



Woodland- related Social Enterprise: Enabling factors and barriers to success

Amy Stewart

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1. Introduction

1.1 Overview

Over the last decade, interest in the potential contribution that social enterprises can make to society has been growing and this is evidenced in the increasing focus that is being given to them within public policy. Furthermore, in a MORI poll completed in Scotland in early 2010, public awareness of social enterprises had risen by 11 per cent in the last six months (Scottish Social Enterprise Coalition, 2010). At the same time, there has been an upsurge in attention on encouraging civil society or third-sector organisations to take on the management and/or ownership of physical assets such as land or property. Indications are that the growing importance of these agendas is likely to continue, as, for example, these ideas fit neatly into the 'Big Society' ethos of the UK coalition government. The forest administrations in England, Scotland and Wales are all committed to contributing to sustainable local and community development (social, environmental and economic) and helping to build community capacity and cohesion. They have recognised that supporting woodland-related social enterprises, with a particular emphasis on enterprises based around community management and/or ownership of woodland, could be one way to achieve this.

The support for woodland-related social enterprises within forest policy is relatively new. Practical application of related policy objectives is even more nascent, especially within England and Wales, and a thorough understanding of the value of woodland-related social enterprises and the best ways in which to support them has yet to be achieved. This study is a contribution towards improving this understanding and has been commissioned by the Forestry Commission in England, Scotland and Wales. Its focus is on examining the barriers and challenges facing different types and models of woodland-related social enterprise and investigating critical enabling factors.

1.1.1 Objectives

The specific objectives of this study are to:

- Define social enterprise in a way that is useful to the Forestry Commission and the wood sector.
- Describe social enterprise through a range of selected case studies covering a spectrum of aims and objectives, business focus/type, tenure rights, legal forms, economic dependence, staff and volunteer input, governance and membership, and impacts and outcomes.
- Identify the barriers, challenges and enabling factors to establishing and maintaining “successful” and sustainable woodland-related social enterprises.

This study will not only be useful for policy-makers and those responsible for policy delivery within the Forestry Commission, but also for other public bodies engaged in supporting social enterprise and asset transfer agendas. The report will also be of interest to a wider readership, such as those already engaged in woodland-related social enterprises, those involved in supporting such businesses, community development organisations, community woodland groups, those considering establishing woodland-related social enterprises and those concerned with the question of the future management and ownership of the public forest estate.

1.2 Definitions

1.2.1 Social enterprise

Various definitions of social enterprise exist. Most commonly they are described as businesses that operate primarily to achieve social and environmental objectives, rather than to provide returns to owners and share-holders. Any profit or ‘surplus’ that they accrue is usually, therefore, invested in furthering their social and environmental objectives and developing their business (Cabinet Office, 2010; Social Enterprise Coalition, 2010).

The *Annual Small Business Survey 2007/08* found that there were approximately 62,000 social enterprises in the UK and that small and medium social enterprises were contributing around £24 million Gross Value Added to the UK Economy (Williams, M. and Cowling, M. 2009. cited in Social Enterprise Coalition, 2009: 3). However, a study by Delta Economics and market researchers IFF Research released in early 2010, suggested that the UK could in fact be home to 232,000 social enterprises. This is due to what have been termed ‘hidden social enterprises’ which do not conform to the conventional definition. The research involved surveying 2,121

founders of for-profit growth-oriented mainstream businesses and then filtering out those businesses motivated primarily by 'make a difference' goals. This group was then further filtered into broad social enterprises which also reinvest their surpluses to achieve social goals, and pure social enterprises who, additionally, do not pay out any dividends to shareholders and have a sales revenue stream that is greater than 25% of their total turnover (since social enterprises are distinguished from other not-for-profit organisations by their income generation through trade as opposed to philanthropy or government subsidy). The study suggests that there are 232,000 broad social enterprises contributing £97bn to the UK economy and 109,371 pure social enterprises contributing £17.7bn. It also highlights the fact that within the mainstream growth-oriented business sector there are many enterprises that do not identify themselves as social enterprises but work towards the same goals and apart from the purest social enterprise business models, have neither lower profitability nor significantly lower 'hard' measures of business performance than their mainstream counterparts.

This underlines the fact that, while there is a broadly accepted definition of social enterprise, the details underlying what exactly constitutes a social enterprise are highly contested and often this debate revolves around how profit is used.

This is further illustrated by debate over the Social Enterprise Mark, which has been launched as a brand for social enterprises to use across the UK, so that consumers can identify them as businesses that meet a defined set of criteria. The criteria for gaining the mark are that the business:

1. Has social and/or environmental aims
2. Has its own constitution and governing body
3. Spends at least 50% of its profits on socially beneficial purposes
4. Earns at least 50% of its income from trading
5. Can demonstrate that social/environmental aims are being achieved
6. Can prove that should it cease trading its remaining assets would be distributed for social/environmental purposes (Social Enterprise Mark, 2010).

