Cyfoeth Naturiol Cymru
Natural Resources Wales

Woodland Social Enterprise in Wales: Data Baseline
March 2014

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SHARED ASSETS

Co-op Culture

Woodland Social Enterprise Baseline report

Shared Assets & Co-op Culture for Natural Resources Wales
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Stage 2: Wales

Table of Contents

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1. Executive Summary

1.1 Background and aims

This research was commissioned by Natural Resources Wales, through Forestry Commission GB, to better understand the current woodland social enterprise sector in Wales: how many enterprises exist, what they are doing, what potential there is for the sector to grow, and what indicators could be used to measure any growth within the sector. It was undertaken by Shared Assets from January to March 2014, in parallel with a similar survey in Scotland. The same survey had been run in England in October – December 2013.

1.2 Methodology, and caveats

A mixed methodology approach was taken, with the key data source being an online questionnaire for woodland social enterprises, with a less detailed version for aspiring enterprises. This is the source of the quantitative data in this report. This was supplemented with semi-structured telephone interviews with five questionnaire respondents and three representatives of funders, landowners and support organisations.

1.3 Definitions

This research has used a relatively open definition of a woodland social enterprise as:

- Being woodland based, or operating in a woodland setting;
- Having primarily social or environmental objectives, so not being primarily for private profit;
- Earning income through trade of some sort – not totally reliant on grants or donations.

1.4 Key findings

Sections 6 – 9 outline the findings of this research. In summary:

- There were 38 responses in total, with 30 that met the criteria for woodland social enterprise above
- Responses came from across Wales
- 60% (23 of 38) had been formed in the period between 2001 and 2010, with 5 forming since 2011
- Just over half (56%) of respondents' organisations are companies limited by guarantee; 28% of respondents' organisations have charitable status.
- Woodland management was the most commonly chosen key activity
- Respondents engage with 1135ha of woodland in total (the median amount is 30ha), and manage 819ha (median 12.5ha)
- 48% of respondents reported breaking even or making a loss
- There is a supportive grant landscape in Wales, but most respondents reported some trading activity

1.5 Potential indicators to measure growth in the sector

The data here is a snapshot at one point in time, and is limited. It does however form a basis from which to develop a data baseline.

The risk of deciding on specific indicators to monitor and measure is that "you get what you look for"; growth, change and innovation may be happening locally but not captured by indicators. It will be important to revisit this data to assess changes and development.

We suggest below some potential indicators and different ways of collecting data. In summary, it would be useful to continue to capture information on:

1. Number of enterprises that meet the three broad criteria for woodland social enterprise;
2. Number of full time equivalent staff, and volunteer hours;
3. Diversity of activities and impact;
4. Woodlands engaged with, and managed, in ha;
5. Security of tenure / legal relationship with woodlands;
6. Turnover and surplus[1], both absolute and per hectare; and
7. Use of surplus.

We have suggested different levels of information that could be collected with different resource availability and three different but not mutually exclusive ways of collecting and analysing this data. Given the developing nature of the sector, it would be useful to revisit this data in around two years' time, if resources allow.

[1] The balance at the end of the year, after costs have been taken into account.

2. Background and Aims

Shared Assets was commissioned by the Forestry Commission and Natural Resources Wales (NRW) in September 2013 to capture information on the number and type of woodland based social enterprises operating in the UK.

There were two stages to this work: Stage 1 involved developing a methodology and then testing that across England in October – December 2013. Stage 2 ran from January – March 2014 and has used this methodology across Scotland and Wales. This report outlines the results of this work in Wales.

2.1 Objectives

This work set out to answer the following questions, as set out in NRW's brief:

- How many woodland based social enterprises are currently operating in Wales?
- What area of woodland do they engage with (manage / utilise)?
- What type of activity are they undertaking (i.e. woodland management, health / education services, recreation, renewable energy)?
- What type of enterprise tools are they using (i.e. community share offers, trading)?
- What is the potential size of the sector (is there evidence of demand/potential/intention for the development of new social enterprises)?
- What are the most appropriate indicators for demonstrating change within the sector that would be useful to a range of stakeholders?

The two key outputs at this stage are a database of woodland social enterprises, and this report. This report summarises the data, discusses definitions, the future of the woodland social enterprise sector, and suggests indicators to demonstrate any future changes in the baseline data.

3. Current Context, and Defining Social Enterprise

3.1 Context

The Governments of England, Scotland and Wales have an interest in the role that social enterprises can play in delivering public services.

The UK Forestry Standard[2] sets out the approach of the UK governments to sustainable forest management. This includes the Forests and People[3] guidelines, which state that woodland owners and managers should:

- Consider the potential for developing sustainable woodland-based businesses and livelihoods and how this might be explored with interested parties and through local co-operation;
- Consider permitting the use of forests for sustainable low-key community uses, especially where such uses are linked to cultural activities or are established by tradition;
- Consider permitting or promoting the use of forests for education and learning activities of all kinds.

The Welsh Government's Woodland Strategy – Woodlands for Wales[4] supports the development of "*models for woodland-related social enterprises that create jobs, develop skills and provide a mechanism for sustainable local development".*

The NRW managed Woodlands and You[5] programme aims to simplify and facilitate community, individual and social enterprise use of the Welsh Government Woodland Estate, including food growing, training and social enterprise, access and regeneration projects

Significant EU funding is invested in the rural economy in Wales. The Welsh Assembly Government is currently (in March 2014) consulting[6] on the new Rural Development Programme for Wales, funded through the Common Agricultural Policy. The delivery of the 2014-2020 European Regional Development Fund and European Social Fund programmes is also currently being reviewed.[7]

The Welsh Government is also funding, with the EU, "Focus on Forestry First"[8], supporting skills and business development in the tree and timber sector. EU and Welsh Government funding also supports a social enterprise support project delivered by the Wales Co-operative Centre[9].

[2] Available at: http://www.forestry.gov.uk/ukfs
[3] Available at: http://www.forestry.gov.uk/forestry/infd-8bvgl5
[4] See: http://www.forestry.gov.uk/wwstrategy. See page 33.
[5] See: http://www.forestry.gov.uk/forestry/INFD-8J2GJ9
[6] See: http://wales.gov.uk/consultations/environmentandcountryside/wales-rdp-2014-2020-final-proposals/?lang=en
[7] See: http://wefo.wales.gov.uk/applyingforfunding/?lang=en
[8] See http://www.focusonforestryfirst.co.uk
[9] See http://wales.gov.uk/topics/people-and-communities/regeneration/socialenterprise/?lang=en and http://www.walescooperative.org

3.2 Defining Social Enterprise

We initially defined woodland social enterprises as organisations that are woodland based, with social or environmental objectives and some trading income from selling goods or services.

There is no legal form that defines social enterprise; it is better thought of as an approach to doing business rather than being tied to a particular legal or governance structure. Charities, co-operatives and limited companies can all be social enterprises.

According to Social Enterprise UK[10], social enterprises should:

- Have a clear social and/or environmental mission set out in their governing documents
- Generate the majority of their income through trade
- Reinvest the majority of their profits
- Be autonomous of the state
- Be majority controlled in the interests of the social mission
- Be accountable and transparent

Stewart (2011) recognises that while there is a broadly accepted definition of social enterprise as being businesses that operate with primarily social or environmental objectives, the "details underlying what exactly constitutes a social enterprise are highly contested"[11].

The National Assembly for Wales' Enterprise and Learning Committee has produced a useful report on the role of social enterprises in the Welsh economy[12]. The Welsh Government aims to *"provide [social enterprises] with the right support to develop, grow and flourish"*[13].

3.3 Woodland Social Enterprise and Social Forestry

Social enterprises operate in many different sectors of the economy. This report looks specifically at woodland-related social enterprise. A defining feature of the private forestry sector in the UK is that it is heavily publicly subsidised; the definition of a social enterprise as being independent of grants may not apply here.

Crabtree (2013)[14] discusses social enterprise in a woodland context, saying that social enterprise can be seen as either a particular type of organisation, or as an activity. In either case there is business activity, which generates income to further a

[10] See: http://www.socialenterprise.org.uk/about/about-social-enterprise#what%20are%20ses
[11] Stewart, A (2011) "Woodland related social enterprise – Enabling factors and barriers to success". Forest Research. Available at: http://www.forestry.gov.uk/fr/INFD-84JD86
[12] See: http://www.assemblywales.org/the_role_of_social_enterprises_in_the_welsh_economy_-_e.pdf
[13] See: http://wales.gov.uk/topics/people-and-communities/regeneration/socialenterprise/?lang=en
[14] Crabtree, T (2013) "Social Forestry Pilot Project Final Report: Supporting woodland economies in AONBs" The National Association for Areas of Outstanding Natural Beauty. Available at: http://fieryspirits.com/group/woodlands-and-forestry/forum/topics/social-forestry-pilot

social or environmental aim. The report places social enterprise in the "grey area" between charities, striving for maximum public benefit, and private companies, striving for maximum private benefit. Forest Research[15] has developed a matrix exploring a spectrum from traditional woodland enterprise to community woodland groups, with social and community enterprises sitting in the middle.

Within this framework, the main thing that distinguishes a "social" from a "community" enterprise is that community enterprises are community owned and that staff are more likely to be drawn from the local community.

The framework describes features that both social and community enterprises are likely to have:

- 50% or more of income generated through the sale of goods and services;
- The potential to reduce staff costs through volunteering;
- A business plan in place;
- Less than 40% grant income or subsidy;
- 50-65% of profits spent on achieving social and environmental objectives; and
- Assets held in trust.

3.4 Community Woodlands

Wales has a well-established community woodland association in the form of Llais y Goedwig[16], with 42 community woodland group members. Llais y Goedwig says that: *A Community Woodland is a woodland for people. They can be owned and managed by a constituted community group or simply cherished but, most importantly, used by local people. Community woodlands can be any woodland type, large or small, in either urban or rural areas, and vary in the level of community involvement.*

Many community woodland groups trade in goods, such as timber or firewood, or generate income through providing education or health services or by providing space for others to deliver these services. Not all will trade, or aspire to trade. Llais y Goedwig is part of an EU-wide funded project[17] investigating the use of non-timber forest products in social enterprise development in community woodlands.

A survey in 2010 found 138 active community woodland groups in Wales, with 23 (18%) of those defining themselves as social enterprises.[18]

[15] Ambrose-Oji, B, et al., (2014), paper in review with Forest Policy and Economics.
[16] www.llaisygoedwig.org.uk
[17] http://www.star-tree.eu
[18] Wavehill Consulting for Forestry Commission Wales, 2010. Available at: http://www.forestry.gov.uk/pdf/Wavehill-survey-CWGs-FINAL-REPORT-Feb2011a.pdf/$FILE/Wavehill-survey-CWGs-FINAL-REPORT-Feb2011a.pdf

4. Methodology and approach

Shared Assets took a mixed methodology approach to this research. The key data source is an online questionnaire, which was open for five weeks from 15 January 2014 to 19 February 2014. This was supplemented with five semi-structured telephone interviews with survey respondents and five with representatives of funders, support organisations and landowners. Each interview was between 40 minutes and an hour long.

We worked with Mark Simmonds of Co-op Culture to deliver the phone interviews with survey respondents. Interviewees were selected to give a mix of organisational and business types, as well as a geographical spread.

The survey was described as a "woodland social enterprise survey", and asked people to respond if they were involved in social or environmental activities in woodlands, whether or not they considered themselves to be social enterprises.

In order to get a picture of both the current size of the sector and its potential development, there were two routes within the questionnaire:

A. for existing social enterprises, asking about their aims and objectives, current activities, finances, woodlands engaged with, support needs and feelings about the future;
B. a less detailed survey for "aspiring" social enterprises, asking about their plans, proposed activities and what barriers they face.

38 individual responses were received to the survey[19]. A link to the survey was sent to known existing woodland social enterprises and community groups; it was included in the Llais y Goedwig newsletter, and appeared on other sector specific newsletters and websites, as well as on Facebook and Twitter.

21 responses were received from 47 groups[20] that were already known to the researchers and who were sent the survey directly. 19 of the responses were not directly solicited by us.

We estimated in the tender that there would be at least 20 responses to the survey.

4.1 Approach and survey design

In order to maximise the amount of data collected, a tight definition of social enterprise was not drawn at this stage. Organisations were filtered into the full survey (Route A), if they met three criteria:

1. being partly, mainly or entirely "woodland based";
2. with primarily social or environmental objectives[21] ; and

[19] One response was a duplicate and was discarded. One organisation from Wales responded to the England survey and their response was integrated into the analysis.

[20] Mailing lists were compiled from existing databases and internet research.

3. with at least some trading income – i.e. not totally reliant on grants or donations

Those who indicated that they aspired to meet any of these criteria were directed down Route B of the survey. If they indicated that they did not meet these criteria, and did not aspire to, they were routed out of the survey altogether (although they had the option to go back and change their choices).

The diagram below shows the routing process. A total of 30 respondents met the three criteria outlined above and went through to the full "Route A" survey; their data forms the substantive analysis reported below. All together 3 respondents (indicated by the yellow arrows) stated that they were aspiring social enterprises; their data has been used to inform comment on the potential future growth of the sector, but has not been included in the main analysis. Four respondents (indicated by red arrows) either did not meet, or did not aspire to meet, the three basic criteria, and were routed out of the survey (they were given the chance to go back and change their responses if they had misunderstood).

