



TIMCON WEEKLY INDUSTRY COVID 19 UPDATE:

TIMCON will be providing an industry round up of COVID 19 developments, using originally sourced material and information gathered from our colleagues at other timber related organisations and bodies to give an overall, related picture.

Our members are key to keeping the supply chain going and ensuring food and medicines are supplied to the public in the UK and the Republic of Ireland.

TIMCON is liaising with HM Government and other related bodies and organisations on the situation on the front line of the timber packaging, pallet and forest-based industry. We would like to hear from you on what issues you are currently facing to allow us to feed this back to Government.

Contact Stuart Hex at info@timcon.org

You can also find us on [LinkedIn](#) where up to date and latest information is posted daily.

Issue 4 – 27th April 2020

Government update:

WALES:

Written Statement: A Framework to Lead Wales out of the Coronavirus Pandemic

The Welsh First Minister, Mark Drakeford has provided the above on the 24th April. This framework is based on three pillars. Firstly, it sets out the measures and evidence by which the Welsh Government will judge the current infection level and transmission rates for coronavirus in Wales.

Secondly, it sets out a series of principles by which we will examine proposed measures to ease the current restrictions, grounded in both scientific evidence and wider social and economic impacts.

Thirdly, it sets out how we will enhance our public health surveillance and response system to enable us to closely track the virus as restrictions are eased, and how this system will protect people's health.

Tougher rules from Saturday 25th April will make it clear people cannot stay or exercise outside their area. But some restrictions in Wales could be eased at the end of the current three-week lockdown period, the first minister says.

Debenhams warns its biggest stores in Wales could shut permanently unless the Welsh Government agrees to offer business rates relief.

Coronavirus announcements pertinent to Wales can be found here:

https://gov.wales/announcements/search?field_policy_areas%5B980%5D=980

SCOTLAND:

Coronavirus (COVID-19): framework for decision making:

The Scottish First Minister, Nicola Sturgeon has set out the challenges Scotland faces and outlines the approach and principles that will guide them to make decisions about transitioning out of the current lockdown arrangements.

To keep up to date on Scottish Government announcements, go to:

https://gov.wales/announcements/search?field_policy_areas%5B980%5D=980

ENGLAND:

The Prime Minister Boris Johnson today (27th April) said the government should only ease up on the lockdown when it is confident there will be no second peak. He advocated "maximum transparency" about how the decisions to relax restrictions are taken and to involve the opposition parties as much as possible.

Coronavirus testing:

As part of the government's 5-pillar strategy for coronavirus testing, tests are now available for essential workers who have coronavirus-like symptoms to see if they currently have the virus.

<https://www.gov.uk/guidance/coronavirus-covid-19-getting-tested>

So far the site is only allowing the booking of circa 1000 workers per day, suggesting testing availability is extremely low.

List of essential workers below covered:

<https://www.gov.uk/guidance/coronavirus-covid-19-getting-tested#essential-workers>

DEFRA COVID-19 Industry Group:

Frustration among the industry with different messages coming out from different governments which is a cause of concern since Scotland primarily supplies the demand in England.

England is relatively at ease with access to harvesting, but Scotland is more stringent, and police enforcement and peer/social pressure continues. Still needs to be resolved as an issue.

Lack of demand for sawlogs is the biggest impact constraining activity, however demand for products not related to new-build construction is very strong. The return of demand for sawlog material in Scotland in particular would be beneficial to the whole supply chain.

Previous reports of difficulties with labour and machinery have not been sustained, but more general concerns over worker accommodation and safety are being reported.

CONFOR reported that there is localised difficulty around haulage. This is mainly due to road closures, furlough and corporate social distancing policies.