However, Senscot, the network for social enterprises in Scotland, among others, believe that these criteria are not stringent enough. The two biggest concerns are that the criteria allow up to 50% of business profits to be used as dividends rather than invested back into the community or business, and, that the criteria also allow local authority subsidiaries like Leisure Trusts to be included. Although no separate social enterprise mark or badge has been agreed for Scotland, Senscot (2010a) has developed an alternative framework of five criteria defining social enterprise. These differ from the Social Enterprise Mark criteria in declaring that a social enterprise cannot be the subsidiary of a public sector body, that it must be run ethically and be driven by values, and that at least 65% of its profits must be spent on social and environmental objectives.

Some commentators and entrepreneurs go even further than Senscot do in relation to profits. For example, Muhammed Yunus, an entrepreneur, argues that social enterprises are 'Non-loss, non-dividend companies dedicated to meeting social needs – where the investor gets the investment back over time, but never receives dividend beyond that amount. All profits of the business go towards improving the product or service provided, and increasing its reach' (Senscot, 2010b). Similarly, Pearce (2003: 31-2) identified six characteristics of social enterprise, one of which was that social enterprises do not distribute profits to individuals. For Pearce (2003: 37-8) a social enterprise *must* have common ownership and cannot be sold off and divided between workers, directors, members or others. Thus for him, assets must be held in trust and companies limited by shares should not be recognised as a legitimate form of social enterprise.

It is unlikely that the Forestry Commission need enter into debate over what does or does not constitute a social enterprise per se. For the most part it will be sufficient to adopt a sensible and pragmatic approach which takes into account the discussion and criteria provided above as a general guide and also considers how best the Forestry Commission's aims and objectives will be met in any given context. However, if the Forestry Commission intends to continue to pursue policy objectives to support and promote social enterprise, then at some point, policy-makers in the three devolved administrations may be called on to offer clear statements as to what their definition of social enterprise includes and excludes (for example, whether or not they consider public sector subsidiaries to be a legitimate form of social enterprise).

Whatever the criteria used to define them, social enterprises come in various shapes and sizes, ranging from small community-owned shops to large organisations delivering public services and as Teasdale (2010: 16) argues, 'social enterprise is a label rather than a specific organisational form'. Prominent examples of social enterprises include the fair-trade chocolate company, Divine Chocolate; The Big Issue; Jamie Oliver's restaurant, Fifteen and The Eden Project.

1.2.2 Community enterprise

The Department for Communities and Local Government (CLG, 2010: 1) defines community enterprises as being based on the same principles as social enterprises but focused on providing benefits to a particular geographical area or community of interest, and often managed and run by people from within the community they serve.

The Development Trusts Association (DTA) state that for them community enterprise is part of the wider social enterprise movement and community enterprises are fundamentally a way of creating wealth in communities and keeping it there (DTA, 2010). Therefore, for them, community enterprise means:

- Community-led organisations – both community of place and interest.
- A self-help ethos – while we achieve much in partnership with local authorities, businesses etc. we avoid dependency.
- Communities themselves are the best agents of their own renewal.
- Philanthropic and welfare approaches by themselves are not enough – enterprise is necessary for sustained change.
- This means trading for social purpose – where surpluses are reinvested in further enterprise development and for community benefit.
- Community ownership of assets (buildings, land and other assets) can build business capacity and achieve community goals. (DTA, 2010)

Similarly, Together Works, the social enterprise network for Manchester, states that, 'Community Enterprise is, and always has been, the generic term that describes all community based economic development, which seeks to improve or repair the community economy' (Together Works, 2010). They argue that the aim of a community enterprise is to create community wealth which involves

increasing: the income of community members; investment in the community economy; community-owned assets and; community-controlled savings and reserve funds (Together Works, 2010).

It is not clear whether for Together Works, community enterprises are limited to those run by geographic communities or whether they also include communities of interest. However, for Pearce (2003: 28-9), unlike for CLG or the DTA, community enterprises are 'those enterprises located at neighbourhood or district level and rooted in the locality which they seek to benefit' and do not include enterprises based around a community of interest and/or which operate at a regional, national or international basis.

1.3 Methods

The research for this study involved a literature review, desk-based study and semi-structured telephone interviews.

1. Literature review: A brief review of the academic and policy literature relating to social enterprises and asset transfer was undertaken to provide the history and context within which to base this study and to highlight the relevant findings from studies already undertaken on related topics. This review largely utilised resources found using the worldwide web (academic, policy and third sector publications), materials gathered from attendance at social enterprise events, seminars and workshops, as well as sources recommended by colleagues and contacts.
2. Desk-based study: A desk-based search for potential case study woodland-related social enterprises was also carried out and involved extensive searches on the worldwide web. Key players in the woodland-related enterprise field also helped to identify potential case studies. Key players contacted included individuals from within: the Forestry Commission and Forest Research; the Community Woodlands Association (CWA); the Small Woods Association; Tir Coed; and Coed Cymru.
3. Semi-structured telephone interviews: Interviewees were chosen purposively. In England and Wales, where woodland-related social enterprises are not yet abundant, case studies were chosen on the basis of their identification as being a woodland-related social enterprise. This selection was then narrowed further by access to interviewees. In Scotland,

beyond those included in this study, many other possible case studies (and therefore interviewees) were identified. Selection of interviewees was therefore based on, not only willingness of potential interviewees to participate, but also on ensuring a broad spectrum of enterprises was included in terms of business focus, tenure arrangements, funding situation and legal and governance structures. Semi-structured interviews were conducted over the telephone with 20 individuals in total, six based in England, nine in Scotland and five in Wales. Of these eighteen interviews related to specific existing or proposed woodland-related social enterprises and were conducted with people involved in their establishment or current management. The remaining two discussions were with individuals (Clarke, 2010; Jenkins, 2010) from organisations carrying out work which was strongly linked to woodland-related social enterprises to give a broader view of some of the issues affecting them.

