### 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.

## 2. Investing in Member services and summary of business priorities

As a Members organisation, Members are at the heart of Confor and their continuing support can never be taken for granted. In 2020, Confor upgraded its membership database and in 2021 will seek to utilise that to underpin more structured and targeted communication with Members.

In 2021, Confor will aim to substantially improve Member communications and services alongside representing and promoting Member interests. Confor is reviewing its Member support services and in 2021 will invest in resources, including a new membership support officer, to implement a strategy for better Member engagement. This will ensure that staff are accessible and responsive to Members, ready to provide a prompt and professional service, proactive in organising regular meetings and able to provide relevant technical advice and information as required. Confor's technical expertise will also be strengthened in 2021 through appointment of a new technical officer.

A free online business directory will be rolled-out, benefiting smaller businesses in particular. For larger businesses, the Deputy CEO will develop the account

management role. These developments will support continued improved performance on Member retention, and aid with Member recruitment.

Across the business in 2021, Confor has identified the following priorities:

- a. Help to secure and expand future wood fibre availability
- b. Aid the economic development of the industry
- c. Promote positive attitudes towards sustainable productive forestry and wood-based products
- d. Grow and promote markets for timber and wood-based products
- e. Facilitate continued/improved management of woodland and processing of wood
- f. Improve Member retention and recruitment

These priorities are expanded on in section 5 with appropriate actions that include stretch targets and greater detail on what will be delivered, how and by when – enabling Confor to measure success.

In delivering the Business Plan, Confor can exercise an important UK co-ordinating role – taking an overview across the UK and spreading learning and contrasting performance across countries.

### 3. Company Summary

#### a. 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 Advisory Board.

#### b. Financial Summary

Confor is expected to have a turnover in the region of £1.46m in 2021 of which forest growers, nurseries and a range of smaller businesses will contribute £340,000 and around 70 larger harvesting and wood processing companies contribute £575,000. The balance of income arises principally from the facilitation of important initiatives on behalf of the sector, including Confor’s joint venture Wood for Good, Timber Transport, Forest Industry Safety Accord (FISA), UK Woodland Assurance Standard (UKWAS) and research commissioning, and 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 £660k.

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 £725,000. The industry initiatives highlighted above also account for over £330,000 of (externally recovered) expenditure. Production of Confor’s member magazine, website and diary costs around £120,000, though advertising in the magazine provides net income to the organisation for that activity. Lobbying, media and research which underpins a number of Confor’s campaigns on behalf of Members totals £92,000. The balance of expenditure is on professional fees, member events and other costs, including a small contingency.

c. 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.

#### **4. Market and Political Context**

a. UK Forestry and Timber Market

UK Timber Market Overview – 2020 opened with subdued demand, lockdown and then strong growth as construction demand returned and consumer investment in home improvement took off, the fencing market remained stronger for longer. An uneven market, especially for panels, and strong sawmill co-product supply has depressed small roundwood demand. Factoring in imports, strong markets in the US and Asia have drawn traded material elsewhere – prompting some shortages in specifications in the UK. Post-pandemic government stimulus could drive further growth, but potential headwinds remain, including pest damaged material in central Europe and uncertainty regarding the US stimulus continuing under Biden. Many international bodies have their forecasts with wide variation between them, but all agree on a growing use of wood in construction as total activity levels increase and decarbonisation stimulates the greater use of wood. To quote the 2020 FMR report “the UK sawn market has seen some wild upswings followed by deep troughs which have been uncomfortable to navigate and have resulted in considerable price movements.” There is no sign that will change.

UK Forest Market Overview – 2020’s John Clegg & Co and Tilhill Forestry Forest Market Report highlighted continued strong growth in the value of productive forests, with a divergence from timber prices which fell in 2019. This could be driven by a number of factors, but increased awareness of the potential value of Natural Capital was a focus of analysis. There is particular financial strength in younger forests and that may well reflect improved stock with its improved form and vigour and light branching habits, and an expected significant increase in sawlog recovery.

