Business Plan 2022

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 must always be seen to be at the heart of Confor and their continuing support can never be taken for granted. In 2022, Confor will review how it communicates with and provides services to Members. This activity will support continued improved performance on Member retention, and aid with further Member recruitment, especially, it is intended, of woodland owners.

As a low-carbon industry which plants trees that lock up carbon in wood products, the sector has a key role to play in helping governments meet 'net zero' targets. The opportunities and challenges that this throws up have been central to much of Confor's work in recent years. In 2022, Confor will prepare an industry road map for net zero that will help to pull the strands together and inform activity in future years.

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

Confor operates in a dynamic political, regulatory and timber market environment and aims to retain a focus on supporting Member businesses through advice and information, representation and promotion, and helping to tackle strategic obstacles to growth. Led by the Board, Confor has identified the following priorities for 2022:

- Help to secure and expand future wood fibre availability
- Promote positive attitudes towards sustainable productive forestry and wood-based products
- Aid the economic development of the industry
- Develop a low-carbon road map
- Grow and promote markets for timber
- Improve Member retention and increase recruitment

These priorities are expanded on in section 5 with appropriate actions for delivery. Confor will report on progress mid-year and at the end of 2022.

As well as the above, the review of the UK Forestry Standard in 2022 will be a potentially important process. The UKFS has helped position the forestry and wood processing sector as a sustainable and responsible industry, far ahead of most other sectors in the UK in defining sustainability and measuring it 'on the ground'. Unfortunately, there appears to be a lack of understanding amongst some NGOs and commentators of what the purpose of the UKFS is and what management against the UKFS delivers. Given the powerful influence of these groups/people it's important that Confor seeks to ensure that any proposed changes are evidence based and start from a solid understanding of what UKFs already delivers in terms of economic, environmental and social benefits.

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 £1.58m in 2022 of which forest growers, nurseries and a range of smaller businesses will contribute £360,000 and around 70 larger harvesting and wood processing companies contribute £610,000. 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. New for 2022 will be the facilitation of skills work on behalf of the Scottish Industry Leadership Group whereby Confor will be designing and delivering attractor/taster events for the industry and an "Inspiring Future Foresters" initiative which will support Young Engineers and Science Clubs in schools. 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 £710,000.

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 £900,000. The industry initiatives highlighted above also account for over £430,000 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 £82,000. 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 – After 18 months of very strong demand and record high prices, there are signs the market may be returning to more normal cycles of demand in 2022, and perhaps softer pricing - though likely to be at higher values than before. With demand and pricing being driven by markets for sawmill (and panel) products, the effect of biofuel markets on pricing has weakened, and so we've also seen a return to a more 'traditional' distribution of forest product values.

Looking to 2022, market commentary indicates continued strong construction markets in the UK and elsewhere, though for fencing the picture is less clear. Pre-pandemic a key issue had been the over-supply of timber from central Europe, due primarily to the impact of *Ips Typographus*. Large volumes of logs are now being transported east to China and Germany has significantly increased sawn exports to the still strong US market. In Ireland, progress is being made to resolve delays in the felling licence system and while owners of small private woodland still have concerns, volume supplies are flowing from Coillte which has said it will increase its marketing of volume in 2022.

UK Forest Market Overview – 2021's John Clegg & Co and Tilhill Forest Market Report highlights a record-breaking year, with average values more than double what they were three years ago and the total value of the forestry investment market reaching a new high. The sector is attracting unprecedented levels of interest from commercial forestry buyers and financial institutions, including "new market entrants with multiple objectives – part financial and part related to Environmental, Social and Governance (ESG) considerations or natural capital outcomes." This is leading to an assessment that values are rising because of carbon income and other ecosystem payments, as well as long-term confidence in timber prices. While the focus of the report has traditionally been on 'commercial', principally conifer forests, there is clear growing interest from corporates and new business start-ups for non-conifer new planting, driven by ESG considerations and not just related to carbon.