1.4 Structure of report

This report contains two distinct parts.

The first half of the report, up to and including section four, reports on the findings of the literature review. The report begins in section two by setting out the current status of the social enterprise sector and the academic and policy context within which the rest of the report sits. It then continues in section three with a discussion of the potential benefits, barriers and risks related to social enterprise and the ownership and management of assets by communities, as identified in the academic and policy literature. Following this in section four there is a brief overview of the possible legal forms available to social enterprises.

The second half of the report focuses on case studies and empirical findings. In section five analyses of the semi-structured interviews are presented in the form of case studies and perspectives. In section six, the key enabling factors for woodland-related social enterprises are drawn out and the barriers to their success highlighted before, finally, in section seven, we reflect upon the key considerations that need to be addressed by the Forestry Commission and other agencies in order to best support the development of a sustainable woodland-related social and community enterprise sector

2. Background context

2.1 Status and trends

In 2009, The Social Enterprise Coalition released the *State of Social Enterprise Survey 2009*. This survey involved interviewing 962 senior figures within social enterprises. The survey was undertaken at the height of an economic downturn and found that the social enterprise sector on the whole seemed to be doing well, despite the economic climate:

- Two thirds of social enterprises were making a profit with a further 20% breaking even.
- Despite the recession, social enterprises were twice as confident of future growth than SMEs with 56% increasing their turnover from the previous year while only 28% of SMEs had done the same.
- Social enterprises varied massively in scale but the majority operated at a small-business scale.
- Social enterprises tended to be more profitable, less dependent on grants and faster growing once they reached a turnover of £1 million (although there were many that were profitable and sustainable with much lower turnovers).
- 70% of respondents reinvested profits into business development activities.
- 41.1% of all board members were women compared with just 11.7% of board members in FTSE 100 companies.
- There were few business sectors that did not include social enterprises although for many the focus was on developing human capital through employment and training.
- Most enterprises (60%) were companies limited by guarantee but a variety of legal forms were used.
- Just over one in ten operated at a national scale, with the majority working in one or two local authority areas.
- 39% of social enterprises reported that over half their income came from local and central government so the public sector was already a key customer.
- Finance and funding was both the greatest enabler when present and the greatest barrier when unavailable.
- A third of social enterprises had sought finance in the twelve months previous which was comparable with the search for capital by SMEs.
- 71% of social enterprises had received between 75%-100% of the finance they asked for.

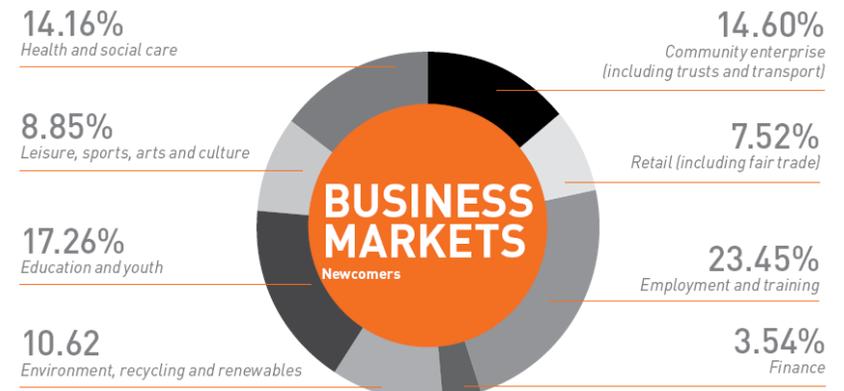
- 60% of all funding required by social enterprise was for growth and expansion.
- Business support was not sufficiently tailored to social enterprise needs.

Social enterprises operate in a variety of markets. Social Enterprise magazine in partnership with the Royal Bank of Scotland, have established a social enterprise index *RBS SE100* which in its first year included 350 organisations (257 who had been trading for more than three years and 93 'newcomers'). These organisations were asked to select up to four (from eight) broad business markets to define their main business activity. The pie charts below, taken from the *RBS SE100 Date Report* (Social Enterprise magazine and RBS, 2010: 31), illustrate their findings, with the first chart focusing on all organisations on the index, and the second reflecting only 'newcomers' (those trading for less than three years). The findings suggest 'that the business activities of new and more established social enterprises are very similar, with newcomers slightly less likely to be involved in health and social care, in leisure or in finance but more likely to be involved in education or in the environment' (Social Enterprise magazine and RBS, 2010: 31).