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

### *England*

Political Overview – Green Recovery from the impacts of Covid-19 and combating Climate Change will be the avenues to influencing government. It has a target to more than double new planting across the UK (though no target yet for England) and Minister Zac Goldsmith has committed to increasing markets for wood. The global climate change summit COP26 in November 2021 provides a focal point for increased action and political commitments. Regional initiatives are emerging as key, with Northumberland and Cornwall leading the way. Continued political engagement will be crucial in maintaining and growing Confor’s positive influence, as will be recognition that tree planting targets have particular importance for government - the Green Industrial Revolution clearly mentions planting (putting the Prime Minister's personal authority behind it) and the Environment Secretary stated at the Oxford Farming Conference that productive tree planting is "critical" to meeting net zero ambitions.

Forestry and timber policy priorities – An England Tree Strategy is expected in 2021, and it is vital this has a greater recognition of the economic importance of forestry, of the benefits of managing woodland and the multiple benefits of producing wood, than previous strategies. Zac Goldsmith has green-lighted resource for a public/private industry group similar to those in Scotland and Wales, and Confor has a key role to play. Longer term, the proposed Environmental Land Management Scheme should benefit woodland management and new planting, but slicker administrative processes will be needed to unlock success.

Timber Market - The English market is key for mills across the UK and continued post-pandemic stimulus will remain important. While the impact of imports is always difficult to predict, growing the markets for wood through Wood for Good should be supported, and this also contributes to positive messaging on trees and timber in an increasingly carbon conscious world. Local biomass chip and firewood markets, albeit seasonal, remain weather dependent and therefore difficult to predict.

## *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, though some opposition MSPs have taken a more sceptical position. Support from successive Ministers has seen productive planting (and overall planting) increase and the present Cabinet Secretary is keen to promote confidence to invest in the sector. There will be new elections in May 2021, and it is possible a new CabSec will be appointed.

Forestry and timber policy priorities – the Scottish Government has a funded commitment to reach 18k/ha/yr of new planting by 2025 (Confor secured the 18k ha pledge from the SNP in 2019) and increased its target for the use of timber in construction in its Programme for Government in September 2020. The CabSec is keen to drive skills/recruitment, greater wood use and productivity through the Industry Leadership Group. Future robust nursery supply is worrying the Scottish Government and capital funding has been made available.

Timber Market – The Scottish market is good, though severe supply shortages in Republic of Ireland are pulling in material from the West coast.

## *Wales*

Political Overview – After a period of Government aspiration failing to achieve results the Welsh Government has made significant funds available for planting and this has been keenly snapped up by the forestry sector. There are significant concerns about the security of funding for further new schemes from 2021 due to the recent Westminster Government spending review. A Welsh National Forest, with productive timber sited as a priority outcome, has been launched and over all across the Senedd there is strong political support for planting and the use of timber in steel and concrete substitution roles.

Forestry and timber policy priorities – The continuing alignment of Confor's priorities (planting and management support, fibre 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 NGO stakeholders and engagement with NFU and FUW.

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 partnership with Welsh Government will continue to lead in the further development and activity of the Welsh Forest Industry Partnership. Confor as appropriate, will work closely with Wood Knowledge Wales to raise the profile and importance of using wood in construction.

**Timber Market** – The second quarter of 2020 saw a significant disruption of demand for primary products such as saw logs as 50% of the mills in Wales suspended processing. The market has returned to a more normalised state with buoyant trading for most products. The domestic market has remained exceptionally strong for fencing products and graded sawn timber.

As 2021 arrives so will a new Timber Marketing Strategy for Natural Resources Wales and further work will be essential to ensure that the development and implementation of this strategy is not disruptive to both the processing sector and private landowners.

### *Northern Ireland*

**Political Overview** – The return of the Northern Ireland Assembly has provided opportunities for political lobbying and engagement, and Minister Poots is keen to set the course for delivering a total of 9k ha of planting by 2030, though the role of the private sector in that is still unclear. Northern Ireland does not yet have formal targets for tackling Climate Change which limits lobbying opportunities.