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

England

Political Overview – The UK Government has a commitment to plant 30,000ha/yr across UK by 2024 and significant funding (£640m+) has been allocated across the term of government. However, the forestry minister appears to be more focused on the type of trees that are planted, than on achieving the target and this will almost certainly place a huge drag on efforts to achieve the kind of increase required in England to contribute its share to the 30,000ha target. Confor has repeatedly presented information and evidence on the need for, and multiple benefits of, modern mixed productive forestry, but the anti-conifer lobby's continued use of out-dated misrepresentations appears to still hold considerable sway. This puts the focus on the broadleaved resource to lead the way in low-carbon wood production, but with limited quality, extended time horizons and the obstacle of grey squirrels and deer it's clear that policy isn't joined up.

Forestry and timber policy priorities – Defra plans to launch a comms campaign early in 2022 and we expect to see a new England Woodland Creation Offer. The transition to a post-CAP farming policy and associated delivery mechanisms will impact on forestry including the Sustainable Farming Incentive and the Landscape Recovery and Local Nature Recovery schemes which have trees and woodland embedded throughout them. As part of the 2021 Trees Action Plan we will take forward work on a Timber Policy Roadmap and England Forest and Wood-based Industries Leadership Group and Industry Strategy.

Timber Market – Storm Arwen had a major impact in the north of England, and Confor will work with the Forestry Commission to establish the extent of damage and action to recover windblown material.

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.

There was some initial post-election concern when the forestry portfolio was 'downgraded' from Cabinet Secretary level to ministerial. However, there has been no signal, so far, that the direction of policy will change. The Bute House agreement brought the Green Party into government, and there has been concern that the Greens may be influenced by the type of 'last century' misrepresentation of the industry that can still be seen in Scotland from some in the NGO community. However, the messages from Ms McAllan remain supportive, and with a reporting line to the Net Zero Cabinet Secretary, this should ensure the planting targets remain at the forefront of Scottish Government policy in tackling the climate emergency. The separation of tree health from forestry policy is of concern, but Minister Slater's swift response to the outbreak of Phytophthora *pluvialis* has been reassuring.

Forestry and timber policy priorities – New planting is at or near target, and in recent years has delivered the balance of 60% productive that policy has sought to provide since 2012. Some ENGOs have sought to undermine this previously agreed principle by calling for a reduction to 50% which is frustrating when they were happy to accept many years of under delivery of productive planting and they ignore the native planting that is included in all productive schemes. The change of ministers has not prompted any change in policy and there still seems to be good recognition of the industry as low-carbon, including in its provision of wood products. The challenge will be to maintain that understanding and support if some ENGOs continue to push for even bigger slices of a growing cake.

Timber Market – The demand from Irish mills is reducing as more material is released from Irish forests, but reductions in softwood supplies from Wales and England will continue to make Scotland attractive to mills from elsewhere in the UK seeking softwood supply. Storm Arwen left behind 1 million m3 plus of blown timber, primarily in the North East and border areas, and Confor is working closely with Scottish Forestry to establish volumes and extraction/sale.

Wales

Political Overview – Wales has seen a positive swing in both the general political interest and specific ministerial engagement in forestry and timber products. The output of the "Trees and Timber Deep Dive" has signed the Senedd up to commitments on longer-term funding for afforestation, simplification of planting processes and the use of more timber to decarbonise Wales's economy.

Moving into 2022 there is a significant amount of work to do in bringing members of the Senedd up to speed with good practice and the reality of the forest industry. A series of individual and Cross Party Group meetings are proposed to address this.

Forestry and timber policy priorities – A new afforestation program will be developed in early 2022 to replace the now obsolete Glastir program. Close behind this will be the development of the Sustainable Farming Scheme. Confor and its Members will have to ensure that we are strongly engaged with the drafting, stakeholder and consultation opportunities.

2022 will also see the final draft of the Wales Agricultural White Paper which will seek to amend the 1967 Forestry act relating to felling licences. There is a political will to introduce greater development and habitat protection to the licensing process. We must ensure that any changes are equitable and appropriate and so not unfairly penalise the law-abiding landowner and agent or jeopardise availability of private timber in Wales.