Figure 1. Whole index business markets



Figure 2. Newcomers business markets

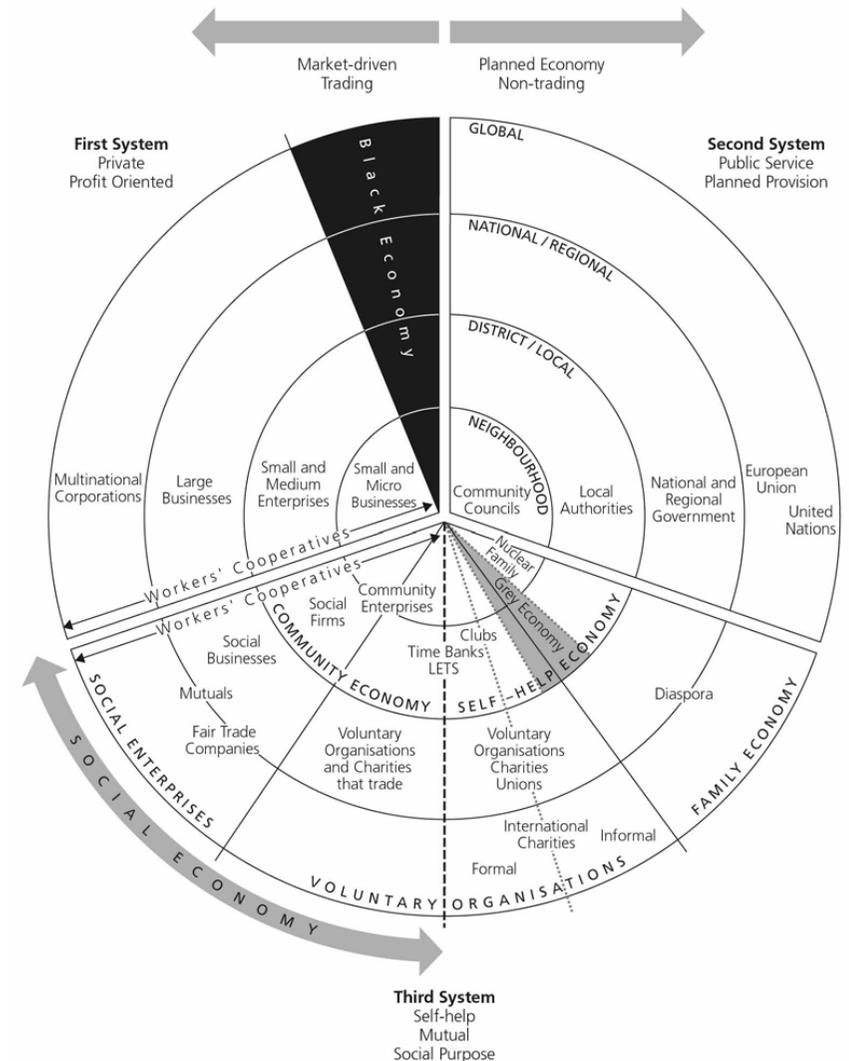


2.2 The third sector and the social economy

An often cited framework for conceptualising and understanding the third sector and the role of social enterprises within it is John Pearce's (2003) model of the three systems of the economy. As figure 1 demonstrates, Pearce divides the economy into three systems or three different modes of production: the first system is the profit-driven private sector, the second system is the public sector involving public service provision, redistribution and planning and the management of the economy, and the third system, 'third sector', or what might now be termed civil society or Big Society by the collation government, is characterised as being 'about citizens taking action to meet and satisfy needs themselves and working together in some collaborative way to do this' (Pearce, 2003: 26). Within all three systems there are differences of scale from those organisations working at a global level, down to those operating at a neighbourhood level.

Unlike the organisations within the first system, which are trade or market driven, and the second system, which are focused on planned economic approaches and public service provision, organisations in the third sector are largely motivated by social purpose, with a self-help ethos and a focus on mutuality. However, organisations within the third system function across an array of areas with some being trade-based organisations operating closer to the private sector, and some operating in a non-trading manner, closer to the second system. Those third system organisations operating on a trading basis exist in what Pearce has termed the 'social economy'. For Pearce, the social economy fulfils a specific function beyond that of the public or private sector

Figure 1: Three Systems of the Economy (Pearce, 2003: 25)



and it would be compromised if it adapted to the values and principles of either (Amin, 2009: 6).

However, while Amin (2009: 8) accepts that the social economy 'has its own specificity' he questions whether the economy is best conceptualised as three separate systems with the social economy lying unequivocally in one of them. Rather he thinks it should be differentiated in a way that blurs the distinction between the sectors, showing that each domain is highly variegated and potentially similar in some ways to activity in other domains. He gives the example of a professionally run community crèche having more in common with a small state-run crèche which engages its clients, or a privately owned one that makes enough profit to offer free of subsidised services than with a crèche managed by volunteers who lack specialized skills, resources and experiences (Amin, 2009: 8). Amin (2009: 10) argues that:

How the social economy is conceptualised in relation to the rest of the economy has a direct bearing on what is expected from it. In a three-system reading, the social economy can only play a distinctive role, in between or beyond the state and market. It must address the limitations or failures of state welfare and private markets (by solving urgent social needs and preparing disadvantaged people and communities to return to paid work), or it must advance the cause of a different kind of economy – one that is more caring, needs-based, holistic and associative. Alternatively, if conceptualized as a heterogeneous entity with varying degrees of proximity and overlap with an equally heterogeneous public and market economy, the social economy could be expected to work alongside, perhaps even in conjunction with, other actors including private businesses and state bodies, to deliver its commitments to economic engagement through social participation.