**Forestry and timber policy priorities** – The issue of trade in 2021 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. The after-effects of felling licence delays in ROI are still felt keenly and will likely continue to do so into the first half of 2021.

**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 and most sawn timber exported.

### c. Looking beyond 2021

The sector faces medium to long-term challenges and exciting 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. In 2021, Confor will begin to develop a detailed programme of activities that if funded/co-funded will add value to the sector. Confor has also been developing the concept of an Industry Fund which ultimately will require the support of industry if it is to be established and become successful.

## 5. Confor’s Business Plan Priorities for 2021 and beyond

These high-level priorities have been identified by the Board supported by the Confor team:

- a. Help to secure and expand future wood fibre availability
- b. Aid the economic development of the industry
- c. Promote positive attitudes towards forestry and wood
- d. Grow and promote markets for timber
- e. Help to secure and expand future wood fibre availability
- f. Facilitate continued/better management of woodland and processing of wood
- g. Improve Member retention and recruitment

There is much more that Confor could seek to deliver in 2021 and beyond, but resources are limited. In terms of impact, there also needs to be a recognition that the industry’s resources are relatively small compared with that of other sectors and their representative bodies. Therefore, Confor will continue to explore opportunities to work collaboratively with others to leverage greater output for Members.

### A. Help to secure and expand future wood fibre availability

Future wood supply is regularly identified as the number one issue by many Members, from those wanting to grow more trees or see more woodland managed to those Members processing timber. Confidence in future supply underpins investment in the industry, whether to tackle forecast shortfalls in softwood supply or to expand existing markets, including hardwood processors.

Political support for productive new planting (both conifer and broadleaf) is strong in England and Scotland, but only Scotland is delivering so far. In Northern Ireland, the early focus is on planting by government departments and local councils who are expected to focus on amenity planting.

England needs fundamental improvement to the approvals process and regional initiatives are being given a clear role with Northumberland and Cornwall in the lead. The new England Tree Strategy (ETS) and the Inquiry by the Westminster EFRA Committee into forestry (which Confor had proposed) provides a forum for highlighting action. The future Environmental Land Management Scheme should provide valuable support for managing existing woodland and planting new ones, though it is some years off and existing funding under the Nature for Climate Fund is likely to prove insufficient to meet targets. COP26 could provide a means to push for greater financial commitment and stepped annual targets.

Wales requires the performance and role of regulator to be addressed, and like Scotland there is no plan in place for existing woodland – though levels of active management are significantly higher than in England.

Given that the forecast shortfall for softwood will (depending on region) begin to bite in the late 2030s there is only so much that new planting can contribute, even with anticipated thinning. It may be that Short Rotation Forestry can have a role here, supported by the Committee on Climate Change's advocacy of this as one means to achieve Net Zero by 2050 (2045 in Scotland). Another means to expand fibre supply is increasing the sustainable recovery of material on harvesting sites, timeous restocking and increased planting of improved planting stock.

Nursery investment and expansion will be required to meet increased demand. Confor has worked with the UK and Scottish Governments to secure financial support in 2020 and will work with the Nursery Producers Group to discuss and communicate its further needs going forward.

In 2021, Confor will:

- i. Lobby through the England Tree Strategy and EFRA Inquiry for practical action to improve processing of planting schemes, addressing delays and lack of predictability – link to E.i
- ii. Lobby for governments to commit at COP26 to work together on meeting the 30,000 hectare planting target and announce confirmed funding up to 2025 – links to action C.i
- iii. Working with partners, research greater onsite timber recovery through working with Member businesses, reporting to the Confor Board by May 2021
- iv. By May 2021, identify the future needs of nurseries and what could support be sought from governments
- v. In the context of the updated National Forest Inventory, identify the potential role of short rotation forestry and continue to lobby for R&D in tree breeding for increased productivity and quality



## **B. Aid the economic development of the industry**

The sector faces continuing challenges to its competitiveness, including skills and training, recruitment to the sector, supply chain efficiency and supporting research and innovation. Previously Confor has, apart from the Scottish Industry Leadership Group (SILG), struggled to find partners who can drive work forward. The recruitment of Andy Leitch has strengthened the relationship with the SILG and the development of similar ILGs in England and Wales provides a pathway for specific activities – key to unlocking this potential will be the availability of matching industry funding which Confor is building into its budget for 2021.