It was reported that insurance companies have begun to cut their credit facilities by 50% which is making it very difficult to maintain activity. It is putting a cap on the industry's ability to trade. TIMCON reported that across the industry credit limits are being scrutinised and it is becoming very tight. The industry is being put into the high-risk category and lumped with construction and this needs to change. It was understood that the insurance industry was liaising with HM Treasury to categorise industries in this way. Defra agreed to open a line of communication to HM Treasury on this.

TIMCON raised concern again over Brexit and the January leaving date. Does not believe the UK will have enough time to keep up with ISPM15 demands. John Dye explained that as 1st January gets closer discussions need to be had around ISPM15 and how it is becoming almost impossible for the UK to be ready in time.

Stuart Hex, Secretary General, commented that Covid-19 crisis has highlighted how important the industry is to the UK and that thought needs to be replicated in the Brexit plans.

It was reported that Scandinavian mills were still working. BSW Latvia is also still working. Pallet timber from Latvia is still coming in, but if customers turn to importing Latvian or Scandinavian timber, this could affect the domestic market. Also, the possibility of further pinch points at ports.

CONFOR raised a query about key worker testing and which sectors this applies to, and that it only seems to be available in England. John Dye iterated that it was odd that a national issue is being divided into countries and added there needs to be some clarity from Government. Stuart Hex commented that the government COVID19 testing website was already down 1hr after it was launched due to demand, and there is a list of key workers outlined on the site, but asked how the government verifies an applicant is a key worker. Some further guidance needed.

It was understood that companies such as Persimmon and Taylor Wimpey have taken these weeks to determine and develop safe social distancing practises to allow them to restart. The same was being reported on the DIY sector. It was highlighted that it would not take long when companies restart for demand to cause the mills to re-open. It was suggested that it wouldn't take much for this cumulative demand to be greater than what is available from the domestic market, and might cause pinch points going forward.

TIMCON highlighted that it is difficult to put plans in place on the hope that construction will start. Whilst it is understood this is hard to predict, he explained that TIMCON and the wider industry need some sort of definitive date that construction work may start.

There was still frustration due the lack of flexibility with furlough and the minimum time. The biomass sector representatives reported that it is made up of micro businesses and SME's, the majority of whom are hampered by 3 weeks of furloughing at a time, meaning you cannot bring employees back in until after the 3 weeks is over. Biomass customers like schools and public sector establishments for example, have now closed in what is now the

tail end of the heating season. Slump in oil prices has also meant that biomass is not as economical as it was.

It was reported that the industry is seeing less absenteeism.

Future discussion in the group will also now consider the potential risks weeks and months ahead.

Other information

- **Construction Products Association:**

Key developments seen this week include some house builders indicating they are gearing to reopen some sites beginning as early as next week and into May.

Taylor Wimpey is reporting it will restart on sites from the week of 4 May in England and Wales, while Vistry Group is to restart work on a significant number sites and 90% of joint ventures from today (27 April) with focus on homes where we have clear visibility of completion and hence cash realisation. Persimmon reports it is planning a phased restart to work on site from 27 April too. Other major house builders are also looking to return in the next 2-3 weeks and although it may be that this reflects activity on partially completed developments, the main concern from a market perspective remains where the demand will come from after this initial work.

Note: TIMCON has a call planned with CPA on the 29th April – further updates pending.
(source TTF/CPA)

Taylor Wimpey's plan (Source: UK Construction Weekly):

- Remobilisation to start on 4 May with a phased process based on detailed new site operating protocols developed in compliance with strict social distancing requirements, on the majority of its sites in England and Wales
- Sales centres, show homes and regional offices to remain closed while the housebuilder monitors latest guidance around social distancing. It will continue to provide service to customers and sell remotely and digitally
- Taylor Wimpey's site management teams will use the week commencing 4 May to prepare sites for a new method of operating with the first subcontractors returning on the week commencing 11 May.

