

## Scottish Forestry and Timber Technologies Industry Leadership Group

1<sup>st</sup> October 2014 Apex House Edinburgh

### In attendance

Martin Gale (Chair)

Andy Leitch (AL)

Alistair McKinnon (AM)

Paul McGrath (PM)

Neil Donaldson (ND)

Colin Kennedy (CK)

Cameron Maxwell (CM)

Stuart Goodall (SG)

Sean Smith (SS)

Guy Watt (GW)

Elizabeth Stark (ES)

### 1. Apologies

David Sulman, Tom Bruce Jones, Scott Gordon, Derek McDonald, Fergus Tickell, Ed Suttie, George Webb, Alex Brownlie, Gavin MacKay, Steve Harrison

### 2. Welcome and Introductions

- MG welcomed the Group.
- A summit to review 'Roots for Future Growth' (RFG) was held in May 14, and the outputs of this meeting will be used to inform an updated dynamic action plan.
- The intention is to have an ILG that will be 'fleet of foot', not just another industry tier. We intend to be responsive to opportunities, not problem orientated.

### 3. Summary of Key Issues arising from the summit

- AL outlined prioritised key issues. It is widely agreed that the content of RFG is still current, and the aims therein remain mainly the same.
- It was agreed that we must ensure that the priority is to maximise yield and economic activity from our forests, whilst continually restating that restocking and new planting of productive tree species is fundamental for Scotland's forest and timber technology sector. Confor is taking the lead on this, but there should be a couple of paragraphs in any future strategy documents highlighting the importance of this activity.
- It was discussed that carbon sequestration targets may be under threat due to the reduced restocking of productive conifers in favour of slow growing native hardwoods and conversion to other land uses.
- There was discussion about lobbying around the reduction of VAT for timber growers. Tax dispensation agreements are to be decided soon.

**Action:** Stuart Goodall volunteered states to make enquiries with contacts to clarify rules.

- It was agreed through discussion that the refreshed action plan will highlight the collaborative approach taken by industry to deliver RFG. Actions published in the refreshed RFG action plan won't necessarily be led by Scottish Enterprise. The process must be in partnership with industry.

The meeting then discussed the aims of the 4 Focus areas within RFG. The following are key points arising from this discussion:

### **Focus Area 1: Maximise productive capacity of Scotland's Woodlands and Forests**

- A body of information must be built around the industry, with real defined boundaries and defensible figures. It must take complexity into account, as there is much space for error. Sample size must be taken into account, especially when calculating GVA and employment.
- MG stated that it would be advantageous to achieve impact by collating big potential figures of value, which should include carbon figures, in order to promote the industry outwardly.
- There should be work conducted to assess future opportunities, especially in the areas of biotechnology and energy, even as a response to opportunities in other regions/countries.
- MG proposes GW to conduct such a study, and suggests that the focus should be on 'Timber Engineering in Construction', with a secondary focus in 'Biotech and Future Opportunities.  
**Action: AL and GW.**
- There must be a plan as to where to target reporting. If the minister is on board with the message but there is a blockage somewhere else in the chain, then energies must be focussed there. Councils and local authorities unfortunately do not tend to be interested in more over-arching economic activity, but instead on local impact and amenity. The right minister must be contacted for the right task.
- The introduction of SRDP 14 and the transfer of single farmer payment should help incentivise additional new planting.

### **Focus Area 2: Grow and communicate the industry's contribution to Scotland**

- Collate economic argument and communicate to correct audience(s).
- Consider focus group on specific opportunities such as advanced manufacturing in construction.
- Have discussions at next ILG about ILG relationships with current schemes/groups/activities (Scottish Timber Market Impacts Group, Wood For Good/Grown in Britain, etc)
- Look at developing close working relationships with other ILGs such as Construction Scotland and Chemicals Scotland.
- Refresh website and activity. Important that the members of the Group promote the website where possible. **Action: AL**

### **Focus Area 3: Grow the market share and value added of Scotland's forest products**

- Wood fibre refining and modification is an emerging growth market.
- There is an exciting opportunity for growth in manufacturing around off-site construction. The construction industry may be transitioning towards a manufacturing base.
- Must learn what language to use in engagement when selling timber as an important material within this opportunity.
- Must emphasise the benefits of using timber in offsite construction, and innovation in construction methods, no matter what business area.
- A lot of innovative timber buildings using home-grown product are being built, but not on a large scale. The challenge is to make this a mainstream trend (schools etc) and increase visibility. It is hoped that the Construction Scotland Innovation Centre can be used to push this agenda. **Action: AL to have initial discussion with new Head of Innovation Centre.**
- ILG to concentrate on 'the industrialisation of timber construction.' MG proposes to form working group on this basis and along these lines. Half a dozen or so experts. **Action: AL to shape and name group.**

### **Focus Area 4: Grow the skills and capacity of our people**

- A Skills Action Plan for the sector has been on table previously, but there wasn't enough resource/energy to take forward. It was agreed that this plan should be revisited, refreshed and taken forward.
- SDS have an important part to play in supporting the ILG take the plan forward. AL has already started discussions with Ian Goudie of SDS about organising a small task group to do this, however Ian is currently on sick leave. **Action: AL to follow up with SDS.**

#### **4. Future Structure of ILG.**

- MG proposed to revisit this topic once we have the results of the economic study being carried out by GW.
- It is anticipated that GW will be in a position to provide an overview of his findings by the end of January in time for the next ILG meeting.
- It was agreed that any task group formed must have clear terms of reference and will require the support of ILG members and their companies/organisations.

#### **5. Date of next meeting.**

It was agreed to set the date for the next meeting early in late January/early February 2015. An exact date would be fixed at a later date.