In 2021 and beyond, Confor will support the SILG in its delivery of the ambitions of [Roots for Further Growth](#) by acting as executive to the SILG, maintaining their website and providing secretariat services. Confor will proactively initiate, develop and/or facilitate industry wide projects in workforce development, product and market development, resource efficiency and wood promotion. However, Confor is not in a position to make the final decision on what projects are initiated and when they are completed – that is the responsibility of the SILG.

The Confor Board has discussed skills and training, recognising that it is an important subject and a multi-faceted one. Machine operator/forest technician training is a major priority with an 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. It is recognised that Confor alone cannot address all of the sector's requirements. However, by working in partnership with other organisations, and with the full support of Confor Member companies, there is a real prospect of solutions being devised for the good of the sector.

Work into a digital system for electronic delivery advice notes is underway and may require further support and funding. This has the potential to save large sums of money across the industry and aid industry data resources. After a pause during the height of the pandemic, it is expected that development of the Borderlands Growth Deal will resume, including a potential Forestry Innovation Centre.

In 2021, Confor will:

- i. Support the SILG in their delivery of the ambitions of Roots for Further Growth, acting proactively to initiate, develop and/or facilitate industry wide

- projects in workforce development, product and market development, resource efficiency and wood promotion
- ii. Lead the development of an ILG and an industry strategy for economic growth and climate change mitigation in England – link to D.iii
  - iii. Continue to play a lead role in further developing the Welsh Forest Industry Partnership and an industry strategy
  - iv. Where possible identify and initiate collaborative projects across GB/UK such as a workforce development study
  - v. Press for completion of the development of paperless delivery advice notes in 2021

### **C. Promote positive attitudes towards sustainable productive forestry and wood-based products**

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 and reaching out beyond the industry) has secured political support, created a group of more knowledgeable journalists and built bridges with some environmental NGOs.

This has significant benefit for Member priorities of greater productive planting, management and harvesting, as well as work to promote more use of wood. It 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 and supporting biodiversity - the dual Climate and Nature emergencies highlighted by NGOs.

The importance of this issue should not be underestimated. Climate change concerns have driven much of the increased support for tree planting and in Scotland, where new planting has been most successful, the Government’s latest climate change plan<sup>1</sup> says:

*“Increasing woodland creation...on this scale, and over this number of years, will result in significant changes in the iconic landscape and environment which has evolved over centuries and for which Scotland is globally renowned. We need to ensure that the people of Scotland understand and support these changes, particularly those individuals and communities likely to be most impacted. To do that will require early engagement, consistent communication, and genuine dialogue*

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<sup>1</sup> <https://www.gov.scot/publications/securing-green-recovery-path-net-zero-update-climate-change-plan-20182032/>

*between different groups and communities. We must take people with us in understanding why the look of Scotland and key parts of our landscape are changing. We must also ensure that we don't assume nor accept that radical reform of land use necessarily means fewer people living in rural Scotland: the aim should be to use land use change to help repopulate remote and island areas too".*

COP26, Wood for Good's "Wood CO2ts Less" campaign and increasing political support and recognition for wood use and sustainable management, as well as new planting provides a theme and a focal point for Confor's communications activity in 2021. The positive messaging that Confor has achieved for forests and woodlands is a good basis for more activity downstream in the wood processing sector – supporting sector recruitment and embracing initiatives like Norbord's "Carbon Negative. Positive Future."

Confor has a Members' communications group and the new Advisory Board includes a sub-committee on Member communications. These provide a means for Confor to work with Members to amplify industry messages and respond to critics/opponents who are likely to emerge as the sector expands its activities – this is beginning to be seen in southern Scotland from some vocal locals and farming interests and in northern England.