Timber Market – The timber market has enjoyed a strong year and whilst prices have fallen back slightly they remain ahead of where they were entering 2019. The start of the year marks Natural Resources Wales' Liaison day, where Confor and trade Members have the opportunity to question the Felling and Sale Program for 2022.

Production from the public estate is anticipated to fall slightly to 750,000m3 and this appears due primarily to a lack of planning and staff resource within NRW. The output is also anticipated to change as thinnings and Standing Sales will take a large element of the volume sold.

It is anticipated that some of the larger businesses in Wales will seek to increase their UK wide purchases to counter the above developments and in the interim period Confor will continue to hold NRW to account in their role as a major part of the timber industry supply chain.

Northern Ireland

Political Overview – It is anticipated that there will be Assembly elections in May 2022. Confor intends to develop a forestry manifesto based on similar topics to those addressed in the Welsh and Scottish manifestoes developed last year. This will be focussed on the economic and climate change benefits associated with increased woodland creation of productive forestry and the use of wood-based products for construction. Confor will continue to engage with relevant Ministers and the Forest Service to keep the pressure on achieving planting targets and addressing the delays in processing woodland creation applications.

Forestry and timber policy priorities – At the Members' AGM held prior to Christmas 2021, a number of issues and priorities were agreed. Confor will continue to monitor the impact of the NI protocol on importing relevant planting stock and act when necessary. We will facilitate sub-groups focussing on forests and on harvesting/processing, and respond, when appropriate, to emerging issues such as charging for timber transport on public roads. It is anticipated that there will be a new planting grant scheme developed for 2023/24, so it will be important for Confor to be in a position to influence this.

Timber Market – Whilst the public sector owns the vast majority of productive forests in NI, there was a significant amount of material brought to the market by private sector owners in 2021, this is likely to have been in response to the strong demand and prices available during this period. The new production forecast will hopefully provide a clearer update of wood fibre availability for the next 25 years.

c. Looking beyond 2022

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. The current and foreseeable political and public funding climate points towards the sector providing at least a proportion of the resources required if these systemic issues – research and innovation, skills and recruitment, statistics and market information, and promotion of the industry, are to be addressed. In 2022, Confor will pilot a programme of additional projects that will add value to the sector. The intention is that these will prove the benefit of such activity and lead to increased resource in following years.

5. Confor's Business Plan Priorities for 2022 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. Promote positive attitudes towards sustainable productive forestry and wood-based products
c. Aid the economic development of the industry
d. Grow and promote markets for timber
e. Develop a low-carbon road map
f. Improve Member retention and increase recruitment

There is much more that Confor could seek to deliver in 2022 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 and a greater understanding of the benefits of producing wood, to those Members processing timber. Confidence in future supply underpins investment in the harvesting and processing elements of the industry, and the sector still faces forecast shortfalls in softwood supply and domestic hardwood processors are constrained by supply.

Political support for new planting is strong across the UK, but only Scotland is delivering. In England there is a big question mark against the likelihood of new planting including anything more than small amounts of productive planting (either conifer or broadleaf). There is also continued loss of productive forest through conversion to non-productive woodland and removal of the forest completely.

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.

Continued 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 2021 and will work with the Nursery Producers Group to discuss and communicate its further needs going forward.

In 2022, Confor will:

i. Review the new production forecast (expected by March) and utilise its findings to approach governments for action to tackle any future dips in supply in the coming decades and work in partnership with Forest Research to promulgate the outputs and potential impacts of the forecast on wood fibre availability generally over the next 25 years.
ii. In the context of the new production forecast, identify the potential role of short rotation forestry and continue to lobby for R&D in tree breeding for increased productivity and quality.
iii. Work with partners and Member businesses to research greater onsite fibre recovery, reporting to the Confor Board by November 2022.

iv. Identify and promote initiatives that will contribute to the future increase in wood fibre availability, such as future trees trust, conifer breeding co-op and Sitkaspruced project.

B. Promote positive attitudes towards sustainable productive forestry and wood-based products

Members often highlight the importance of the public, politicians and regulators understanding 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 increased political support, created a group of more knowledgeable journalists and built bridges with some environmental NGOs.