Since closing its sites on 24 March, Taylor Wimpey said that it has worked closely with its partners, reviewing guidance issued by the Construction Leadership Council (CLC) and taken advice from the Health and Safety Executive, to assess each and every aspect of its site activities and address the changes that need to be made to comply with the restrictions imposed by social distancing requirements.

https://ukconstructionweek.inloop.com/en/article/72427?utm_source=Mailjet-ukconstructionweek&utm_medium=newsletter&utm_campaign=ukconstructionweek-1792-s-en-240420

Latest 27th April:

Redrow is the second major national housebuilder to announce a re-opening of construction sites within the last few days. <http://www.ttjonline.com/news/further-uk-housebuilder-redrow-to-return-to-construction-7892444/>

- **CONFOR**

Confor and FCA guidance on safe working

New guidance, prepared by Confor and the Forestry Contracting Association (FCA), delivers a set of consistent measures on sites of all sizes in line with the Government's recommendations on social distancing. It demonstrates that the sector, as a whole, is ready to resume full working when conditions permit. The guidance can be read via the link below.

<http://www.confor.org.uk/media/247708/forestry-worksite-safe-operating-procedures.pdf>

- **RHA**

The Road Haulage Association have co-signed an open letter to Government with the Cold Chain Federation, British Association of Removers, Association of Pallet Networks, Chartered Institute of Logistics & Transport and the Transport Association. The letter highlights that the impact of COVID-19 on the UK's road haulage industry has been colossal. Whilst some hauliers, primarily those in food and medicine distribution are continuing to operate, other hauliers are now really suffering, particularly those whose businesses rely on the construction, removals, waste recycling, car transporting, retail, manufacturing, events and fuel sectors.

Most businesses in logistics are SME's and whose cash flow reserves are low, causing concern for their future. When the economy restarts those logistics businesses will need move the things we need to make sure the economy picks up. To view the letter, go to: <https://www.rha.uk.net/getmedia/3058feb7-8936-4ef7-a6ab-c5e26ea9d075/Joint-Industry-Letter-17-April.pdf.aspx>

- **Confederation of British Industry**

The CBI have a Coronavirus Hub publicly accessible on their website, where they have collated everything you need to know about COVID-19, including advice, guidance, and what your business can do to help. There are also recorded webinars available providing advice and guidance through presentations, Q& A and interviews with business and political leaders. Go to: https://www.cbi.org.uk/coronavirus-hub/?utm_source=cbi_org&utm_medium=website&utm_campaign=slider&utm_content=homepage_slide1

CURRENT INDUSTRY SITUATION AS OF 27th APRIL 2020:

All key sectors are again reporting a 'steady' week, with the equilibrium reported last week being sustained, and scattered signs of increasing activity in the retail and processing sectors.

Harvesting remains at 60-70% a new uneasy normal.

Scandinavian mills are still working, although the TTJ reports SETRA (Sweden) a 20% reduction in production because of falling demand in Central Europe and the UK, with workers being furloughed. BSW Latvia is also still working according to reports.

There are tentative signs of increasing activity in sawmilling and panel board manufacturing as construction and house-building companies and builders' merchants attempt to re-start whilst complying with government guidance on social distancing. Predicting and monitoring the impacts of this on critical supply chains will be complex, due to the range of issues and interactions at play.

Nationally, reductions in supply of raw materials to the key-products sectors appear to be being balanced by equivalent reductions in demand. However, signs of re-starting activity in the panel board and paper sectors could impact on this in coming weeks.

Businesses remain keen to plan how to bring staff back to work safely once construction sector re-starts.

Concerns around the Brexit timetable very prevalent in the pallet sector. Pallet production and refurbishment is continuing as reported previously.

The general mood in the pallet sector is more positive than previously, with wholesale and retail activity showing signs of returning and pallet supplies and pools stabilising.

Lack of carcassing timber activity a concern if there is a lag in the system, with demand for pallets increasing ahead of corresponding increased demand for construction timber. However, this appears likely to be short-lived if it arises.

Demand for fencing materials in parts of the country continues to grow strong.