In 2021, Confor will:

- i. Work towards COP26 as a focal point for communications and an opportunity to secure government commitments on cross-border co-operation and future funding and action for planting and wood use – link to A.ii
- ii. Work with Members on amplifying positive messaging and anticipating and developing a response to critics/opponents
- iii. Work with public agencies and other stakeholder groups to agree and communicate information about the reasons for, and benefits of, more tree planting, management and use of timber

#### **D. Grow and promote markets for timber and wood-based products**

This is a key topic for Confor that has been pursued through Wood for Good which pulls together partner funding and expertise. WfG's "Wood CO2ts Less" campaign launched in July 2020 has proven popular and impactful, and there is scope for further collaboration in 2021 with spill-over benefits for Confor's changing attitudes activity and preparations for COP26.

The Scottish Government has strengthened its commitment to greater wood use, and England is exploring a similar approach. Wales is already active, including the

role of Wood Knowledge Wales. This work can be developed through the Industry Leadership Groups (ILGs) highlighted in 5.B. The elections in Scotland and Wales provide a route to lobby for strengthened public/private action.

English forestry minister Zac Goldsmith has adopted Confor's argument that stimulating markets for wood will help support woodland management and promote new planting.

There is potential for collaboration in innovation and R&D activities, mainly in Scotland and Wales, in new wood product and market development, eg with Napier, Innovation Centre, Offsite Solutions Scotland and others. Action here will be developed with the ILGs.

In 2021, Confor will:

- i. Support and work with Wood for Good to promote the 'Wood CO2ts Less' campaign and collaborate in preparations for COP26
- ii. Lobby in Scotland and Wales for clearer and stronger commitments and practical actions by the new governments to support the greater use of wood
- iii. Work with Defra to define actions to promote greater use of wood – links to B.ii

## **E. Facilitate continued/improved management of woodland and processing of wood**

There is a lot that Confor can potentially do to assist woodland owners, harvesting companies and related businesses, as well as downstream wood processing enterprises.

Appropriate regulation by public agencies is critical, technical assistance and sharing of good practice is a vital role that Confor can provide. As the lobbying voice for the industry, Confor has shown that it can protect the industry's interests, eg securing continued use of red diesel in forests and now lobbying for that to continue in wood processing. In Scotland, there has been a need for frequent work with SEPA.

Confor's Climate Change Agreement (CCA) is saving participating sawmills (combined) over £1m a year, releasing funds to invest in energy efficiency. As the UK Government changes how it drives reduced business emissions, it's important that Confor fights for the continuation of CCAs as a carrot and stick approach.

Confor is championing greater understanding by politicians in England of the benefits of managing woodland with a particular focus on harvesting wood given its additional biodiversity benefits. Squirrel and deer control will remain vital issues for the foreseeable future.

Certification is still an issue that requires continued monitoring as concerns remain that FSC could again seek to introduce new initiatives or changes to chemicals approvals that would fundamentally harm the sector.

The Forest Industry Safety Accord continues to be a highly valued and important initiative, though the sector needs it to truly bring the industry together on a clear plan for driving health and safety practice in the sector.

Plant health remains a vital issue and Confor will continue to raise its profile in government and with the industry, supporting action to make the industry more resilient.

In 2021, Confor will:

- i. Lobby through the England Tree Strategy and EFRA Committee Inquiry for practical action to support sustainable management – link to A.i
- ii. Lobby for the continuation of CCAs
- iii. Lobby for the continued use of red diesel in wood processing facilities
- iv. Discuss contingency planning for plant health with public agencies by May

## **F. Improve Member retention and recruitment**

It is vital that Confor is able to communicate value for money to Members and provide a professional service. The new Member communications sub-group of the Advisory Board will assist with strong Member engagement.