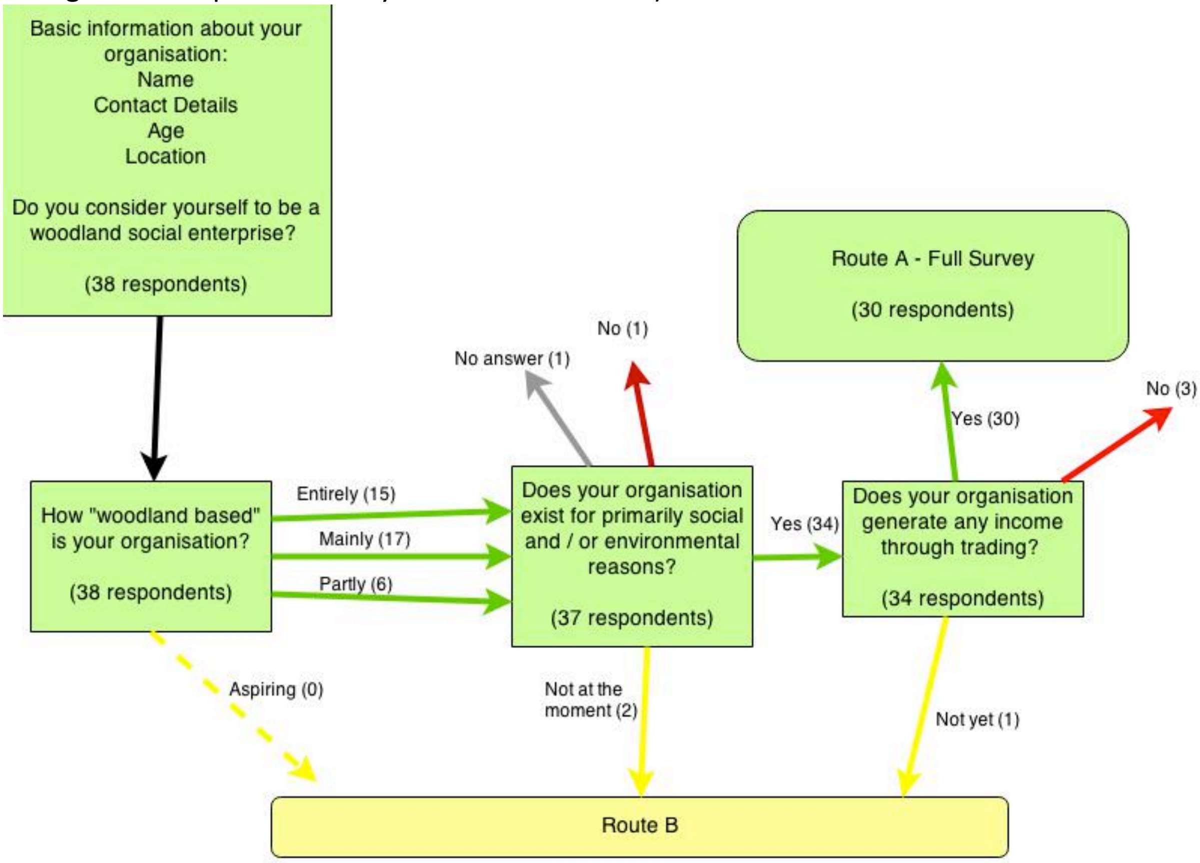


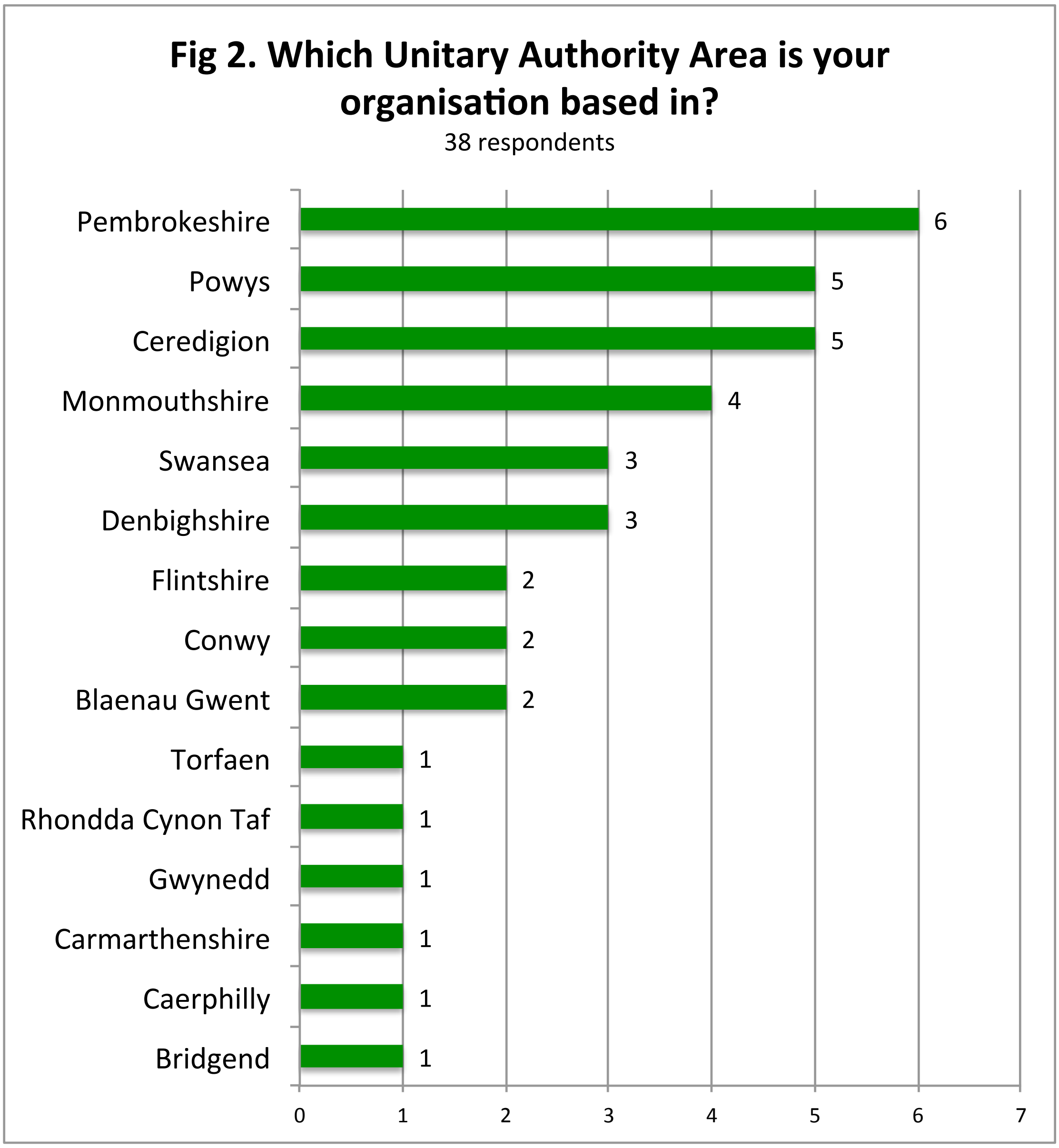
Fig. 1: Survey Design

[21] A note was added to the survey to make it clear that this did not preclude the need to generate income, but did preclude operating for entirely private profit.

Not every respondent answered every question. We discarded those responses where there was not enough information to be useful, but where organisations started filling in the survey but for some reason did not finish, we have kept their data in the analysis. We indicate the total number of responses for each question below.

4.2 Geographical Range of Responses

Respondents were asked to indicate which unitary authority area they are based in. The most common choice was Pembrokeshire, followed by Powys and Ceredigion.



4.3 Analysis

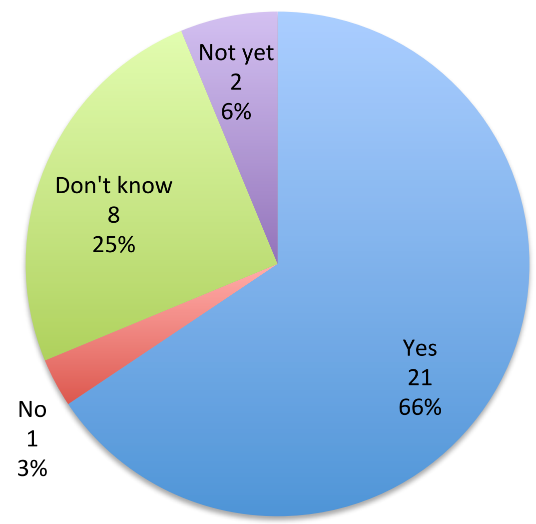
There was no manipulation or coding of the data; the information here is straight counts and percentages. The interview data was analysed thematically.

5. Survey Respondents

Before any of the filtering questions were asked, respondents to the survey were asked whether they considered themselves to be woodland social enterprises.

As Figure 3 shows, 21 of 32 respondents said that they did. 30 answered the initial filtering questions saying that they were woodland based, with social or environmental objectives and a trading income.

Fig 3. Do you consider your organisation to be a woodland social enterprise?
32 respondents



Six did not answer the question, but left comments;

- *We carry out ecology surveys in woodland.*
- *Part of our work is in a woodland.*
- *Farm woodland owner.*
- *We hope to develop one around the use of one of our woodland reserves.*
- *We are an ethical business.*
- *Local small business with social interests and links.*

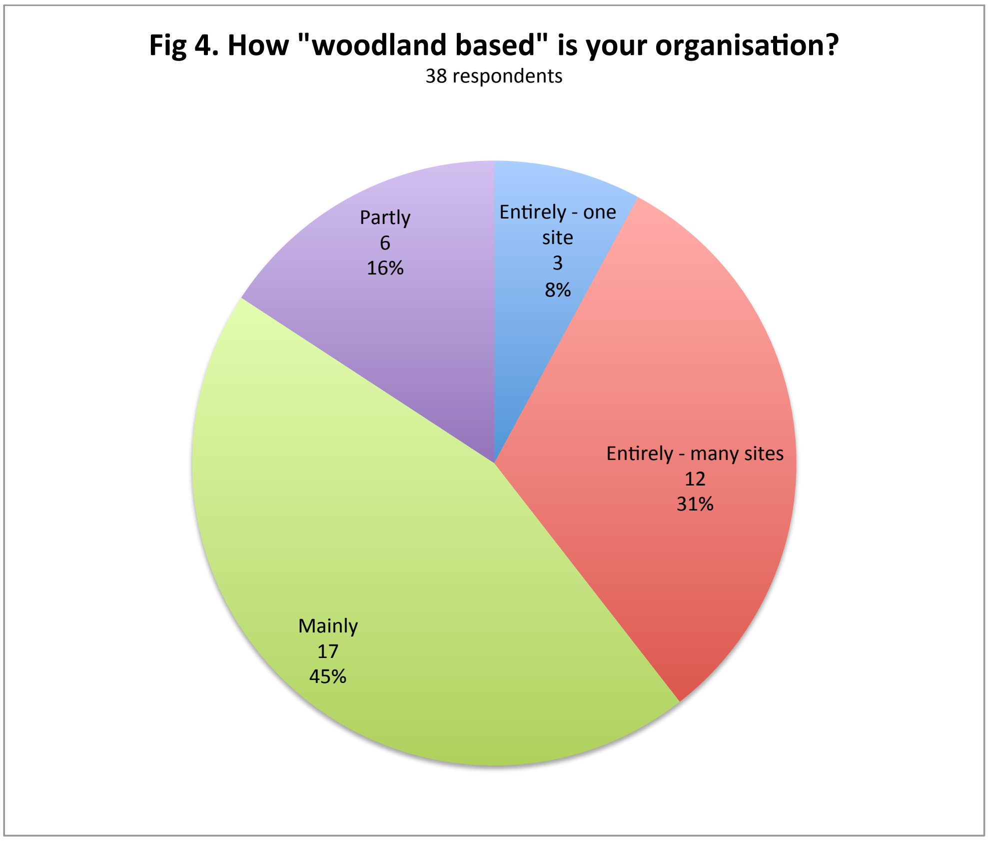
Some of those who ticked "don't know" also commented:

- *We own a patch of land which consists of a community orchard, allotments, some woodland and an ancient monument. Income, in so far as we have any, is used towards the purchase of the land.*
- *Running bush craft and woodland education for school groups.*
- *We are a charity who works in woodlands.*

5.1 Number Engaged in Woodlands

As described above, three filtering questions were asked to establish whether to route the respondent down Route A of the survey, for existing enterprises, or Route B, for aspiring enterprises.

All respondents to this question were engaged in woodlands in some way.



Comments showed the variety of levels of engagement with woodlands:
Some focus on one site:

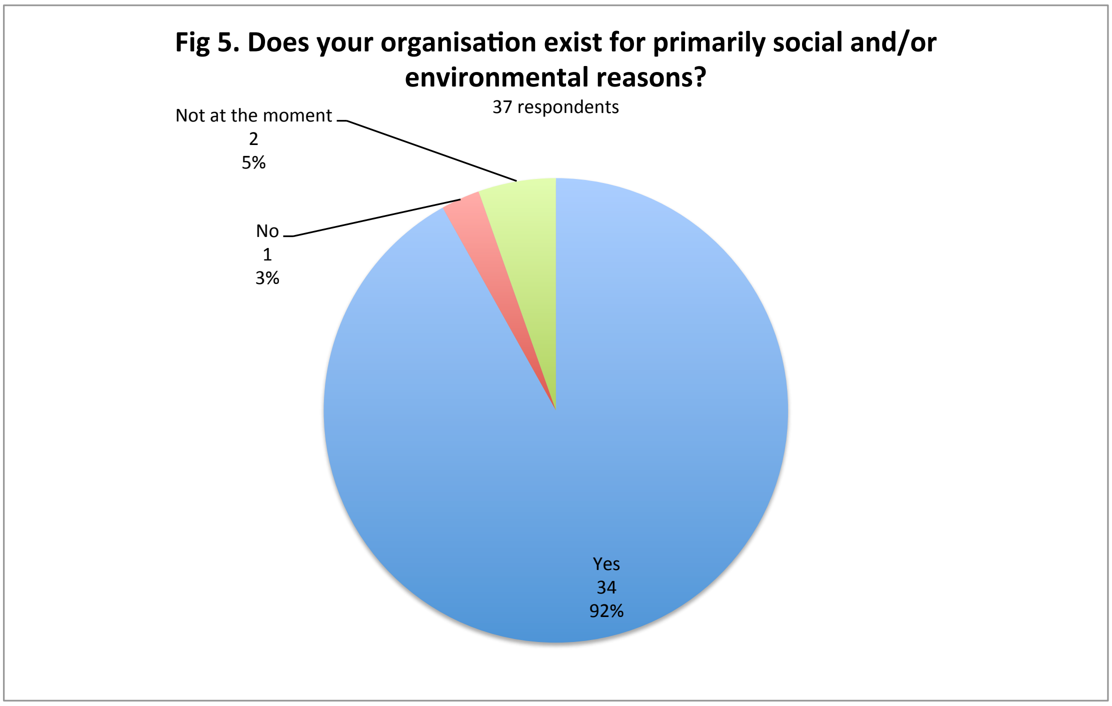
- *We manage approximately 12 acres of woodland by coppicing in order to teach traditional woodland management using hand tools.*
- *We have several hectares of under-managed woodland, which we thought might be managed under a social enterprise model. Alternatively it might be used as a small training facility for broadening the woodland skills base. It might also form the basis of a small business enterprise (e.g. production of edible fungi).*
- *We are rural sustainable woodland business: we live and work on site.*
- *We run a yurt campsite and woodland rural courses.*

While some are involved across a number of sites:

- *The core of our project centres on one woodland site but we also work with other landowners on many other sites.*
- *We care for 20 reserves, several of them are woodland habitats, we are interested in using one of these woods to develop opportunities for economic growth based on the production of wood based products.*
- *We have 50 acres of woodland and buildings at our site but we also operate off our site.*

5.2 Social and Environmental Objectives

Respondents were then asked about their social and environmental objectives.



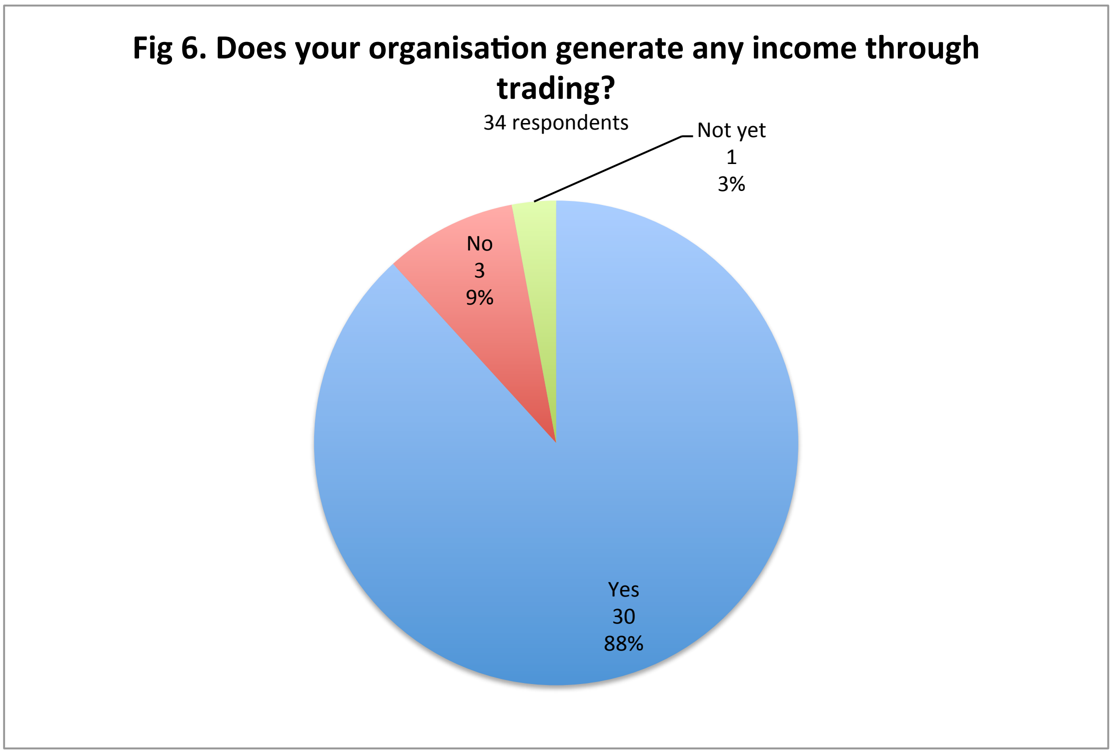
The respondent that ticked "no" indicated that while there were social and environmental motivations behind the business, it also generated the "basic monetary, food, fuel energy and water needs" for two families. There is a question about whether this type of livelihood-based business should be considered a social enterprise. Partly this is down to how individual people chose to define their organisations and businesses – three of those who ticked "yes" here are sole traders.