This raises the question of how the social economy and the role and contribution of social enterprises have been expressed within recent public policy within Great Britain.

2.3 Public policy agenda

From 2002 onwards, there has been an increased emphasis within government on the contribution that social enterprises can make to society. Accompanying this agenda, Aiken et al. (2008): 19) assert that 'there has been growing policy interest in encouraging

third-sector organisations in general to take on the ownership or management of physical assets'. This section explores these related policy agendas within England, Scotland and Wales respectively.

2.3.1 England

The first government strategy for social enterprise was published by the Department for Trade and Industry in 2002 titled *Social Enterprise: A strategy for Success*. In 2006, the Office of the Third Sector (OTS) was created within the Cabinet Office and a Minister for the Third Sector was appointed to help the whole sector, including social enterprises, develop and thrive (WAG, 2009: 69). In the same year, the OTS published the *Social Enterprise Action Plan: Scaling new heights*. This strategy acknowledged that social enterprises can contribute to society through:

1. meeting social needs, using business success to address social or environmental challenges such as regeneration and social inclusion;
2. encouraging ethical markets, raising the bar for corporate responsibility;
3. improving public services, by shaping service design, pioneering new approaches and delivering services; and
4. improving levels of enterprise, showing that ethical commitment and business success can be combined (OTS, 2006: 13-14).

It also outlined the specific actions the government would take to enable the growth and success of social enterprises under the following headings:

1. Foster a culture of social enterprise
2. Ensure that the right information and advice are available to those running social enterprises
3. Enable social enterprises to access appropriate finance
4. Enable social enterprises to work with government (OTS, 2006: 3-5).

Building on the OTS's *Action Plan*, in early 2010 the department for Communities and Local Government (CLG) launched the *Community Enterprise Strategic Framework* which set out CLG's commitments and plans to support the community enterprise sector. The document asserted CLG's belief that 'community-based social enterprises have the potential to play a key role in delivering multiple benefits to a range of communities across the country' and can act as 'a focal point for local people to identify the unmet needs of their communities and to respond to those needs with the help of their own income-generating activities' (CLG, 2010a: 1).

Previously, in 2008, CLG also published *Communities in Control: Real people, real power*, a document aimed at enhancing local democracy and active citizenship, and giving more power and control over local decisions and services to local communities (CLG, 2008). This highlighted the role that CLG perceived for social enterprises and the desire of government to 'see more people involved in starting and running social enterprises, providing goods and services across a range of sectors, and creating work and wealth, particularly in the most deprived neighbourhoods' (CLG, 2008: 125). Therefore, it noted that a new Social Enterprise Unit was to be established within CLG and suggested that social enterprises can be particularly effective in community empowerment efforts because when they are locally-based they are places where people can 'learn the skills of democracy and where democracy can flourish' (CLG, 2008: 13). Furthermore, it reported that the CLG would be active in 'passing the delivery and ownership of services to people through social enterprises and cooperatives' (CLG, 2008: 74). It also highlighted the role that asset ownership and management might have, stating that:

Where local asset management and ownership works well, it can create a new cadre of active citizens, owning, directing and running a service as well as providing good value for money for local authorities and other public bodies. It can support the creation of new co-operatives, mutuals and social enterprises which are responsive to local needs, reflect local ambitions and which generate loyalty from the local community (CLG, 2008: 118).

This gives weight to the assertion of Aiken et al. (2008: 32) that 'Most contemporary policy is framed by an assumption that the community ownership and management of assets might lead to a stronger civil society.' Indeed at the same time as the growth in policy interest in the role and potential of social enterprises and the third sector was taking shape, policy interest in community ownership and management of assets was also on the rise. In 2007, *Making Assets Work: The Quirk Review of community*

management and ownership of public assets was published and as a result 'the transfer of assets from local authority ownership to third-sector organisations' became 'a *mainstream* policy objective rather than 'an *exceptional* activity' (Aiken et al., 2008: 20). The review maintained that the 'starting point is the recognition that optimising the use of public assets is not the primary objective: the overriding goal is community empowerment' (CLG, 2007: 3). It concluded that:

- Assets are used in service of an array of social, community and public purposes. Any sale or transfer of public assets to community ownership and management needs to realise social or community benefits without risking wider public interest concerns and without community purposes becoming overly burdened with asset management
- The benefits of community management and ownership of public assets can outweigh the risks and often the opportunity costs in appropriate circumstances. And if there is a rational and thorough consideration of these risks and opportunity costs, there are no substantive impediments to the transfer of public assets to communities. It can be done, indeed it has been done legitimately and successfully in very many places
- There are risks but they can be minimised and managed – there is plenty of experience to draw on. The secret is all parties working together. This needs political will, managerial imagination and a more business focused approach from the public and community sectors
(CLG, 2007: 7).