Following the merger with UKFPA and the retirement of David and Dorothy Sulman it is good to see that membership of medium sized wood harvesting and processing companies has remained strong. However, this can never be taken for granted and ensuring Confor has a focus on technical aspects should go a long way to demonstrating to these Members that Confor can offer a relevant service and level of support to them. Investment is being made in recruiting additional technical support for Members.

The basis of a new subscription mechanism for large companies has been developed and Members will be consulted on this before it is rolled out in time for

2022. Fairness is vital for any membership organisation, as is clarity on how Member subscriptions provide value for money. Confor will now examine woodland owner and small company subscriptions to ensure they are fair in value for money terms.

In 2020, Confor updated its financial and member software, and professional finance skills will be added to the team in 2021.

A point of real concern is that there has been a fall-off in woodland owner and small company membership in the last two years after an extended period of modest growth. These are key elements of the sector and reversing losses here is vital if Confor is to grow further and be seen as the voice of the supply chain. Investment in membership support and engagement is necessary in 2021 to address Member retention and recruitment. This will be through a suitable skilled and experienced person who will promote a whole organisation approach that recognises Confor exists solely to serve Members and their interests, and relies on their financial support, alongside ensuring high level of professionalism in our Member processes.

In 2021, Confor will:

- i. Strengthen the team with dedicated, professional expertise in membership by April 2021
- ii. Review the “Member offer” by April 2021 ensuring an attractive set of benefits and incentives for retaining membership alongside marketing to new members (Note: a free online business directory has been in development and will go live following the migration of the website to a new platform in spring) and develop a membership strategy to include processes and actions for the different stages of the membership ‘journey’
- iii. Introduce continued and regular evaluation of Member satisfaction by April 2021, to inform the building of strong and trusted relationships with every Member
- iv. Review woodland owner and small company subscriptions in time for the new subscription year in October

## 6. Political engagement horizon scan

An overview of key issues relating to political engagement in 2020 is provided at **Appendix 4**. For each identified issue there is a list of actions and Confor lead persons. This scanning document will be shared and updated with the Advisory Board during 2021.



In addition to the actions listed, Confor will continue to provide support to Members as the Coronavirus (COVID-19) pandemic continues. It is causing major disruption for all political and parliamentary activity, and at time of writing face-to-face meetings with politicians are discouraged.

Looking ahead to 2022-2024, the following issues are of note and will be monitored:

- Next Northern Ireland Assembly election due on or before 5 May 2022
- UK Government target of 30,000 hectares of new tree planting each year by 2024
- Environmental Land Management (ELM) scheme due to be fully rolled out by the end of 2024
- DEFRA Tree health grants to replace Countryside Stewardship by 2024
- Next general election is scheduled to take place on 2 May 2024 (unless FTPA repealed)
- Party conferences (spring/autumn) each year

## 7. Business Management

### A. Risk Analysis

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

#### *New staff to 'bed in'*

Confor has recruited a new head of finance/company secretary and a technical officer, and in early 2021 will recruit a membership officer. These key posts will strengthen Confor's performance and support to Members, but when added to a new Timber Transport Officer this is significant for a small team. In response the CEO will prioritise welcoming and embedding new team members in 2021.

#### *Succession planning and 'cover' for key posts*

Confor is a people business and in a small organisation it is important that key posts are filled quickly and 'cover' exists for unplanned events. The appointment of a replacement Deputy CEO in 2020, plus head of finance, technical and membership staff in early 2021 will provide additional cover for key areas of Confor's activity. Further succession planning will be undertaken in 2021.

## *Financial Management*

Strong financial management is key to managing risk in all successful businesses. The appointment of an experienced head of finance should assist with maintaining this as low risk.

## **B. External Factors**

### *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 2021 with 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 2021.

Stakeholder opposition from environmental NGOs and vocal locals 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 some local 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.

## **8. Financial**

### **Projected Profit and Loss**

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 2021, Confor expects to return a small operational surplus overall allowing for minor fluctuations from year to year. The budget for 2021 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 2021.