Other comments included:

- *We are mainly a custodian for a site which is managed principally for conservation.*
- *Job creation through local timber production, woodland management and woodfuel.*
- *Residential activity centre, environmental education is a big part of what we do as well as outdoor activities.*
- *We are a training and activity company who specialise in wilderness skills and promoting responsible use of the outdoors.*

5.3 Income Generation

The remaining 34 respondents were asked if their organisation generated any income through trading; i.e. through delivering products and services, rather than relying entirely on donations or grants.



30 respondents said that they did, and were routed through to the full survey. The comments showed varying scales of income generation, and that trading makes a variable contribution to overall turnover:

Some organisations make products or goods:

- *Small income through occasional trade of woodland based products eg reindeers at Christmas, charcoal, stakes for gardening group. Sold at local fairs and markets.*
- *On a small basis, charcoal and occasionally green woodworking items.*
- *We sell the charcoal we make locally.*
- *Woodfuel and woodland management.*
- *Small amount so far. We are looking to increase our sustainability through.*
- *Firewood sales, edible fungi, wildlife surveys and other micro project ideas.*
- *The income is actually generated by our asset-locked Community Interest Company … which manages the woodland we own and sells products from it.*

Some sell services:

- *We are a privately run [environmental education] business.*
- *Some income is generated through eco system services, surveying, consultation and project management. Most income is grant based.*
- *Tourism accommodation and craft course.*
- *We keep charges at a minimum in order to serve our target groups.*

For some, trading is not significant:

- *But not a lot at the moment!*

6. Woodland Social Enterprise Data Baseline: Basic Information

30 organisations answered "yes" to the three filtering questions that established they were:

- woodland based;
- with social and environmental objectives; and
- earning at least some income through trading.

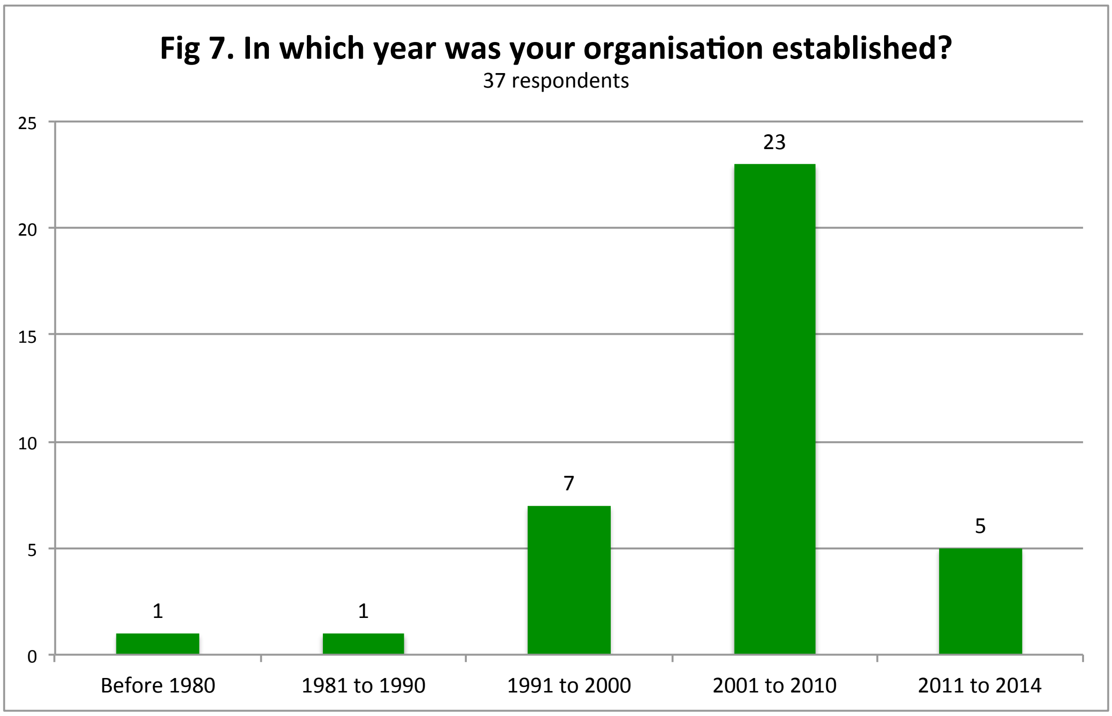
Whilst we acknowledge there are on-going definitional issues regarding what constitutes a social enterprise, we are taking this 30 as the baseline of woodland social enterprises.

This section of the report explores the variety of scales, activities and organisational forms used. It addresses the points in the brief in turn, i.e.:

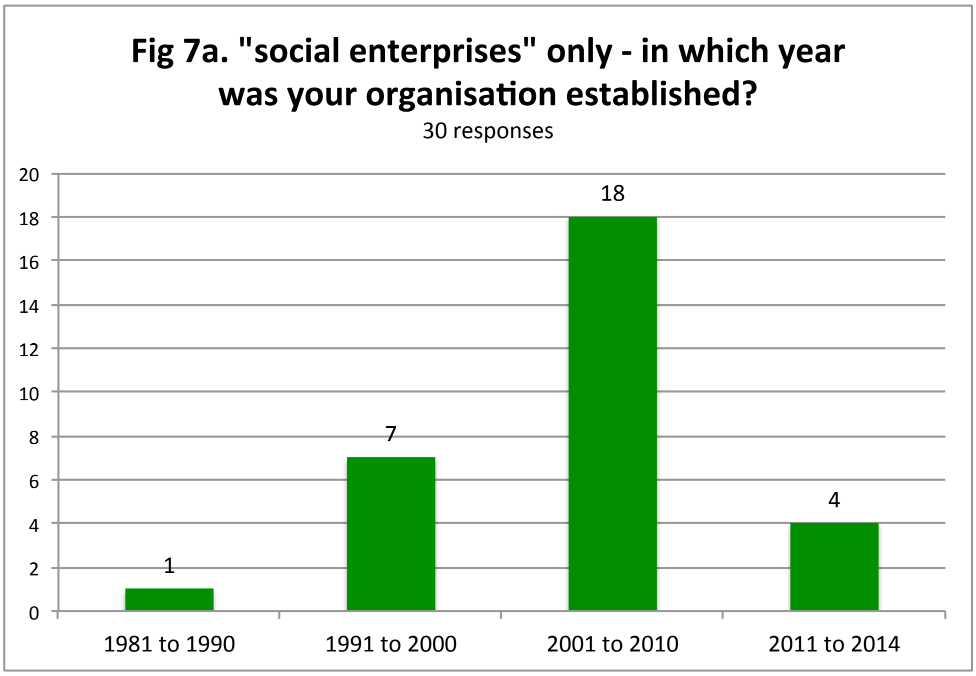
- Number of woodland based social enterprises currently operating in Wales
- Area of woodland that they engage with (manage / utilise)
- Type of activity undertaken
- Type of enterprise tools in use

6.1 Age

While many community woodland groups have been in existence for a number of years, over three quarters (23) of the total respondents to this survey were established in the period 2001 to 2010, and five since 2011.



A similar pattern is seen among those who met all three of the "social enterprise" filtering criteria:



Recognising that some established community woodland groups may have come to trading and enterprise more recently, respondents were asked whether they had had to change their business models or the way their organisation brought in income. Responses varied:

Many had been through changes:

- *This year we have been looking to fund our insurance through sale of products.*
- *Moved from being the prime project manager to being an agency for ecologists.*
- *Big move towards sustainability and product development.*
- *As grateful as we are for grants - they barely cover the bases, and we have to trade to be able to continue. Our challenges are covering living costs whilst trying to develop a business. The balance between the conservation activities and developing an income is hard to achieve in terms of prioritising time and other resources.*
- *More trading through providing training, less grant support.*
- *We used to have a contract that we relied on for overheads. That has stopped, and now things are very tight.*
- *Yes - having operated for 12 years with the landlords consent without a lease, we then took on a lease in 2012 and this has triggered a more focussed approach to generating our own revenue and reducing our reliance on grants.*

One of the interviewees commented that: "*We've broadened our remit to include improving woodlands for wildlife and social and community cohesion … we also act as a sort of machinery ring to hold additional kit for use by members.*"

Some appeared not to have done:

- *It's doubtful if our coppicing regime would make us self sufficient.*
- *No, we rely on word of mouth for trading.*
- *No. We have always sought to be financially independent with a sustainable model.*

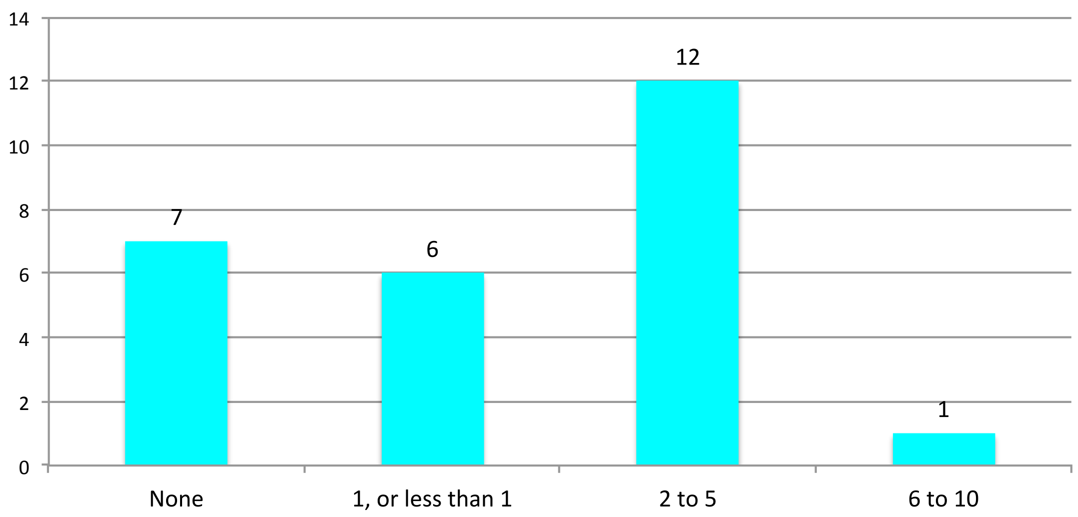
6.2 Staff Numbers

Respondents were asked about full time equivalent staff, in order to get a sense of the jobs associated with their organisations. "Staff" might be taken to mean employees or freelance or associate staff.

Seven of 29 organisations had no staff; 12 had between two and five. Several indicated that there were seasonal variations, with more staff being employed in the summer – an average of the seasonal figures has been used to get the figures below.

Fig 8. How many (full time equivalent) staff does your organisation have?

29 respondents

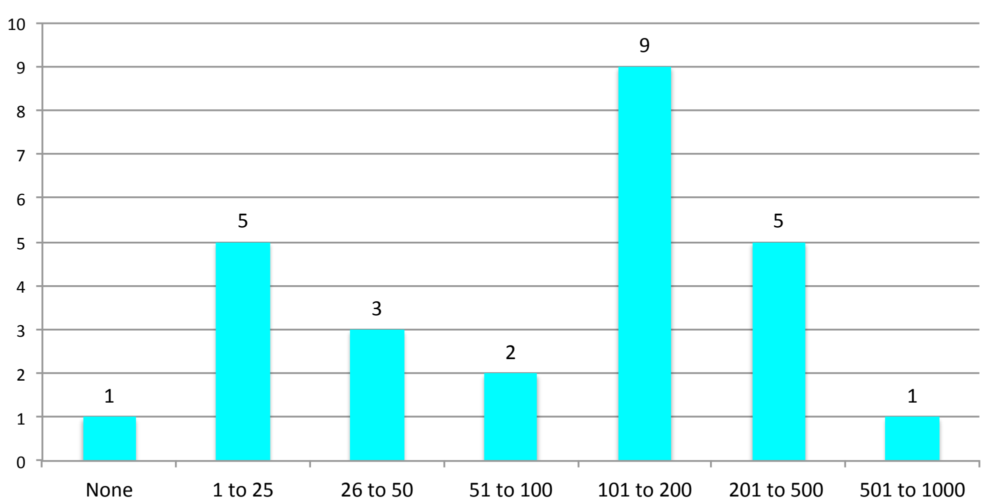


6.3 Volunteers

Many organisations benefit from significant volunteer time. Only one reported having no volunteer input.

Fig 9. In a typical month, about how many hours do volunteers give to your organisation?

26 respondents



7. Governance, Aims and Motivations

7.1 Governance & Legal Structures

Respondents were asked both about their governance model – how they organise themselves – and about their legal structure.