In relation to asset transfer, the main focus in England and Wales has been on buildings, whereas in Scotland, more emphasis has been given to land (Aiken et al., 2008: 32). The Rural Development Programme for England (RDPE) 2007 to 2013 is jointly funded by the Government and the European Agricultural Fund for Rural Development. The RDPE has four priority-axes including Axis 3 - improving the quality of life in rural areas and encouraging diversification of economic activity, and Axis 4 – local action or the Leader approach, which 'is a method of harnessing local knowledge to enable a "bottom up", community led approach to delivery of RDPE funding in rural areas' (DEFRA, 2009). These two elements of the RDPE 'provide new opportunities to build the ability of local communities to influence their own environments and develop social enterprises' (FCE, 2008: 27).

In May 2010, a general election was held in the UK and the new coalition government (between the Conservatives and the Liberal Democrats) was formed. Although this inevitably dramatically changes the political landscape, if anything the social and community enterprise agenda is likely only to become more conspicuous. The new government has replaced the OTS with the Office for Civil Society (OCS) and it was reported very early on that government policy would focus on:

- Making it easier to run a charity, social enterprise or voluntary organisation
- Getting more resources into the sector: strengthening its independence and resilience
- Making it easier for sector organisations to work with the state (Mair, 2010)

The coalition government has laid out a fundamental commitment to the concepts of 'Big Society' 'where family and social responsibility plus civil liberties create a stronger society' and 'localism' where citizens will be empowered, involving 'Real change driven by local people working together in their communities' (CLG, 2010b: 2). Teasdale (2010: 16) maintains that although local regeneration and development trusts are unlikely to be given as much support as they were under the previous administration, community organisations are likely to play a conspicuous role in the localisation agenda. The government has committed to supporting the creation and expansion of social enterprises and giving them more opportunities to run public services and making it easier to establish employee-owned co-operatives (HM Government, 2010a: 29; HM Government, 2010b: 8). Indeed the government maintain that 'Local communities and organisations will be able to benefit from a massive power shift; taking power from Whitehall and transferring it to local communities', with 'a new set of rights' becoming available to communities, including the right to buy and the right to bid to run community assets' (HM Government, 2010b: 6).

These powers were elucidated on in the Localism Bill of December 2010 which formally laid out the government's plans to instigate the 'community right to challenge' (i.e. for communities to express an interest in running a local service and for local authorities to make it easier for them to do so) and the 'community right to buy' (making it easier for communities to purchase assets of value to them from local authorities) (CLG, 2011). At this time there is no indication that these powers are to be extended to include services and assets beyond those owned by local authorities and therefore they do not affect the public forest estate directly.

A taskforce has been established to make recommendations on ways in which red tape and bureaucracy for charities, social enterprise and voluntary organisations can be reduced (HM Government, 2010b, 10). David Cameron, the new Prime Minister, has said that the government will review whether the third sector should be funded on the same basis as government which would mean that third sector organisations would be able to reclaim VAT (TFN, 2010). It has also been announced that the government plans to establish a Big Society Bank using funds from dormant bank accounts, which will offer new finance to social enterprises, as well as other third sector organisations (Cabinet Office, 2010) and 'will aim to encourage more mainstream investors to invest in social enterprises and charities, broadening the finance options open to the sector' (HM Government, 2010b: 11). The government also claims that in relation to public procurement, it will 'look at how to enable commissioners to use assessments taking full account of the social, environmental and economic value in their commissioning decisions' (HM Government, 2010b: 11).

2.3.2 Scotland

March 2007 saw the launch of the Scottish Government's social enterprise strategy *Better business: a strategy and action plan for social enterprises in Scotland*. The strategy aimed to implement the government's 'vision for social enterprise in Scotland as a dynamic, sustainable and credible way of doing business, delivering services and actively improving our communities' and was seen as 'the start of a process to create an environment where social enterprise can flourish' (Scottish Executive, 2007: 1). The strategy also highlighted the contribution the Scottish Government felt social enterprises could make to life in Scotland, namely: 'contributing to economic growth and business development; delivering services focused on the needs of people; regenerating and empowering people in our most deprived communities and playing a major role in supported employment', as well as more broadly helping to 'deliver social, economic and environmental benefits to communities and individuals' (Scottish Executive, 2007: 1). The strategy included four strategic aims:

1. Raising the profile and proving the value of social enterprise
2. Opening up markets to social enterprise
3. Increasing the range of finance available to develop social enterprise
4. Developing the trading capacity of social enterprises by providing better business support.

In September 2007, the Scottish Government recognised the contribution that the third sector could make to life in Scotland in its economic strategy and briefly touched on the role of social enterprises. The economic strategy identified five strategic priorities critical to economic growth, one of which was 'equity' (Scottish Government, 2007: 22). One of the key approaches and policies identified under the 'equity' strategic priority was to 'support social enterprise, as part of investment in an enterprising third sector, ensuring the provision of start-up assistance and encouraging efforts to provide supported employment as an early step for those furthest from the labour market' (Scottish Government, 2007: 36).