## Appendix 1 – 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 2 – 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

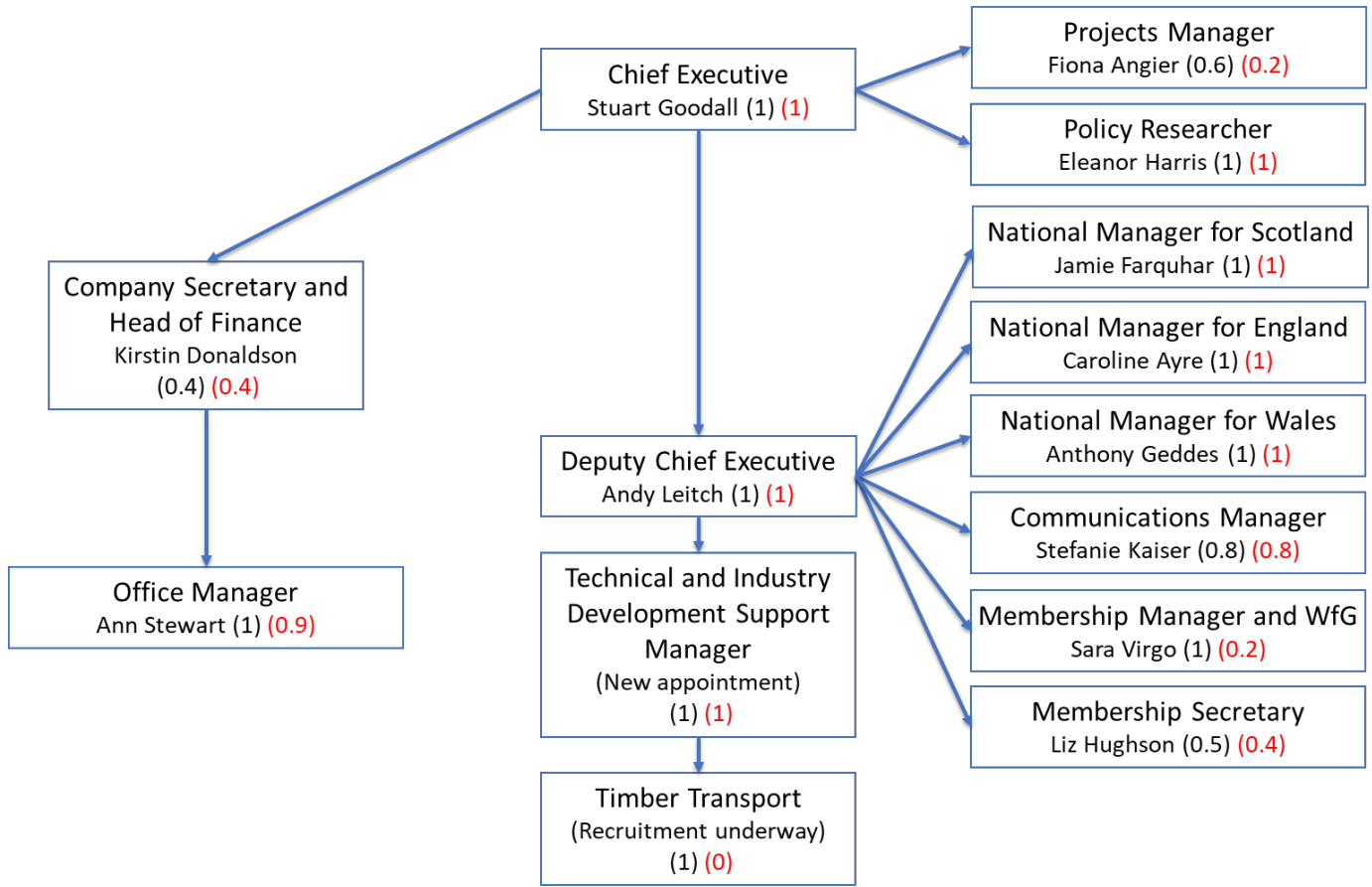
Confor has one wholly owned subsidiary business – APF International Forest Machinery Exhibition Ltd.