Fig 10. What is the governance model of your organisation?
29 respondents

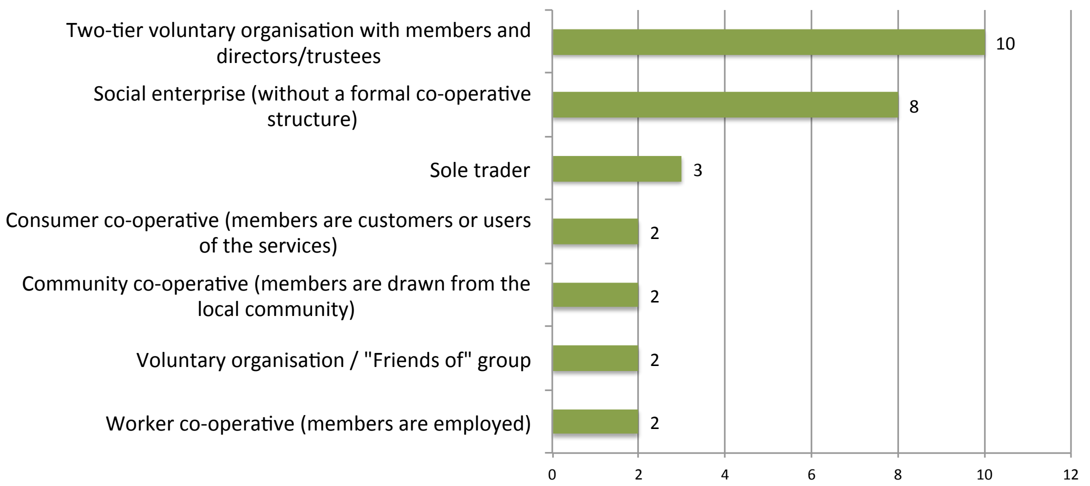
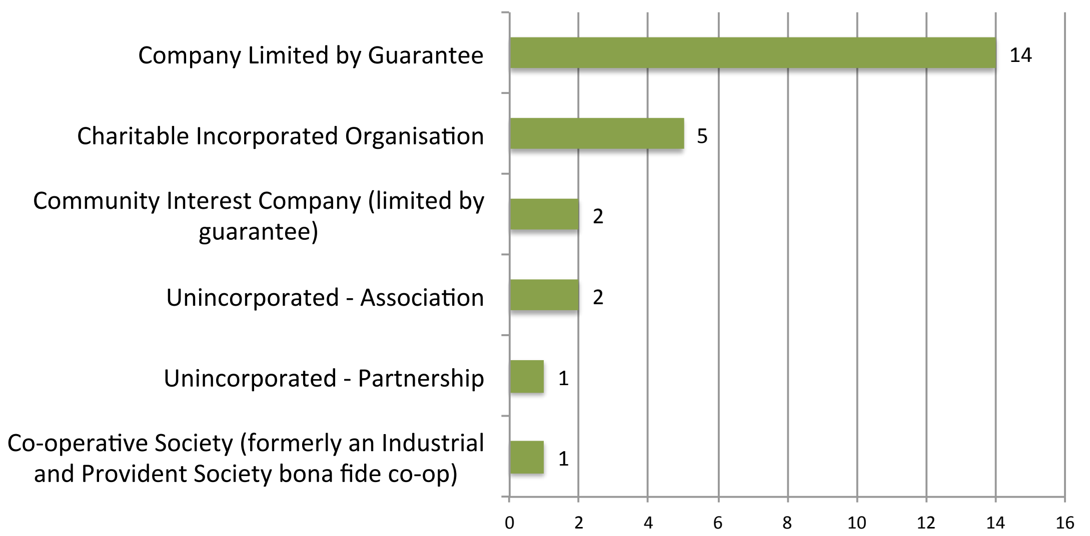


Fig 11. What is the legal structure of your organisation?
25 respondents



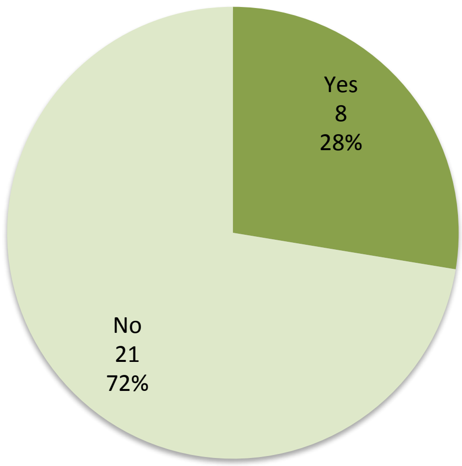
Most respondents are companies limited by guarantee. The most common organisational model is of a two-tier organisation – with trustees or directors with strategic responsibility, and members of the organisation drawn from the local community.

Only two Community Interest Companies (CICs) responded to the survey. One of the funders interviewed mentioned concern that the CIC structure concentrated power in the hands of too few directors and that there was limited accountability to a local community.

One respondent indicated that one legal structure owned the land while another managed it; one of the sole traders indicated that they knew they needed advice in this area to help maximise their funding options.

Just over a quarter of the respondents indicated their organisations had charitable status.

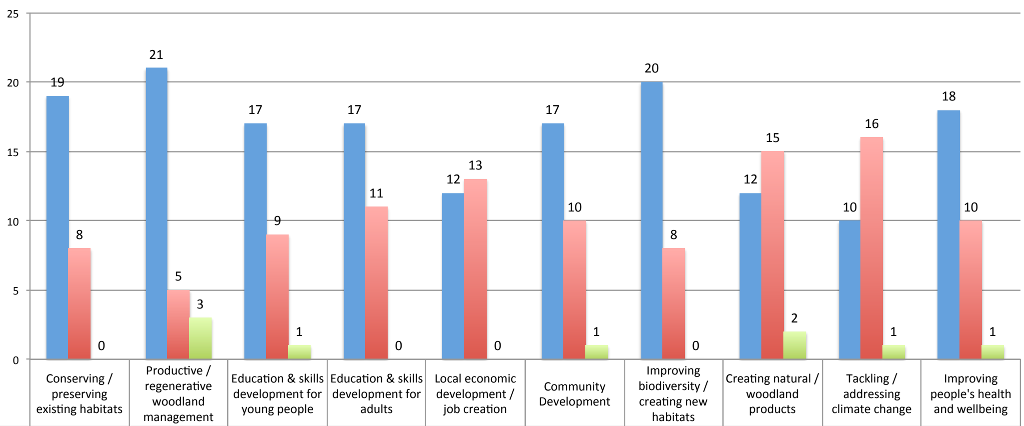
Fig 11. Are you a registered charity?
29 respondents



7.2 Aims, Values and Motivations

Respondents were asked about the core values and aims of their organisation, and asked to choose as many as applicable from a menu of choices.

Fig 12. Which of the following values and aims were most important when setting up your organisation?
29 respondents



	Conserving / preserving existing habitats	Productive / regenerative woodland management	Education & skills development for young people	Education & skills development for adults	Local economic development / job creation	Community Development	Improving biodiversity / creating new habitats	Creating natural / woodland products	Tackling / addressing climate change	Improving people's health and wellbeing
Core	19	21	17	17	12	17	20	12	10	18
Secondary	8	5	9	11	13	10	8	15	16	10
N/A	0	3	1	0	0	1	0	2	1	1

Productive / regenerative woodland management and improving biodiversity were the top two most common choices. Tackling climate change was an important secondary objective for almost half of the respondents.

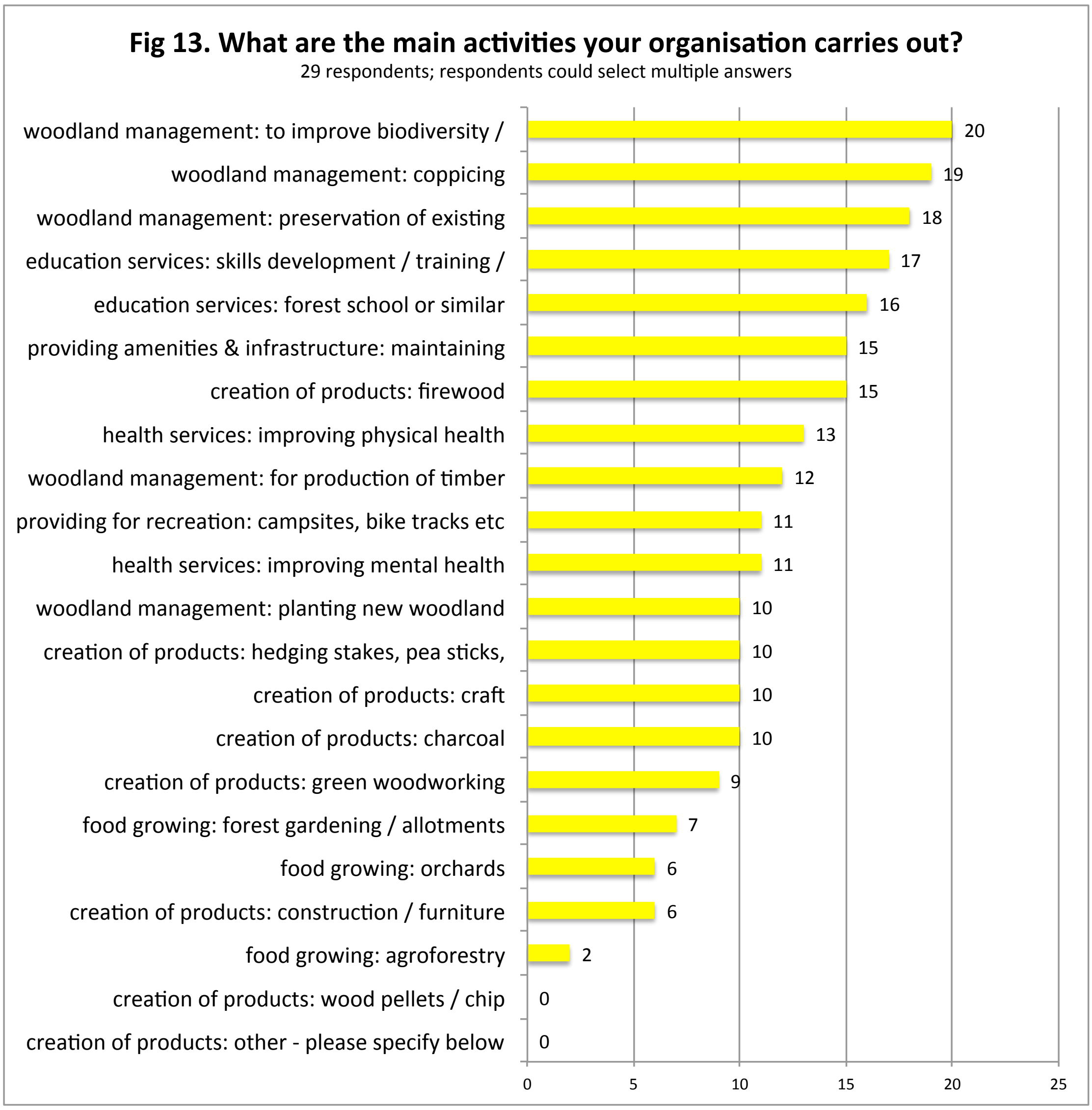
Comments included:

- *Creating new habitats that have been destroyed by monoculture. Producing local organic produce and fuel.*
- *Emotional development.*
- *Opportunity for volunteers.*
- *Tourism.*
- *Affordable sustainable housing.*
- *Heritage. We are hoping to engage in some community archaeology.*
- *Inspiring, educating and informing members and the public about local, national and global actions that can preserve wildlife and with it our natural heritage. A rich and bio diverse landscape that is accessible to all.*
- *Restoring and preserving [our] cultural landscape.*

A strong theme of rural economic development came out in the interviews; with organisations aspiring to create jobs, especially in deprived areas.

7.3 Key Activities

Respondents were then asked to indicate the key activities their organisation undertakes, again from a menu of choices. Many organisations undertake a range of different activities; this might be seen as a hallmark of a woodland social enterprise. Differing types of woodland management were the most common activities chosen.



Other activities that respondents specified included:

- *We are mainly a group of ecologists carrying out ecological surveys across all areas but including woodland. We manage a public access woodland reserve.*
- *Honey production and beekeeping for conservation. Coppicing, fuel and wood crafts will come later (When the trees have grown!).*
- *We provide several volunteering opportunities for people from a wide variety of ages and backgrounds and abilities.*
- *Charcoal, metal forge for making own tools, recycling.*
- *Restoring a C19th landscape garden.*

Just over half of respondents indicated they were producing firewood. A number of interviewees saw firewood and woodfuel as a growth area and one interviewee commented, "*there is huge demand and we are turning away 10 orders per week. There is a massive, massive shortage of firewood. Local people will buy it – the social enterprise brand means that people trust us, and the other commercially available stuff is terrible".*

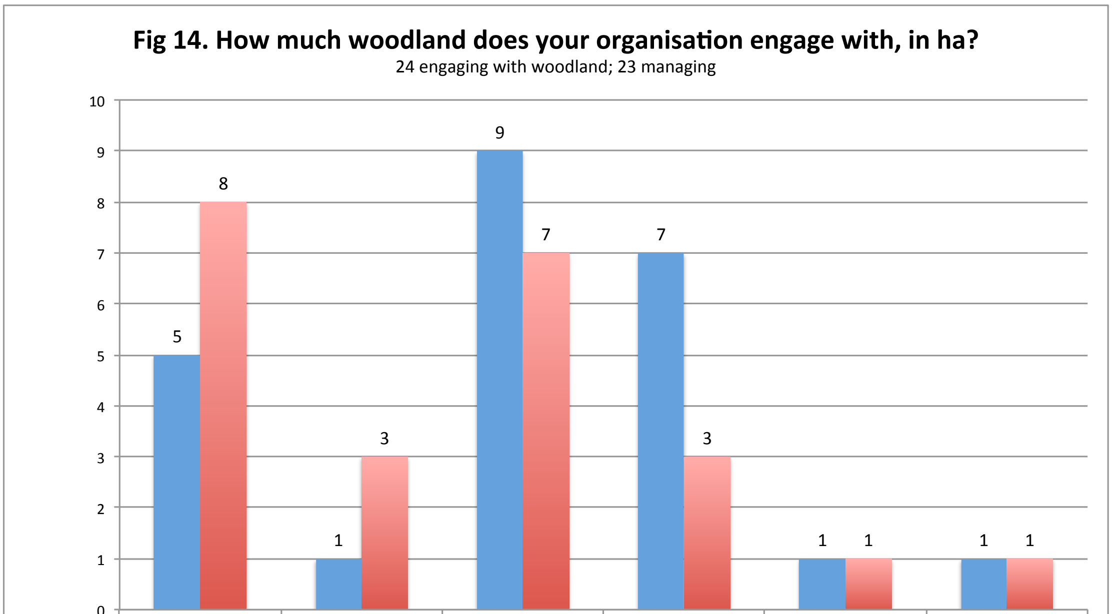
8. Woodlands

8.1 Area of Woodland

Respondents were asked approximately how many hectares of woodland they are active on and on how much of that, if any, they undertook woodland management activities.

A total of **1135.7ha** of woodland is engaged with by 24 organisations. Woodland management activities are undertaken on **819.7ha** of this land, by 23 organisations. There were no notable regional differences.

The median amount of woodland engaged with is 30ha and the median amount managed is 12.5ha.



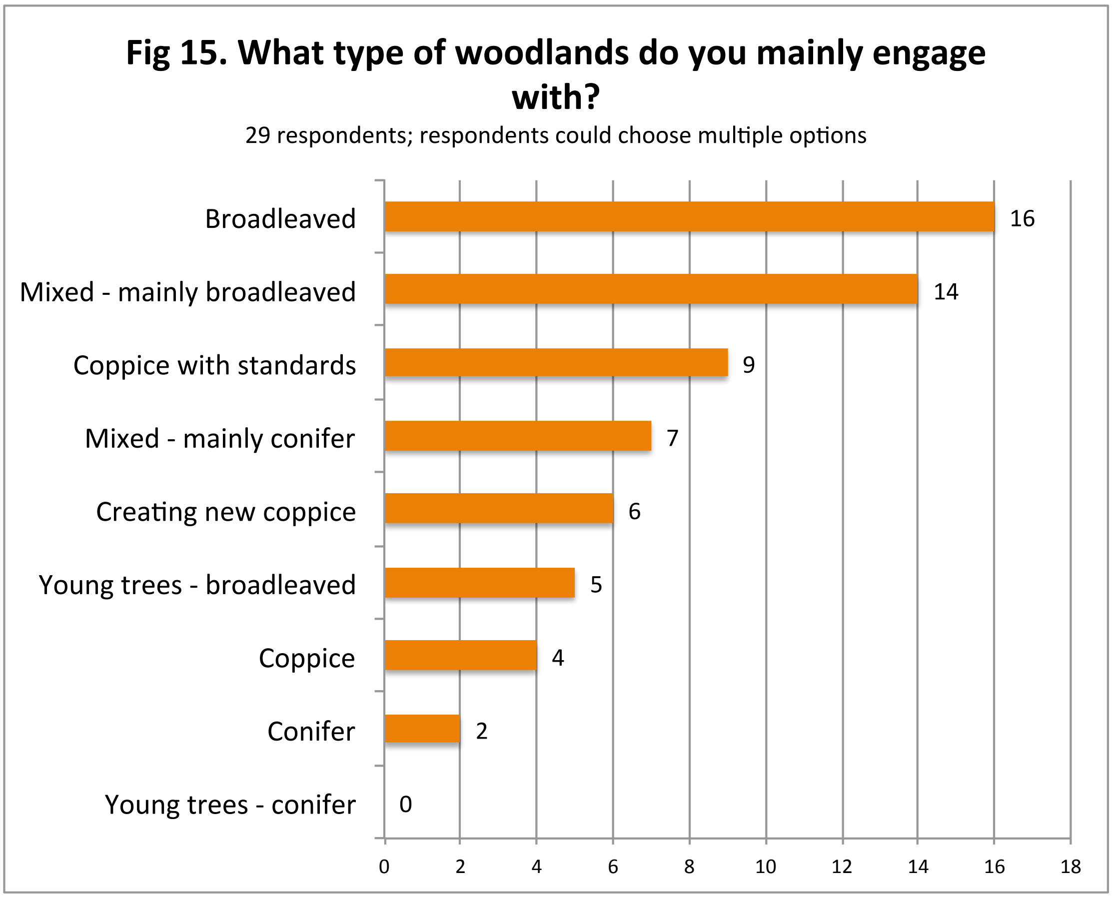
	5 or less	6 to 10	11 to 50	51 to 100	101 to 150	more than 150
Engage	5	1	9	7	1	1
Manage	8	3	7	3	1	1

6 of the 24 organisations are engaged in 10ha or less of woodland. Two engage in and manage more than 100ha.