However, challenges remain and there has been significant negative media coverage in 2021 which is likely to continue as the industry becomes more prominent. Guided by a task and finish group, an external PR consultancy has been engaged and following interviews with Confor Members, employees and identified third parties/stakeholders it has prepared a plan for an active campaign to raise awareness amongst key audiences of the significant benefits of producing more home-grown wood along with a first draft of key messages and means to deliver those. If funding can be secured, the campaign will run through 2022 beginning in January.

Part of the negative media has related to concerns by local communities about new planting proposals, and it can be expected that this will increase. Confor produced guidance in 2016 which drew heavily on experience in the sector and was supplemented by a number of good practice case studies. There is now a need to further improve the sector's skills in stakeholder engagement, building on this earlier work.

Alongside this, there is a need to help Members communicate modern forestry practice, whether that is in harvesting or planting forests. Confor will also continue to develop its work with the Members' communications group to amplify industry messages and respond to critics/opponents who are likely to emerge as the sector expands its activities.

Confor's biodiversity report is an important asset, not least as a 'biodiversity crisis' is often linked to the climate emergency, especially when it comes to the natural environment. The report will be a key part of the changing attitudes activity, not least in making the point that modern productive forestry can aid biodiversity as well as help achieve net zero.

In 2022, Confor will:

i. Execute a PR campaign that focuses on the rising demand for timber – short and longer term – and the need to secure a low-carbon material for net zero and to contribute to a green recovery.
ii. Develop materials that Members can access through a Confor ‘resource hub’ to support communication on harvesting and planting forests.
iii. Develop an appropriate training programme for forest managers on stakeholder engagement.

C. 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. The recruitment of Andy Leitch has strengthened co-ordination on economic development issues with the Scottish Industry Leadership Group (SILG), and Confor is playing a leading role in the development of similar ILGs and industry strategies in England and Wales.

In 2022 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, providing secretariat services and organising their regional events. Where appropriate, Confor will proactively initiate, develop and/or facilitate industry wide projects in workforce development, product and market development, resource efficiency and wood promotion.

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. Increased adoption of digitisation 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 2022, Confor will:

i. Support the Scottish ILG in their delivery of the ambitions of Roots for Further Growth, operating 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 England ILG and an associated industry strategy for economic growth.
iii. Continue to play a lead role in further developing a Welsh industry strategy.
iv. Explore and identify opportunities for cross border collaboration in delivery of these initiatives such as a technical training hub/network and Borderlands Forestry innovation Centre.
v. Support other industry led initiatives when appropriate and/or required, such as the paperless delivery advice notes.

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 (WfG) which pulls together partner funding and expertise. Alongside its already impactful ‘Wood CO2ts less’ campaign which promotes the low-carbon benefits of wood products, WfG will also be focusing on promoting the biophilic and circular properties of wood in 2022. There will also be a renewed emphasis on the forestry ‘side’ of these stories and updated animations and other promotion materials to highlight the carbon exchange involved in growing trees and using wood fibre in construction.

Now that all three GB administrations are showing a keen interest in increasing the use of wood in construction and adding value through manufacturing, there is potential for collaboration in innovation and R&D activities in new wood products and market development, e.g. with Napier University, NMITE, Bangor University, Scottish Construction Innovation Centre, Offsite Solutions Scotland and others. Where appropriate, action here will be developed with the ILGs and/or others.

In 2022, Confor will:

i. Support and work with Wood for Good to promote the low-carbon, circular and biophilic benefits of using wood.
ii. Work with and monitor progress of the relevant administrations on policy and practice on roadmaps to increase the use of wood fibre in construction.
iii. Work with members to identify and highlight priority topics and issues that may be addressed through R&D activities.
iv. Engage and, when appropriate, direct/initiate product development and R&D activities related to these objectives.

E. Develop a low carbon roadmap

There are reputational and practical reasons for Confor and the industry to take further action to understand the carbon impact we have as businesses and as an industry through our work with trees and timber.