Building on both these policy documents, in June 2008, the Scottish Government published *Enterprising Third Sector: Action Plan 2008-2011*, to promote the value of the third sector through investment 'in those enterprising organisations within the third sector that have the right business skills to deliver high quality services to those that need them, whilst moving towards financial sustainability and reducing organisational dependency on grants' and through creating 'an environment in which an enterprising third sector can thrive' (Scottish Government, 2008: 1).

Similar to sentiments in the coalition government's 'Big Society' agenda, the 2009 Scottish Government's *Scottish Community Empowerment Action Plan*, recognised that while community empowerment can be achieved in many ways, for some it 'will involve owning assets, and controlling budgets, or generating their own income to reinvest' (Scottish Government, 2009, 10).

In relation to asset transfer, in 2003 the Scottish Parliament passed the Land Reform (Scotland) Act which granted communities the right to buy land and buildings in certain circumstances. Part 2 of the 2003 Land Reform (Scotland) Act gives communities the right to register their interest in and purchase registered rural land when it comes to be sold. To do this they must form a company limited by guarantee (Scottish Executive, 2004). The Community Woodland Association (CWA, 2010b: 25) report that as of May 2010, 66 community bodies had registered their interest in purchasing land but only 6 had successfully acquired land through this mechanism and that the legislation may therefore not be fit for purpose.

2.3.3 Wales

In June 2005, The Welsh Assembly Government (WAG) published its first *Social Enterprise Strategy for Wales* which reported their vision 'of dynamic and sustainable social enterprises strengthening an inclusive and growing economy' with the following aims:

1. The creation of an environment that encourages new social enterprises and capitalises on opportunities for growth;
2. The establishment of integrated support for the sector involving mainstream and specialist agencies leading to;
3. The creation of a thriving social enterprise sector in Wales

(WAG, 2005: 4).

It recognised that social enterprises 'can help tackle social exclusion and regenerate deprived communities' and can:

- Provide routes to mainstream employment
- Create sustainable jobs
- Retain wealth within the local community
- Contribute to community regeneration
- Encourage active citizenship
- Make money in a socially responsible way
- Identify and promote the needs of local communities
- Improve service delivery to meet local needs
- Reach out to those who are economically inactive or disadvantaged

(WAG, 2005: 8)

In January 2008, the WAG laid out plans for their engagement with the third sector in *The Third Dimension: A Strategic Action Plan for the Voluntary Sector Scheme*. The document sets out five action areas, 'fundamentally aimed at empowering people and communities so that they can contribute more fully and effectively to the building of a better Wales:

- a) by valuing and promoting voluntary action;

- b) by strengthening and empowering communities;
- c) by enhancing opportunities for citizens to be heard;
- d) *by supporting and accelerating social enterprise*; and
- e) by making public services more accessible and citizen-centred'
(WAG, 2008: 20, emphasis added).

Following this, in 2009 the WAG launched their *Social Enterprise Action Plan for Wales 2009* which sets out how the WAG proposes to create an enabling environment for social enterprises to flourish and is intended to update the 2005 Strategy and its actions (WAG, 2009).

In terms of asset management and ownership, although Aiken et al. (2008: 32) argue that 'It would appear that the assets agenda has been developed more proactively in England and Scotland than in Wales', there are some signs of an emerging asset transfer agenda. As Aiken et al. (2008: 21) note, the 2005 *Social Enterprise Strategy for Wales* set out some specific targets which included an aspiration to transfer £6 million worth of assets and that within Wales there is also growing 'support for a community right to buy'. In Wales, as in England, the main focus thus far has been on buildings, but in the forestry sector there is evidence of both buildings and redundant sites having been transferred to communities to meet local needs.

2.4 Forest policy agenda

As is the case with various aspects of public policy, the two rising agendas of asset transfer and social enterprise are reflected in forest policy, which in Great Britain is a devolved issue summarised in the forest strategies for each of England, Scotland and Wales.

2.4.1 England

A Strategy for England's Trees, Woods and Forests published by DEFRA in 2007 has three themes under which action will be undertaken to achieve its aims, one of which is 'Community and Places'. This theme includes a focus on 'cohesive and engaged communities' and under this theme the policies relevant to this study are to 'help people to engage with the ownership, design,

management, maintenance and use of their local trees and woodlands as part of their vision for their own neighbourhood (especially those groups and individuals who are difficult to reach or not currently involved)' and to 'promote and support the role of trees and woodlands as a catalyst for community capacity building, bringing together different members of the community through formal and informal activities' (DEFRA, 2007: 14). Another theme of the strategy is 'Working Woodlands' and one of the policies under this theme is to 'ensure that a wide range of appropriate business and financial advice and support is available to existing and new woodland based enterprises, including social enterprises' (DEFRA, 2007: 33), acknowledging that an opportunity for action is to explore 'the potential for woodland-based social enterprises' (DEFRA, 2007: 35).