14 of the 23 organisations doing woodland management manage the entire area that they engage with.

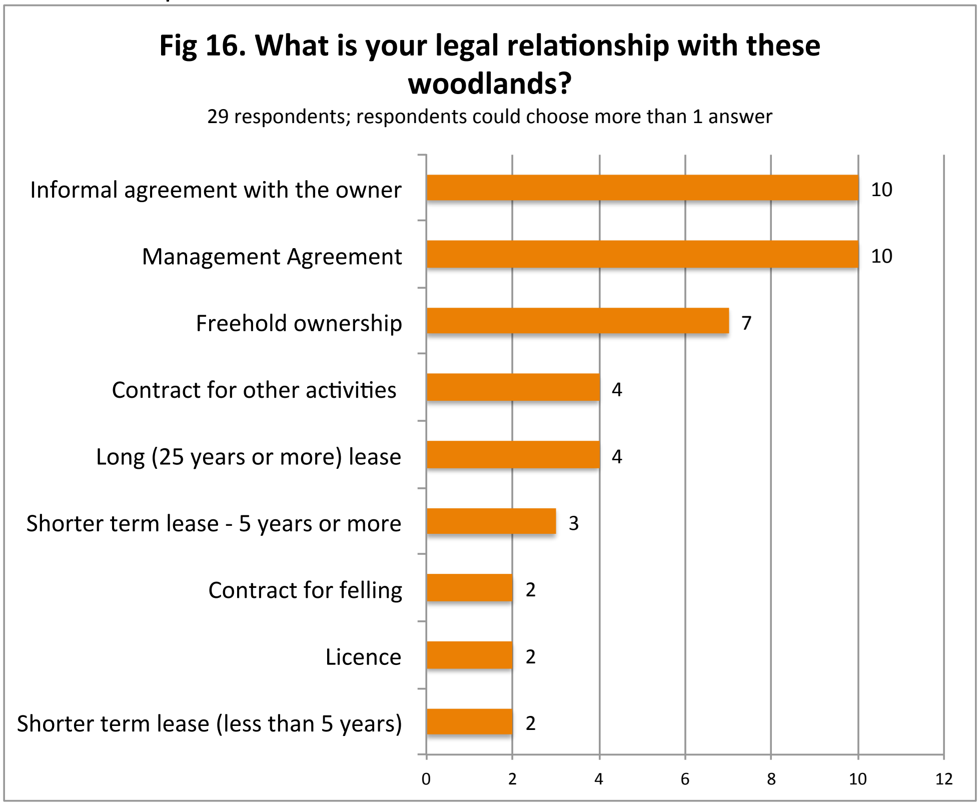
8.2 Types of Woodland

Respondents were asked to choose as many types of woodland that they engage with as applicable from a menu of choices. The most common choices were broadleaved and coppice, with standards.

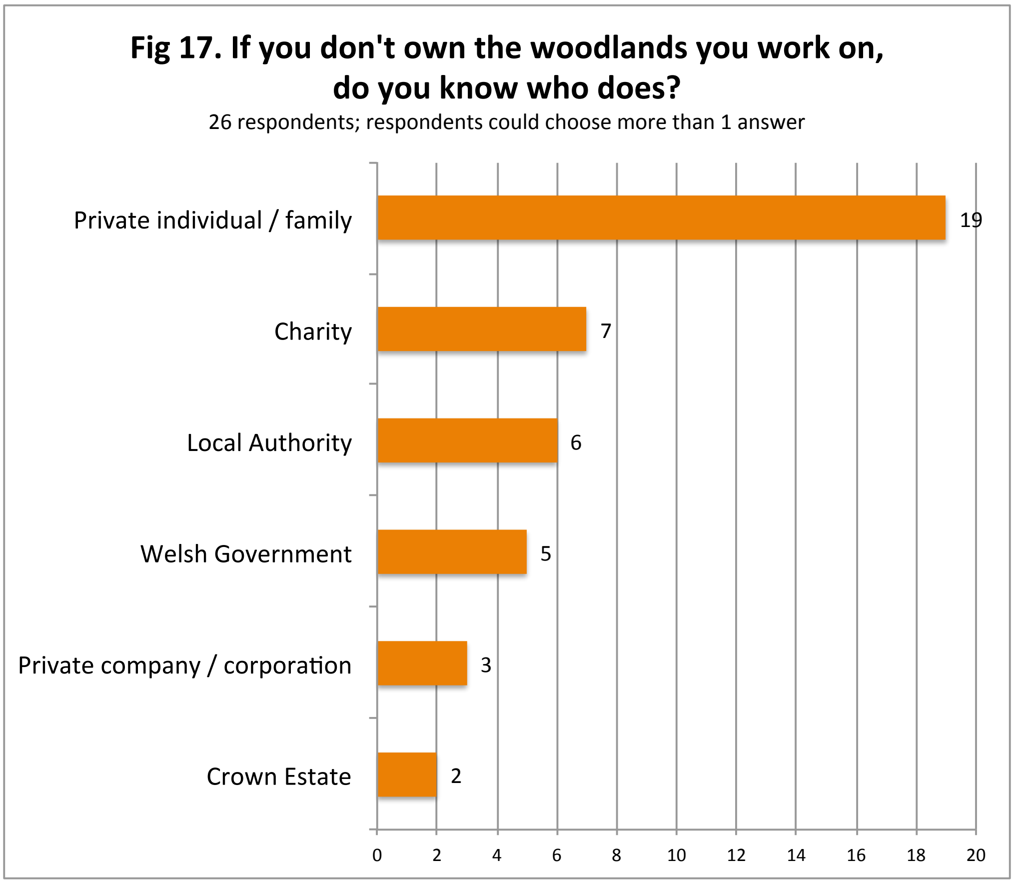


8.3 Woodland Tenure

Respondents were asked to choose their legal relationship to the woodlands from a number of options.



16 respondents ticked just one box; the rest ticked more than one box – many work across different sites and have different tenure arrangements on each site.

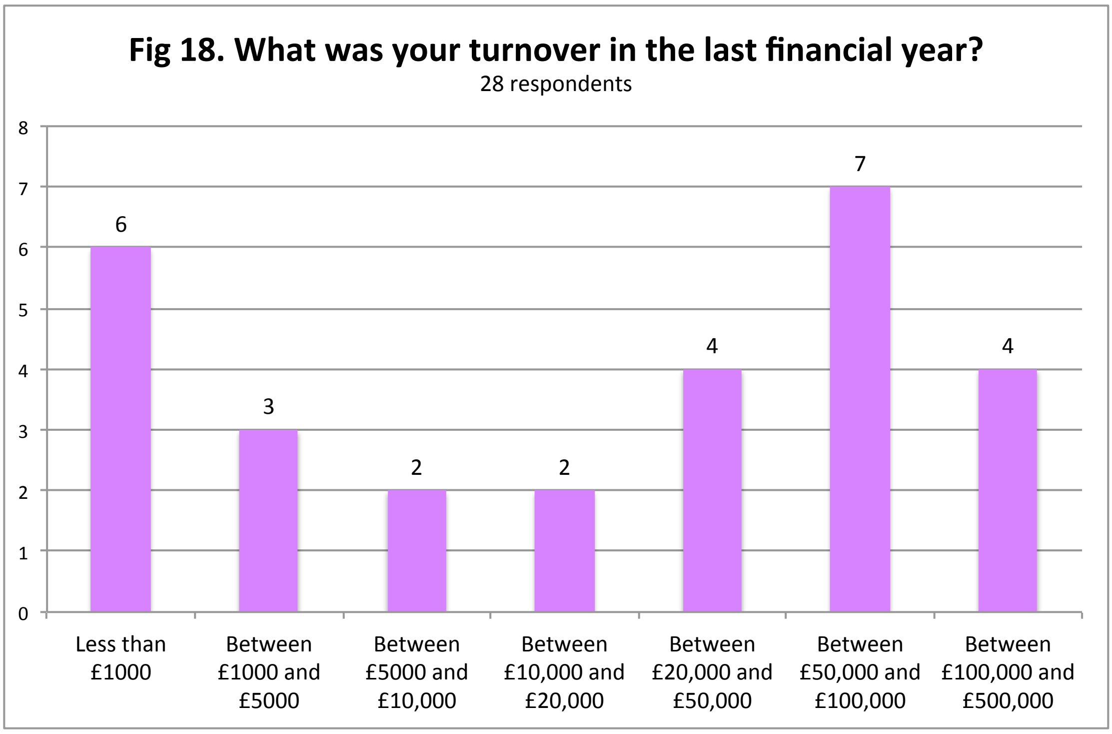


Those that do not own all the woodland they work on were asked to choose the owner from a multiple-choice menu. As some respondents work across different sites, they had the option to select multiple answers. The majority had some involvement with privately owned sites.

9. Finances

9.1 Turnover

Respondents were asked about the finances of their organisation. They were asked to indicate the turnover (total income) of the organisation from a series of categories. Four of 28 respondents had turnovers of over £100,000. Nine had less than £5000.

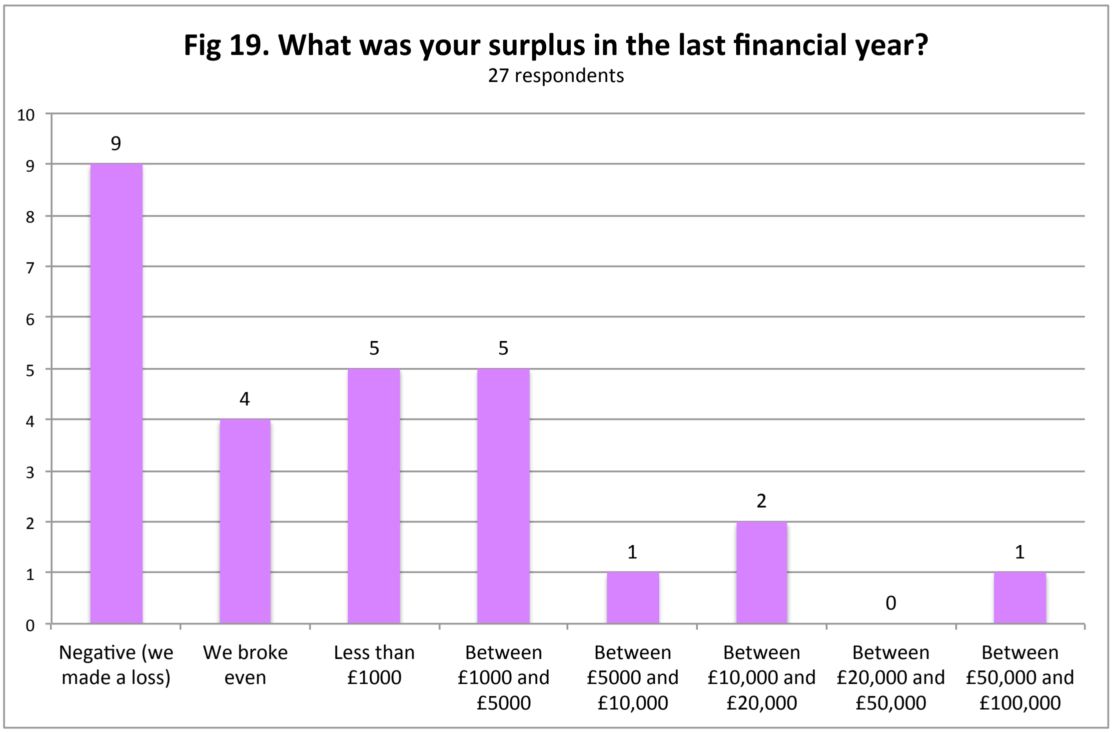


9.2 Surplus

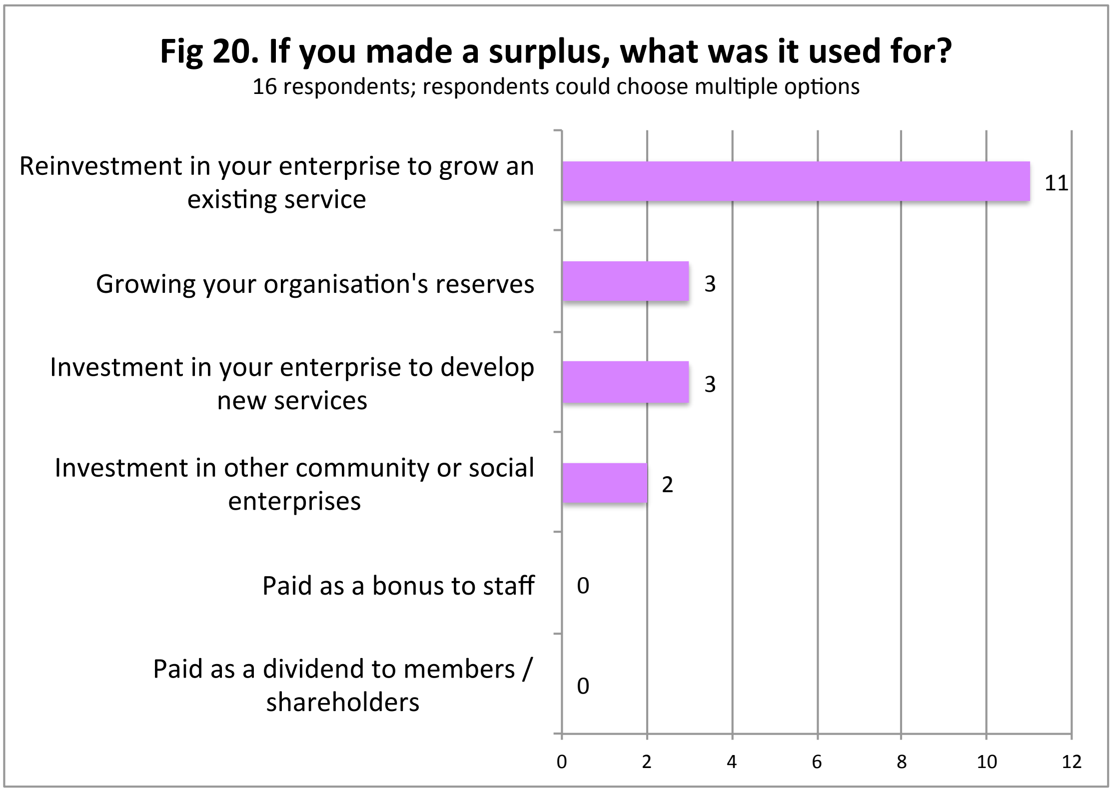
Respondents were asked what the surplus was at the end of the last financial year. Surplus was defined as the amount of money left after all costs had been accounted for.