Confor has engaged Eilidh Forster to assess the timber supply chain and seek to identify and measure the carbon emissions from business activity, ie not just the carbon impact of tree planting or wood use, but the carbon emitted by businesses in the course of establishing, managing (existing and new woodland) and harvesting and the processing of wood products. In consultation with businesses, Eilidh will then aim to develop a roadmap for reducing carbon in the supply chain.

Other sectors are already developing such roadmaps, and individual businesses in the forestry and wood processing sector have completed or are developing assessments of carbon in their activities. It is also clear that governments are beginning to take action to reduce carbon from business activity with, for example, the removal of the ability to use red diesel in wood processing facilities and changes to rules on ploughing when planting new woodland. These activities will only increase and it's important that the industry is able to get on the front foot and seek to establish where carbon reductions can be made most effectively and present that to ministers rather than wait for regulators and new legislation to drive change.

In 2022, Confor will:

i. Undertake a carbon assessment of the supply chain so that Confor can develop a road-map with Members for the industry which will be presented to governments as a means to target measures to reduce carbon emissions.
ii. Identify with Members how to take forward the outputs from the road-map.

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.

A point of real concern has been a fall-off in woodland owner and small company membership in the last three 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.

The appointment of a full-time membership and marketing officer provides Confor with the resource to professionalise its activities, including gaining better insight to Members and growing the membership base. As well as bringing in additional income, having more Members strengthens Confor's position when speaking on behalf of the sector.

A new subscription mechanism for large companies has been developed and is being rolled out. A review of current benefits for members is currently underway, and the membership team will be exploring new ways to promote the current benefits and any potential new benefits to current and prospective members. Confor's membership directory is due to be delivered in 2022.

Going forward we will aim to have a full programme of Member regional and technical committee meetings and we will continuously review their focus and relevance with Members. We will also develop a simple but effective way of communicating the objectives and outcomes of these groups to the wider membership.

In 2022, Confor will:

i. Review the "Member offer" by March 2022 ensuring an attractive set of benefits and incentives for retaining membership alongside marketing to new members and develop a membership strategy to include processes and actions for the different stages of the membership 'journey'.
ii. Introduce continued and regular evaluation of Member satisfaction by May 2022, to inform the building of strong and trusted relationships with every Member.
iii. Review woodland owner and small company subscriptions in time for the new subscription year in October.
iv. Deliver a Membership directory by July 2022.
v. Develop and implement a recruitment campaign for woodland owners.

6. Political engagement and horizon scan

Confor's political activities play a key role in helping to deliver many elements of the business plan, as well as being vital in the sector's response to arising issues and consultations. Confor maintains a public affairs plan and linked PR activity which is shared and updated with the Advisory Board.

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 public affairs and policy officer and a membership and marketing officer, and is working with a carbon specialist. These key posts will strengthen Confor's performance and support to Members. When added to four new appointments in 2020 and recruitment of a new national manager for Scotland and communications manager in early 2022, it represents significant change for a small team. In response the CEO will prioritise welcoming and embedding new team members in 2022.

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. In 2022, Confor will recruit a new national manager for Scotland. Further consideration will also be given to succession planning and cover for staff roles.

Financial Management

Strong financial management is key to managing risk in all successful businesses. The appointment of an experienced head of finance has assisted 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. 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 will be extended in 2022 following the appointment of a policy officer.

Pests and disease

Plant health remains a vital issue. It is a continuing significant threat to the sector that could require an immediate and substantive response from Confor that would impact on delivery of the business plan. Confor continues to raise awareness of the need for effective controls at the border and vigilance to detect outbreaks in the UK. If an outbreak did require a substantive response from the Confor team, then activities under the "Promote positive attitudes towards sustainable productive forestry and wood-based products" and "Aiding the economic development of the industry" activities would be reviewed first to free up staff time.

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). Normally Confor would expect to return a small operational surplus overall allowing for minor fluctuations from year to year. Given the growth in reserves in recent years and the importance of issues like carbon, the Board has authorised a budget for 2022 that forecasts a small deficit.

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 2022.

Confor
January 2022

Confor

Promoting forestry and wood