A Fund for our Future?

Andrew Heald
Central Scotland SFTT
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Purpose of this presentation

Consultation with members to secure feedback on what you'd want to know, and what you'd want do see answered, before we prepare a detailed proposition.

This feedback will inform development of a Prospectus.

This is the beginning of the process – number of steps to go through before getting to any final position.

Why a Fund?

As the sector grows and matures we face big challenges, but also big opportunities:

- Industry-relevant research
- Up-to-date statistical and market information
- Skills development and Recruitment
- Promotion of our industry

Many of our international timber and domestic material competitors have a Fund, should we?

Why should we consider it?

- No equivalent to the 'old' Forestry Commission to tackle challenges of funding industry relevant research, public opinion, skills shortages and statistical or market information for the UK
- Governments and their agencies expect industry to lead and to provide/contribute funding
- Public funding is under pressure – we need match funding to secure more public funding
- No political support for a statutory levy

What could the Fund support?

- Tree improvement for greater yield and resilience
- Increase knowledge of the properties of UK-grown timber, maximising its use in higher value markets
- Timely, business-friendly statistical information on harvesting and what's planned to be felled
- Regular studies on future supply and demand
- Raising awareness and understanding of the industry
- High-quality entrants into the sector and up-skilling along the supply chain
- Etc
- Key action before making a decision on a Fund will be to define and cost this more explicitly

What is Confor doing?

Six steps:

1. Define a model mechanism to raise and distribute funding - basis for member feedback
2. Get feedback on what members would want to know before making a decision on a Fund
3. Based on that feedback prepare a detailed Prospectus for the Confor Board to sign off
4. Get feedback from members on the Prospectus, including commitment from collecting companies
5. Prepare a formal business plan for Board sign off
6. With the business plan available, hold a vote on whether to establish a Fund and ensure that collecting businesses are fully ‘signed up’

What is the model?

The model mechanism to raise and distribute funding proposes:

- Raise 10-20p per tonne, £700k-£1.4m p/a – start at a lower rate until build capacity?
- Identify and collect funds on entry to mills
- Everyone pays – public and private growers (track through supply chain?) – need to ensure wide buy-in
- UK and Scottish officials positive about new public funding – total budget £1-2m per annum?
- Administered by a subsidiary businesses of Confor, (a Trust?) tasked to identify strategic industry need in eligible areas and to establish a fair and transparent means to distribute funds raised

Feedback

Welcome feedback on the following:

- Principle of establishing a Fund
- Suggested eligible activities to support
- Proposed budget and collection mechanism
- Key information that you'd want to know before making a final decision