Nine, or a third, had made a loss in the last year. One recorded a surplus of more than £50,000. Two commented that the deficit recorded was a result of timing issues:
Deficit surplus was due to timing of grant receipts added to restricted funds.
Would have broken even but a payment made after the close of the financial year resulted in a loss recorded.

One organisation that had recorded a surplus noted that it was "*only because we had revenue support for staff salaries, without that we would have been 43k in the red.*"



The most common use of any surplus was reinvestment in the enterprise's existing services.

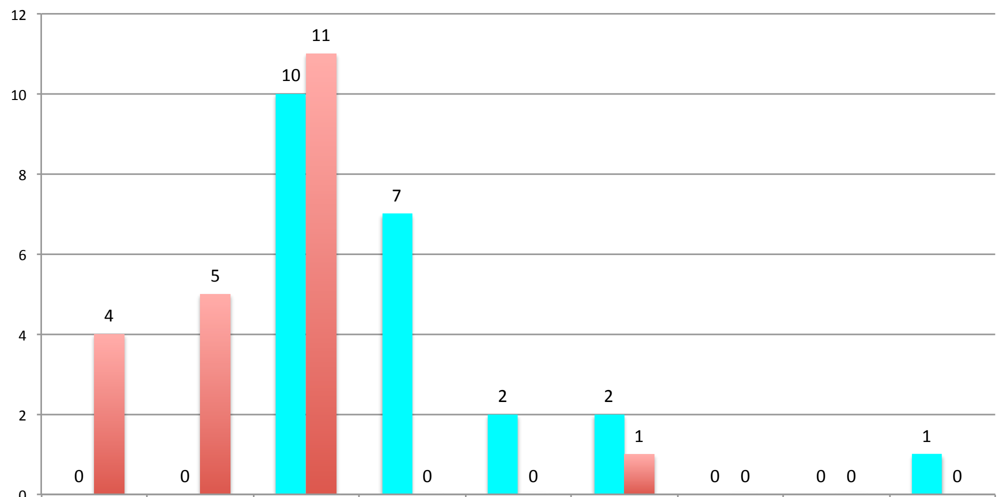


9.3 Turnover and surplus per hectare

Turnover and surplus per hectare of woodland managed are often used as indicators in traditional forestry and woodland management. The data gathered here does not allow a precise calculation of these figures, but by taking the mid point of the categories provided for turnover and surplus in Figures 18 and 19 above, and cross referencing these with the amount of woodland managed (discussed further in Section 8), we can see that there is a wide variety in both.

Fig 21. Approximate turnover and surplus per ha

22 answered both questions



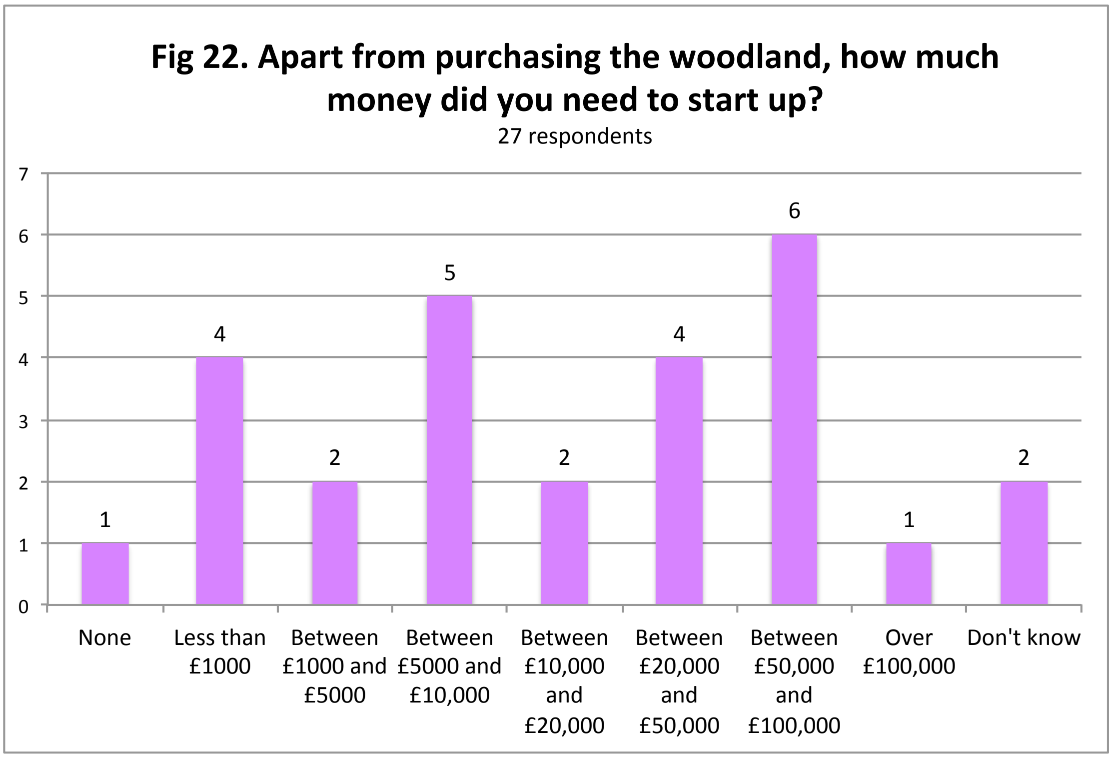
	Loss	Break even	Less than £1000	Between £1000 and £5000	Between £5000 and £10,000	Between £10,000 and £20,000	Between £20,000 and £50,000	Between £50,000 and £100,000	Between £100,000 and £500,000
Turnover	0	0	10	7	2	2	0	0	1
Surplus	4	5	11	0	0	1	0	0	0

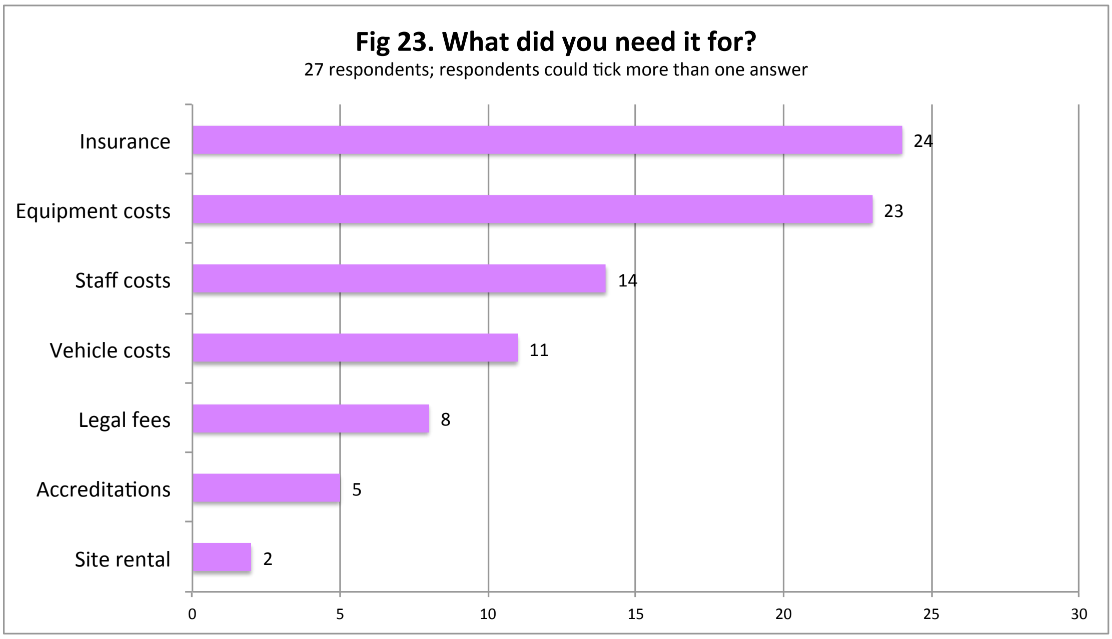
It should be noted that these can only be approximate figures, and do not take into account non-monetary contributions like volunteer time or non-monetary outputs such as increased wellbeing.

9.4 Start up costs

Respondents were asked about the capital needed to set up the organisation, where it came from and what it was used for.

Given the potential high cost of land purchase, respondents were asked if they had had to purchase the land they operated on. Five said they had.



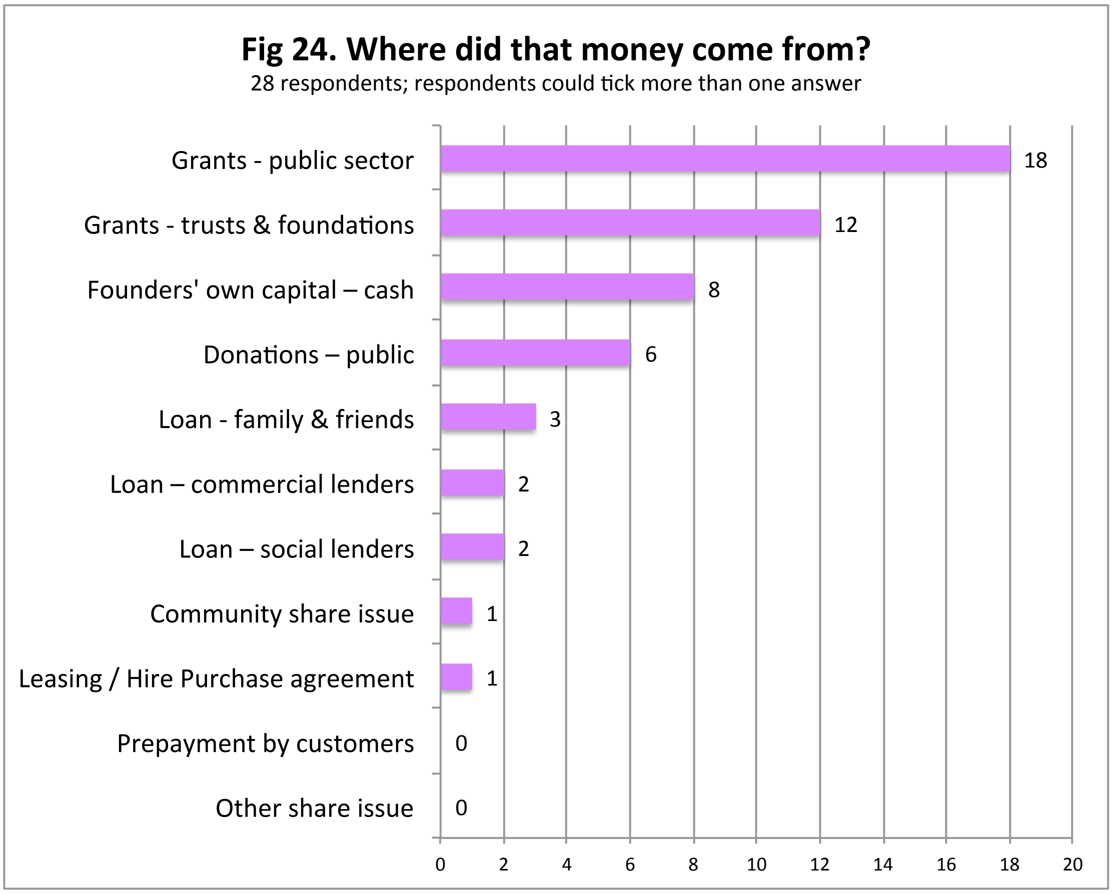


Responses in the "other" category included construction and marketing costs:

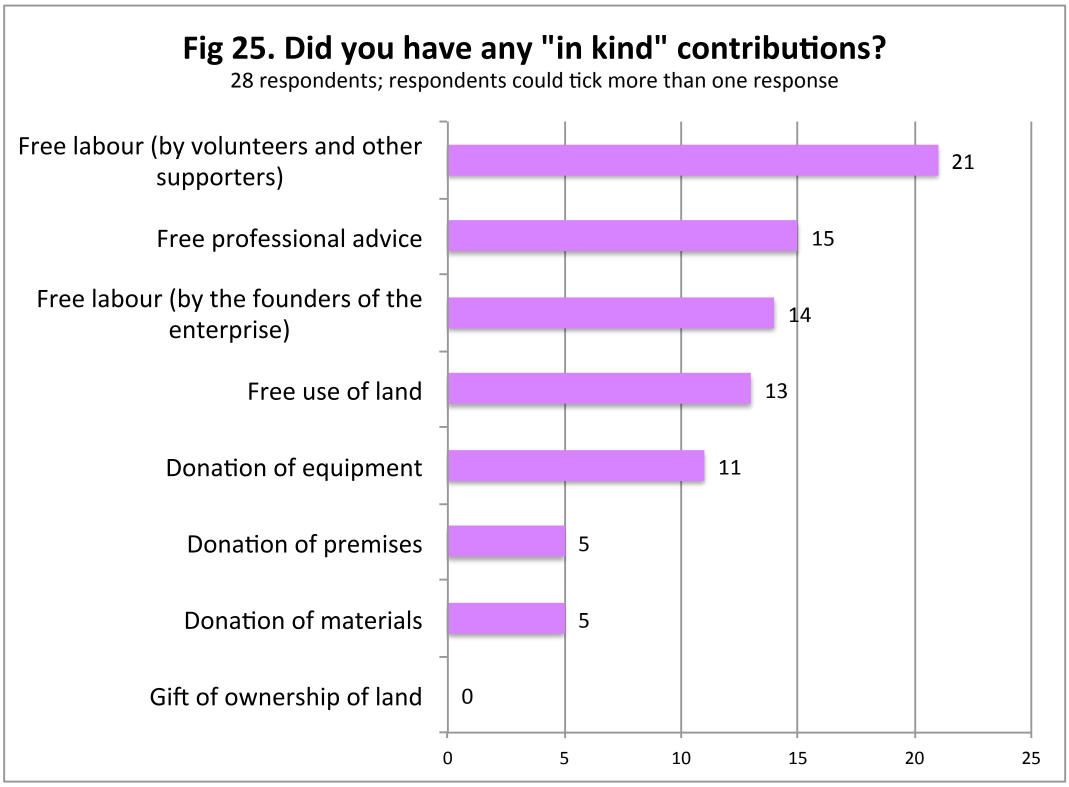
- *Building materials.*
- *Visitor Centre building.*
- *Fencing maintenance materials.*
- *Marketing.*
- *Fuel, food and expenses for volunteer, tools, machine works, ecological equipment, stone for access improvements, safety equipment.*
- *Planning and design costs of low tech infrastructural improvements to allow great access and use of site.*

- *Match-funding was required for grant to be acquired; this allowed work to begin on restoration of the woodland.*
- *Buildings, woodland improvement, tools and machinery.*

The start up costs of many of the respondents had been funded through grants.



Most organisations had received some kind of in kind support, from free labour to donation of equipment and materials.