Subsidiary company

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

### Appendix 3 - organigram

CURRENT - 14 staff (12.3 FTE) **Confor time (9.9 FTE)**





## Appendix 4 – Political engagement horizon scan

<i>Issue</i>	<i>Date</i>	<i>Necessary action</i>	<i>Leads</i>
Environment Bill	January 2021	<ul style="list-style-type: none"> <li>Analyse draft bill and identify risks/opportunities.</li> <li>Consult other forestry enterprises/groups for their take on bill</li> <li>Determine whether amendment required</li> <li>Draft amendments</li> <li>Brief parliamentarians</li> <li>Engage directly with would-be amendment sponsors (MPs, Lords)</li> </ul>	NC/CA
EFRA committee inquiry	January 2021	<ul style="list-style-type: none"> <li>Major chance to influence scrutiny of Government tree planting and woodlands policy</li> <li>Evidence submitted to Inquiry</li> <li>Briefed MPs from each of Cons, Lab and SNP</li> <li>Expect to be called to give oral evidence</li> </ul>	SG/NC
Trade agreements	January 2021	<ul style="list-style-type: none"> <li>New trade agreements can come into force 1 January (EU, the US, Australia, New Zealand and Japan identified as priorities by UK Government)</li> <li>Assess any impacts for UK industry and brief Members if there are</li> </ul>	AL
APPG Forestry and Tree Planting	Across 2021	<ul style="list-style-type: none"> <li>All-Party Parliamentary Group on Forestry and Tree Planting meetings online for foreseeable future. Possibility of hybrid meetings in future if coronavirus restrictions lifted</li> <li>In January produce a plan for meetings in 2021</li> </ul>	NC/DL/SG
Post-EU funding arrangements	March 2021	<ul style="list-style-type: none"> <li>UK Shared Prosperity Fund (replacing EU structural funds) announced</li> <li>Explore potential links to green recovery/rural business support</li> <li>Brief Members and pick up with governments</li> </ul>	AL

England Tree Strategy launched	Spring 2021	<ul style="list-style-type: none"> <li>Unclear at this stage what significance it will have</li> <li>Contact Minister and officials ahead of publication to press messages of improve process/ deliver productive planting at scale, manage more woodland use more home-grown wood</li> </ul>	SG/ID
Devolved Parliament elections in Scotland and Wales	May 2021	<ul style="list-style-type: none"> <li>Produce first drafts of manifesto for Advisory Board consideration (Jan 21)</li> <li>Produce final drafts (Feb 21)</li> <li>Secure candidate lists from parties and distribute (Feb 21)</li> <li>Arrange party-by party briefing sessions (Mar/Apr 21)</li> <li>Consider events and meetings with opposition parties as part of election process (Scotland SNP/Cons), Wales (Labour/Cons/PC)</li> <li>Arrange initial meetings with new administrations in place after May's elections (or continued administrations)</li> </ul>	PAC/AG/SG/JF/ID
New Governments and potentially new Ministers in Scotland and Wales	May/ June 2021	<ul style="list-style-type: none"> <li>Meet new Ministers and present proposals for the new administrations to deliver Confor's manifestos</li> </ul>	NC/ID/SG
Party conferences	October 2021	<ul style="list-style-type: none"> <li>Party conferences (spring/autumn) expected to begin again</li> <li>If physical meetings consider attending UK Conservative and SNP to maintain and build relationships with Ministers and key politicians</li> </ul>	NC/DL/SG
COP26	November 2021	<ul style="list-style-type: none"> <li>Major opportunity for Confor to secure government commitments on planting and wood use, possibly management (possible Confor event)</li> <li>Prepare plan for engagement and share with Advisory Board (Feb 21)</li> </ul>	ID/SG
Environmental Land Management (ELM)	Late 2021	<ul style="list-style-type: none"> <li>England's proposed Environmental Land Management (ELM) national pilot begins late 2021 – replacing part of CAP support for farmers/landowners</li> <li>Continue to promote tree planting and management of woodland</li> </ul>	CA