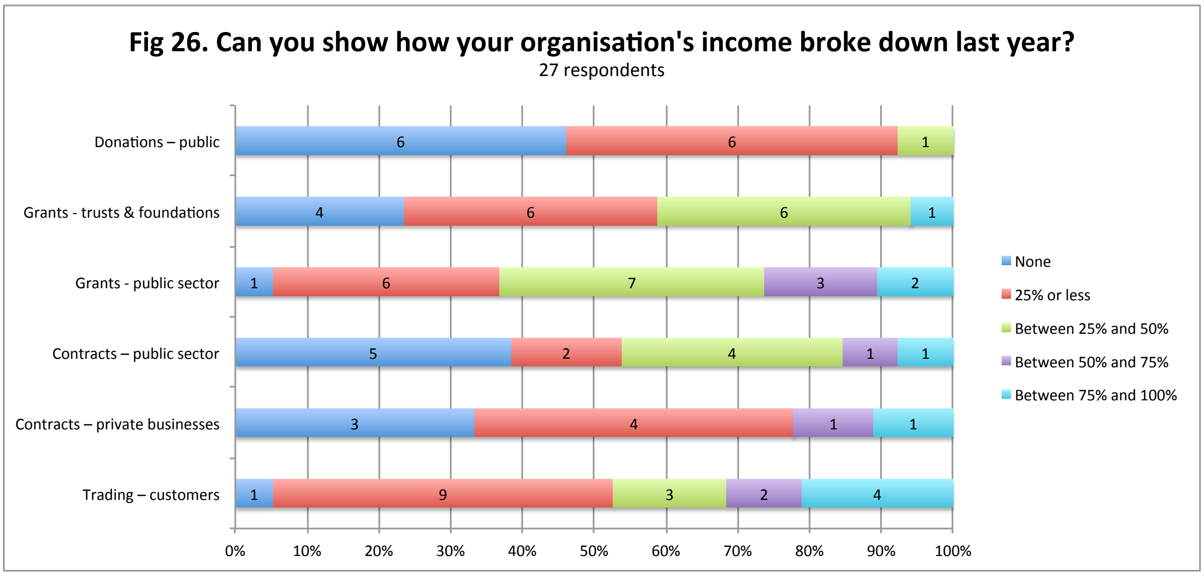


9.5 Enterprise Tools

Respondents were asked about how they made money. They were asked to choose approximately how much of their income came from various sources:

- Trading – customers
- Contracts – private businesses
- Contracts – public sector
- Grants – public sector
- Grants – trusts & foundations
- Donations – public

There was an option to tick “other” and to provide further details. Figure 27 shows how important each of these sources of income was for the 18 respondents who had this information to hand.



Key themes that come out of this data include:

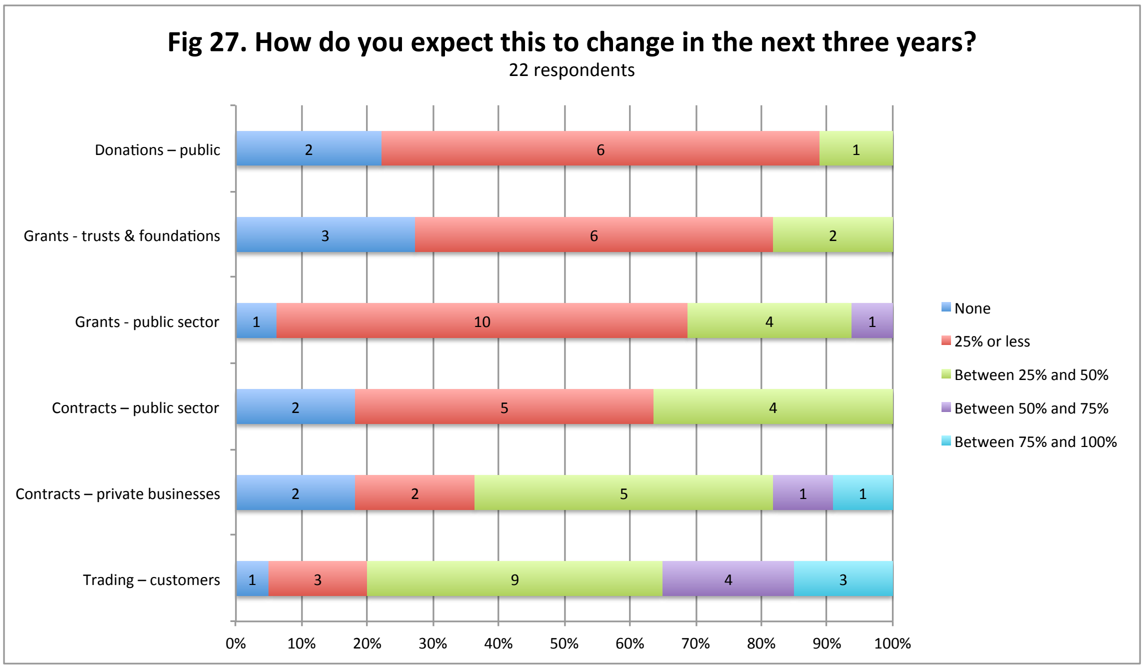
- all organisations have at least some trading activity;
- none are entirely reliant on donations from the public;
- but some are mainly reliant on grants from the public sector or trusts and foundations;
- donations from the public are not a substantial income stream for any organisations;
- organisations have varied income streams; most do not have their "eggs in one basket".

Interviewees commented that the grant regime was mainly supportive, but that there was often more money available to plant trees than to maintain or manage woodlands, and that ongoing salary support was needed.

Eight respondents indicated that they had some contracts with the public sector. When asked specifically about public sector procurement, six said they had tendered for contracts. Three of those commented on the experience:

- *[It was] totally negative due to restrictive working practices which effectively only enable large organisations to bid.*
- *We are too small to compete with large regional suppliers.*
- *Very time consuming, jargonistic, poor knowledge by the organisation about their own funding pot. No support from the organisation or encouragement to complete an application. Poor feedback on application. A feeling that the money was already 'earmarked' for organisations before pot was announced to the wider public.*

Respondents were also asked how they expected this income breakdown to change over the next three years. Lesser amounts were expected from grants, but a similar pattern can be seen.



One of the funders spoken to was planning their next round of funding with a specific emphasis on sustainability and moving away from grant funding, as well as dealing with issues around succession planning and internal organisational capacity.

9.6 Finance

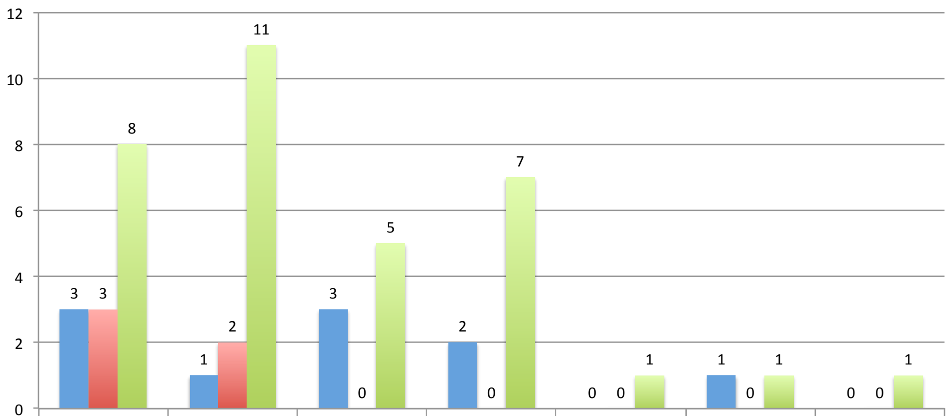
Respondents were then asked whether their organisation had needed financial support in the last year, and asked to indicate whether they had considered various different types of finance, and if so whether they had been successful in securing them.

A number of options were given, namely:

- Grant – Natural Resources Wales / Welsh Government
- Grant - Local authority / other public sector
- Grant - European Union (EU rural development plan or other)
- Grant - trust or foundation
- Loan - commercial lender
- Loan - social lender
- Hire Purchase or equipment lease agreement
- Community Share Issue
- Other Share Issue

The table below shows their responses. Of 22 respondents, eight had secured funding from Natural Resources Wales or the Welsh Government. 11 had secured funding from local authorities. Three (different) respondents had secured loans or undertaken community share issues.

Fig 28. What types of financial support have you considered, pursued, or secured?
22 respondents



	Grant - Natural Resources Wales / Welsh Government	Grant - Local authority / other public sector	Grant - EU (Rural Development Plan or other)	Grant - trust or foundation	Loan - commercial lender	Loan - social lender	Community Share Issue
Considered	3	1	3	2	0	1	0
Applied for / Pursued	3	2	0	0	0	0	0
Secured finance / funding	8	11	5	7	1	1	1

Respondents were asked for any further details, and a number of comments were left:

- *RDP difficult to access as the farming community has the greatest call and equipment/capital grants are in Axis 1 and 2 which are not available to community groups. The RDP business plan 3 will be smaller and more difficult to get direct support. Regionalisation of grants is not helping local communities.*
- *Our main funding issue is that we are able to secure funding each year in small*

amounts and, like many others, once the project gets underway and all the boxes are ticked 25% of the time and resources available have been used up rather than funding running for 2 or more years and giving the funding body better value for money and greater return.

10. Support needs and key challenges

23 of 29 said that they had received support when setting up their businesses. They were asked what was most useful, and answers varied, but many had received support from more than one organisation:
The Green Valleys CIC[22] had supported a number of organisations:

- *Green Valleys practical advice and training was paramount. Location of training was key to encouraging new membership in skills development and confidence. Tidy Towns helped initial funding. Llais y Goedwig helped network.*
- *We exist under the ambit of The Green Valleys. They connect us with other woodland groups.*
- *Brecon Beacons National Park initially. The Green Valleys CIC now, and Keep Wales Tidy Training in the safe use of tools. Assessing risk and work procedure. Surveying the wood for species and condition of standards.*

Llais y Goedwig were also mentioned:

- *Have since benefitted from advice from Llais y Goedwig which has been very helpful.*
- *Llais y Goedwig have been very useful in offering us support, advice and networking with other groups.*

Many had received support from a number of different places:

- *BIG Lottery funding has been key in getting us to this point. Ceredigion Social Enterprise Growth Scheme has also provided key funding. Environment Wales has provided important funding to employ 2 part time staff members. NRW provides funding through their Better Woodlands for Wales scheme.*
- *Co op Wales, SEWCED [South East Wales Community Economic Development funding], WCVA [Welsh Council for Voluntary Action], Reach, [our local council].*
- *All sorts of support including Forest Enterprise Initiative, Local Authorities Swansea and NPT, WCVA, SCVS [Swansea Council for Voluntary Services], other voluntaries, specifically Play Right.*
- *Local biological records office, Environment Wales, Keep Wales Tidy*
- *Environment Wales start up grant followed by Cydcoed funding to refurbish building and put in access paths.*
- *Environment Wales, support and funding and easy to arrange site visits when we need to.*

Some had been supported by local organisations:

- *Almost all of company set up support. From Carmarthen - quite local.*
- *Torfaen CBC.*
- *Support came as we gained confidence in our ability to make it work and seek advice. Coalfields Regeneration Trust gave us a minibus and funding for two years for a worker, later giving us another year. Interlink gave us support with our constitution, management structure etc. Both these organisations are very local.*
- *Support from [our] RDP was miserly, grudgingly granted and problematic.*
- *Staff support from the Brecon Beacons National Park Authority.*

[22] Green Valleys supports communities in the Brecon Beacons to become carbon negative: www.thegreenvalleys.org

- *Started by key local groups members in the very early days.*
- *www.walescooperative.org*
- *Experience of others setting up similar organisations - both in relation to activities and in relation to organisation. Technical assistance with structure and governance.*
- *Encouragement and networking opportunities but most importantly access to grants and financial support when starting up, as well as supporting expansion when success involving volunteers etc.*

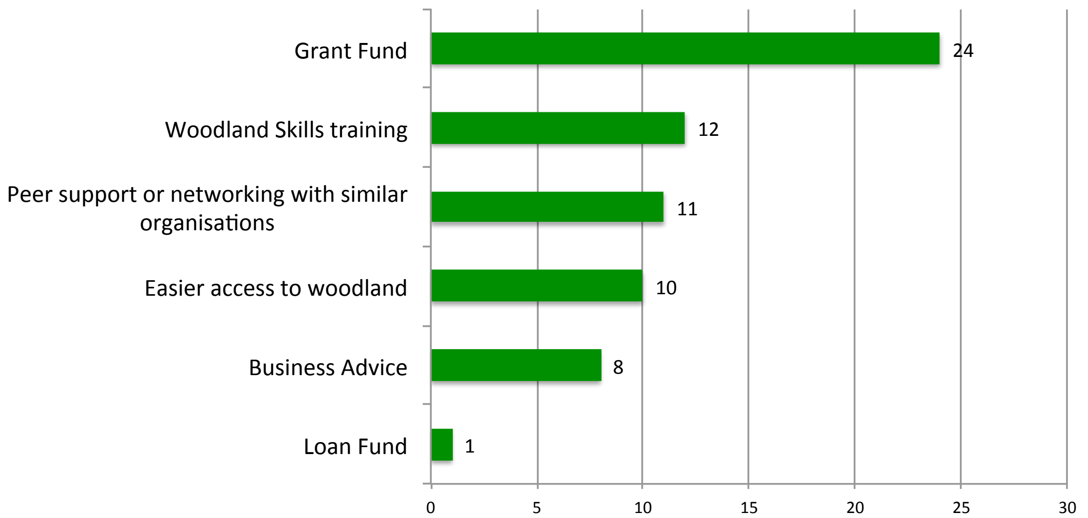
Interviewees also mentioned support from Focus on Forestry First.

One supporting interviewee talked about the need for any support programme to take a community development approach and involve practitioners and supporters in its design.

10.1 Retrospective support needs

Respondents were then asked what type of support would have been useful, and to chose from a list of options.

Fig 29. What sort of support would have helped you best when setting up?
29 respondents; respondents could tick more than 1 response



Some of the comments in the “other” box included:

- *Charity advice more than business advice. There were very few organisations offering what we did, but as we have gained experience we have been able to offer a little advice or suggest where help could be forthcoming.*
- *Encouragement from those agencies or organisations specifically set up to help the timber sector would have been great, instead we have been largely ignored by the likes of Coed Cymru.*
- *We were a private organisation growing into a social enterprise so had a lot experience.*

10.2 The next three years: challenges and opportunities

Interviewees – both survey respondents and the supplementary interviews – mentioned woodfuel as an area of perceived potential growth, as well as firewood and wood products. Several interviewees mentioned the importance of skills and imagined that skills would become more important over the next three years.

Respondents were asked how they felt about the next three years in general, and responses were largely positive:

Some were optimistic:

- *Hoping for gradual growth of membership and income.*
- *I feel confident that there is a market for locally sourced, sustainable timber products in our area. Time will tell how many staff such sales can support. We plan to also offer training and outdoor education, which should bring in an alternative revenue stream. Our long term aim is to be free of external grant funding for our core needs.*
- *Positive.*
- *Good.*
- *Optimistic.*
- *We don't expect it to change unless we take on other woodlands. Our capacity for doing this is very limited.*
- *Fine. We are very small and should be able to continue to produce and sell enough charcoal and firewood to remain viable.*
- *We will continue to grow.*

Some were more cautious:

- *Unsure. Much work to do and very reliant on planning constraints to make our project financially sustainable. Hoping for the best and working very hard.*
- *Reasonably optimistic, depending on take up of courses.*
- *We are expecting growth in our tourism sector as the site becomes more well known.*
- *Will be difficult as revenues from public sector and grants become harder to get. Looking to do more training as a way of increasing trading revenue.*
- *Momentum may carry this organisation through but it will be a close call.*
- *A difficult time, we need to establish new micro business ideas or gain longer term funding to continue running the project.*
- *Funding is extremely hard to find and needs constant input of staff. This can put an unprecedented strain on staff, trustees and the organisation as a whole. The trust is on a delicate path, as many other charities are at present.*
- *Worried.*
- *We can tick along as we are – just.*
- *It's going to be a challenge!*

Many of the final comments in the survey reflected on the challenges and opportunities of being a woodland social enterprise.

Some had specific comments for Natural Resources Wales or the Welsh Government:

- *NRW should re-think WHAM [Wales Harvesting and Marketing] contracting procedures in order to make more opportunities available to social enterprises operating on/near NRW land - we cannot compete with the large contractors. Also we can get more people engaged/employed in woodland activities with more community benefit than the large contractors can - the benefits are obvious but not easily quantified which is why WHAM tendering does not suit social enterprises.*
- *A lack of support from Welsh Government in funding, there's never interim money you can apply for while waiting to see what grants there are.*
- *I hope NRW will use this to make further conversations with woodland enterprises to learn all they can before making policy. We need support that is considered and relevant. Thanks.*

Some commented on issues to do with woodland:

- *The importance of woodland to local economy, amenity, wellbeing, flood prevention, habitat etc etc seems shockingly misunderstood. Focus on large-scale single purpose forestry has resulted in the death of local timber industry and loss of all the above. There are obvious local and small-scale solutions which deserve far more support than they get.*
- *I feel that it is essential that woodlands are more accessible to the general public - that they offer not only fuel and building materials, but provide food and other woodland products (from honey to rearing table birds and essential oils and mushrooms etc. etc.) and are therefore stabilised for the future through this diversification. In addition, these environments can increase biodiversity whilst simultaneously offering community resources for recreation, education and health purposes. We are greatly under-using these amazing resources. To enable folk to establish these businesses and activities (which often take many years!) more support is needed in the form of advice, help with deciding on legal structures, guidance on what funding is available and from the local planning authorities to encourage and permit use of these rural spaces within reasonable constraints.*
- *Working in woods is therapeutic, most of us do it as a chance for outdoor activity, which also has environmental and community benefits. While some groups can become almost a business, there will be many more which are much lower key and will need some outside support in order to survive. It would be a pity if government/local authority policy removed this support.*
- *Woodlands are a highly valuable space for social, economic, wellbeing and wildlife benefits. Woods work!!*

And some reflected on social enterprise, and their own organisations:

- *Very valuable format for community engagement for diverse benefit. Need to ensure potential groups are encouraged and supported through resources, information, training, and initial funding, where necessary.*

- *We are probably one of the largest and fastest growing organisations in this area of activity. What we have learned might be useful to others.*
- *Freeing woodland and premises up for my business to operate in at low cost would be very helpful.*
- *I think there is a lot of potential for organisations like ours to work with communities to support community woodland business that can in turn support the play and education work we do e.g. coppicing for charcoal, firewood, crafts etc.*
- *We have little idea of how to pursue any woodland related work in our areas of expertise.*

11. Aspiring Woodland Social Enterprises

Three organisations were routed through to Route B of the survey, having indicated that they aspired to either have social objectives, or to begin trading. They indicated that they were proposing to engage with 58ha of woodland between them.

They were asked about their proposed activities, and the barriers they were facing in developing their enterprises.

All three proposed to carry out education services and to produce craft products. The most common barriers faced were about finding people with business skills to work with, and raising money.

12. The Woodland Social Enterprise sector

12.1 Defining the woodland social enterprise sector

Social enterprise is a clear part of the Welsh Government's vision for Wales, and there is substantial support available for Welsh social enterprises.

There is a clear spectrum of "social" activity related to woodlands, both in terms of activities (from woodland management, to habitat conservation, to training, to education, to health and cultural work), and organisational motivations (from community woodland groups, to co-ops and others trying to sustain a livelihood, to larger charities seeing woodlands as a way of meeting wider aims).

The definition of woodland social enterprise could be drawn tightly, so that only those with a majority of income from trading, and firmly "woodland based" activities qualify. Or it could be drawn more widely, reflecting the patchwork of income streams, organisational forms and activities detailed here, to encompass all enterprising activities that relate to woodlands, or use woodlands as a setting.

Partly the decision on how tightly to draw the definition will depend on overall policy objectives. Is woodland social enterprise seen as a potential alternative to traditional public or private sector forestry? Or, is it an evolution of traditional community woodland groups, adding value to the traditional forestry sector but not replacing it? The answer will influence what support to the sector (however defined) is aiming to achieve.

Any definition will have to be wide enough to cope with organisations moving within it. Sole traders may become part of co-operatives. CICs may spin out of local authorities; community groups may begin trading.

A clear sense came out from many of the interviews that social enterprises should have an element of community governance or control, while recognising that that is not always the case.

12.2 Opportunities

There is clear support for social enterprise from the Welsh Government, through EU and other funding. The policy around woodlands and woodland management is also supportive of community and social enterprise involvement in woodlands.

The grant system in the main is seen as being supportive and encouraging entrepreneurialism.

Respondents and interviewees saw great potential in Wales' woodlands for doing more than "just forestry" – providing non-timber forest products, places for health and education provision, and leisure activities.

Firewood and woodfuel were also consistently seen as significant potential growth areas.

The fact that social enterprises do not exist to maximise profit was seen as a strength by some interviewees – that they can reach a "steady state" rather than always seeking to grow. This could mean that they are able to take on the management of woodlands that may not be commercially viable but would have potential social and environmental benefits, showcasing an alternative to traditional forestry as they did so.

12.3 Barriers

Some barriers around procurement and contracting procedures were identified; with both interviewees and survey respondents being limited by the "hoops" that they needed to jump through in order to manage public land.

Some interviewees identified the need for support around product development, marketing and administration of products.

Interviews with funders and support organisations also highlighted the need to invest in organisational development for enterprises, ensuring that succession strategies were in place and that they were flexible enough to deal with changes in people's lives – particularly when there was significant volunteer input.

The need to describe the impact and the value of the work that woodland social enterprises do was raised by one interviewee. They stated that the burden of proving their value often fell on groups whilst they were under pressure to become self-sustaining. If enterprises delivering public benefits such as education and health could prove their intrinsic value, this would lift a key barrier that some are facing.

While many respondents had tapped into existing networks, some of the interviewees did not know of other woodland social enterprises and commented that they would value meeting and talking to organisations doing similar things.

12.4 The potential size of the sector

The data in this report reflects a diverse sector, with organisations carrying out woodland management, education and skills training, providing for tourism and amenity, and producing products – sometimes all at once. The picture is also of a relatively small sector, of financially marginal organisations engaging, for the most part, in small areas of woodland. The 2010 survey[23] identified 23 woodland social enterprises; this survey has identified 30.

Based on the data here, the sector has grown relatively steadily over the past 10 years and could be expected to continue to do so. The details of the new EU funding streams are not confirmed yet, and the level and shape of support will likely have an effect on the future size of the sector.

[23] Wavehill Consulting for Forestry Commission Wales, 2010. Available at: http://www.forestry.gov.uk/pdf/Wavehill-survey-CWGs-FINAL-REPORT-Feb2011a.pdf/$FILE/Wavehill-survey-CWGs-FINAL-REPORT-Feb2011a.pdf

Discussion of the potential size of the sector needs to be informed by what the overall objective for the sector is.

If social enterprises are seen as a good way of adding value to woodland, and it is assumed that they operate at a relatively small scale, then it is likely that the growth we have seen in the past three years will continue. The drivers supporting the proliferation of small organisations doing innovative things on and in woodlands are unlikely to stop. Growth in numbers does not equal growth in impact, however, particularly looking at the current small scale of many of the enterprises in relation to turnover, area of woodland engaged with, and jobs created.

If the aim is to see social enterprise as an alternative model for delivering woodland management and as a significant part of Wales' and the UK's woodland sector, then it may be that relying on the proliferation of small organisations engaging in relatively small areas of woodland is not enough.

The mutually beneficial relationships possible between smaller, innovative organisations and larger, established organisations has been likened by Mulgan (2007) to the relationship between bees and trees.[24] In the case of woodland social enterprises, landowners, particularly charitable or public landowners and managers, could serve as supportive "trees" while benefiting from the flexibility and innovation of "bee" social enterprises.

For social enterprise to have a more significant impact, and considering the significant role of private landowners in providing access for the organisations included in this report, support from landowners and managers is needed alongside that from support organisations. Landowners need to be persuaded that woodland social enterprise is more than just another way of supporting community engagement and see it as a viable alternative method of being enterprising with the resources present in a woodland. Social enterprises will need more than passive support from landowners, and instead need active support, particularly in the beginning of their projects. This could include larger charitable landowners seeking out social enterprises to partner with, and landowners of all types being willing to offer clear and secure land tenure or management agreements.

One question for the woodland social enterprise sector as it develops is whether it is a new way of doing forestry that offers better social and environmental outcomes, or whether it operates on the same model as the state and private sectors but with a different ownership and income distribution structure. In either case, new organisations are still entering into the same market, and will initially face the same challenges and constraints as their "competitors" in the private and state sectors.

[24] Mulgan, T, A, Sanders (2007) Social Innovation: What It Is, Why It Matters and How It Can Be Accelerated. Young Foundation.

13. Potential indicators to demonstrate change within the sector

Deciding what to measure shows what is considered important and so will be affected by the overall policy objective and the approach taken to defining social enterprise. It is worth considering that, taking account of the diversity of enterprises detailed here, growth may happen in areas that are currently unexpected, and thus flexibility should be built into any model.

Lawrence and Ambrose-Oji (2013)[25] have developed a framework for collection of information on community woodland groups, in order to develop comparable case studies that reflect the evolution and current situation of groups.

The key elements of this framework are:
1. History
2. Institutional context
3. Group organisation
4. External links
5. Resources

This has informed the development of these key indicators. The indicators below sit mainly in the "group organisation" element, with particular attention to the business model. We would suggest, though, that any longitudinal study uses the same elements of the framework in order to develop comparable information.

We have attempted to develop indicators that are easily measurable, but that can be expanded on if resources allow.

In this section we discuss what indicators would be useful to track, and then how they may be collected. The basic indicators suggested are quantitative and should be relatively easy to collect. We have suggested where further resource could allow more detailed data to be collected, or where more qualitative information would be helpful.

13.1 Indicators

A: Enterprises

1. Number of enterprises that meet the three broad criteria for woodland social enterprise

- Recent growth in numbers could be expected to continue; but this is likely to be tempered by the closure of some enterprises; the date founded should be collected.
- If more resources are available: categorise woodland social enterprises by type or business model, and track number of enterprises and success and failure rates within each category.

[25] Lawrence, A & Ambrose-Oji, B (2013), A framework for sharing experiences of community woodland groups, Forest Research, Available at: http://www.forestry.gov.uk/PDF/FCRN015.pdf/$FILE/FCRN015.pdf

2. Number of full time equivalent staff, and volunteer hours

- Consideration should be given to whether it is important to capture the contribution of partners in co-operative businesses, and freelance staff, and if so, what the most useful measure of this is. This will be important in terms of support for the rural economy.
- Tracking the contributions of volunteers will be important in understanding the business models in use in the sector
- <u>If more resources are available</u>: understanding the interplay between voluntary, reciprocated (e.g. in firewood) and paid labour in the sector would be useful in understanding the real business models in action. From an impact point of view, it would also be useful to understand how volunteers use the skills they gain. A qualitative longitudinal study focussing on a sample of enterprises across the spectrum could be useful in providing this data.

3. Diversity of activities & impact

- Capturing information on the variety of activities undertaken by woodland social enterprises will be useful in understanding the sector and its development. The list used in this work could be updated as the sector grows and different activities tracked. This could be important as one of the potential strengths of this sector is the diversity of enterprising activities, which may increase the viability of small plots of woodland.
- As a minimum, enterprises could be asked to describe how they see their impact and any steps they are taking to measure it.
- <u>If more resources are available</u>: more qualitative research could probe the impact that these enterprises are having. Developing a user-friendly and sector-appropriate range of impact measures may be a useful output.

<u>B: Woodlands</u>

4. Woodlands engaged with, and managed, in ha

- This is a key indicator and will help indicate the impact the sector is having more fully than the simple number of enterprises in existence.
- <u>If more resources are available:</u> more nuanced data could be achieved by asking about the amount of new woodland created, and previously unmanaged woodland brought into management.

5. Security of tenure / legal relationship with woodlands

- This is an important indicator, as lack of security of tenure will contribute to the instability of small enterprises in this sector, and may provide insight into the type of support necessary to grow the sector.
- <u>If more resources are available:</u> qualitative research might probe how some of these informal agreements have come about, and consider how different types of landowners interact with woodland social enterprises; and what support both landowners and enterprises need to ensure mutual benefit.

<u>C: Finances</u>

6. Turnover and surplus, both absolute and per hectare

- Given the range of business models and types in use, it may also be useful to break this down according to business type, especially as the data set grows.
- If more resources are available: comparing these figures to any in the "traditional" forestry sector could be useful.

7. Use of surplus
- A key defining feature of a social enterprise is the reinvestment of the majority of its surplus in delivery of its social objectives; this should be tracked.

13.2 Collection methods
There are three broad approaches that could be taken to collecting this data. They are not mutually exclusive, but will take different amounts of resource, time and input.

1. The "open source" approach
- Develop an online portal / website with a simple form for the basic information outlined above, allowing individuals to create an account and fill in this information.
- Contact all respondents to the survey and ask if they are happy for their information to be made public as part of this initial dataset. Financial information could be kept private, if required.
- Publicise this and ask enterprises to fill in their own information.
- This would allow some peer networking as enterprises could see other organisations doing similar things near them
- A yearly "call for information" or similar could be issued, followed by basic analysis.

Resources
- The key cost will be in web development and maintenance and in time spent chasing information and analysing.

Considerations
- Enterprises are likely to need some kind of incentive – potentially networking – to take the time to update their information
- There is little opportunity to collect any qualitative data in this method.
- This approach should be coordinated with Llais y Goedwig

2. Further iterations of this research
- Re-run a similar research project combining an online survey and telephone interviews at regular intervals – say every two or three years.

Resources
- Similarly to this work, an external organisation could be commissioned to carry out the work, or it could be done internally within the Forestry Commission. The main time cost is in the telephone interviews, questionnaire design, and data analysis.

Considerations
- This method allows for more in-depth analysis, collection of qualitative data, and more detailed quantitative data.

- It could run in parallel with the method described above, with selected telephone interviews being undertaken, and more detailed optional questions available at the yearly call for information.

3. In-depth longitudinal research

- This could be along similar lines to the existing Forest Research longitudinal work on community woodland groups; taking a sample of woodland enterprises and tracking their development, challenges, opportunities and impact.
- Alternatively, funding could be sought for an academic research project, with a number of PhD studentships, looking at different aspects of the sector, such as different business models, impact and the legal relationship of these enterprises to the woodlands they work with.

Resources

- Both of these options are would require more significant resource, particularly in terms of research time, as well as publicity.

Considerations

- One of these routes would be the best way of getting the more nuanced and longitudinal data suggested above.
- This approach could complement the "open source" approach outlined in option 1.

14. Conclusion

Woodland social enterprise is a developing sector. Organisations within it vary in size, scale, activities, governance and business models. What unites them is an enterprising approach to engaging in woodlands, a social or environmental motivation and a reinvestment of any profits into their objectives or their community.

Diversity is a hallmark of these organisations. There is a patchwork of different activities, incomes, phases in time, and even seasons within these organisations, and across the whole sector. Enterprises have their "eggs in different baskets", with funding, income generation, activities and relationships with their community and the organisations that support them.

The grant and policy landscape in Wales is particularly supportive of social enterprise, and a few organisations earn more than half their income from trading. Organisations in this sector tend to be small in terms of surplus (but not necessarily turnover) and in terms of staff.

These organisations exist within networks of support, and 'help' in the broad sense: payment in kind, support organisations, advice, funding and networking. This support seems key when starting up, and nurturing the development of organisations. Peer networking is both valued and desired.

A key question is whether woodland social enterprise is seen as a potential alternative to traditional public or private sector forestry, or an evolution of traditional community woodland groups, adding value to the traditional forestry sector but not replacing it. The design of any support to the sector will need to both be clear about what it is trying to achieve, and be flexible enough to allow for unexpected developments, markets and areas of growth.