Forestry Commission England's delivery plan for the strategy includes an aspiration for 2020 that 'new and innovative social enterprises are contributing to the prosperity and cohesion of local communities' (FCE, 2008: 29), and states that in order to achieve this they will 'Develop exemplars and demonstration projects for new social enterprises based on community use or management of trees, woods and forests' (FCE, 2008: 30).

2.4.2 Scotland

The Scottish Forestry Strategy (Scottish Executive, 2006) has seven 'Key Themes'. Key Theme 3 is 'Business development' where the strategy notes that in order to contribute to rural development, the 'development of community business and social enterprises through the sale or use of national forest land' must be encouraged 'where this is in the public interest' (Scottish Executive, 2006: 32). Under Key Theme 4: 'Community development', a key focus is on supporting 'community ownership and management on the national forest estate, where this will bring increased benefits' since 'Woods and associated land can provide opportunities and places for development of community and small business enterprises, and can be a vehicle to develop employability, self-esteem and transferable skills' (Scottish Executive, 2006: 35).

In response to the Land Reform (Scotland) Act 2003, Forestry Commission Scotland (FCS) launched the National Forest Land Scheme (NFLS) in 2005. National Forest Land is defined by FCS as 'the forests, woods, open land and other property owned by Scottish Ministers on behalf of the nation, and managed by Forestry Commission Scotland' (FCS, 2008: 3). The NFLS provides communities with the opportunity to:

- buy or lease National Forest Land where they can provide increased public benefits, regardless of whether it is up for sale or not
- buy National Forest Land in order to create woodland crofts, subject to delivery of public benefits
- buy National Forest Land which is surplus to requirements. Surplus land is land that makes little net contribution to FCS's public policy objectives
(Lawrence, 2009: 5)

It also gives appropriate housing bodies, such as housing associations, the right to buy National Forest Land to provide affordable housing (FCS, 2008). By the end of 2010, 29 proposals to the NFLS had been approved (8 of which were for community acquisition) and 17 sales completed (CWA, 2010b: 26).

2.4.3 Wales

The *Woodlands for Wales* (WAG, 2009) strategy includes the theme 'Woodlands for People'. Under this theme, the aims or outcomes of particular relevance to this study are to ensure that 'More communities are involved in the decision making and management of woodlands so that woodlands deliver greater benefits at a community level' (WAG, 2009: 30) and 'More people operate businesses, develop skills and create jobs in enterprises associated with woodland and timber' which will involve helping to 'develop models for woodland-related social enterprises that create jobs, develop skills and provide a mechanism for sustainable local development' (WAG, 2008: 33).

In 2009, Forestry Commission Wales (FCW) established three 'Pathfinder Projects', which were individually negotiated projects intended to run for three years, focusing on developing the relationship between community woodland groups working on publicly owned land, and Forestry Commission Wales. The aim of the projects was to investigate options to increase the level of community management of the woodland in ways which had not been possible previously, and explore the implications of this.

In 2011, the WAG published a policy position paper titled, *Economic development and enterprise from Welsh woodlands and trees*. This paper stated that FCW aimed to 'facilitate access to well-managed woodlands to support economic development and enterprise'

and to 'facilitate through our approach to the delivery of woodland based programmes, more economic development and enterprise opportunities for people from woodlands and their products (WAG, 2011: 3). It also recognised that social enterprises make 'a unique contribution to the mainstream economy, in as much as they contribute simultaneously to both social and economic targets' and recognised that there is potential for wide-ranging woodland-related social enterprise development which could make a positive contribution to 'regenerating communities and increasing economic value added at the local and national level' (WAG, 2011: 12). The position paper provides a clear commitment to make woodland available for social enterprises, where this fits in with the WAG's wider objectives (WAG, 2011: 14).

3. Potential benefits, risks and barriers of social enterprise and community ownership of assets

3.1 Potential benefits of social enterprise

The potential benefits attributed to social enterprises are multiple and have been touched upon already in this report. Social enterprises have been heralded as offering a means of creating a more ethical, sustainable and socially inclusive economy. It is also claimed that social enterprises can enhance community empowerment, build community capacity, facilitate social inclusion and generate social capital.

3.1.1 Community empowerment

It has been suggested that community empowerment in the British context is fundamentally about enhanced community participation, and usually refers to giving communities more opportunities to influence decisions which affect their lives and more control to influence their own destiny (Stewart, 2010). As Findlay (2010: 1) observes of the Scottish Government, 'it is committed to community engagement and community empowerment. That is to say, it is committed to communities being supported to do things for themselves and to people having their voices heard in the planning delivery of services'. On the one hand community participation can be viewed as a *means* to an end, i.e. increased participation will result in improved outcomes which better meet the community's needs. On the other hand, enhanced community participation can be viewed as an *end* in itself, whereby the process of building community participation results in the creation of more empowered communities. From either perspective participation can operate within two models, on the one hand it may be believed that representative democracy is an effective mechanism to involve citizens in public affairs or, on the other hand, it may be believed that decision making should be devolved to a local level and ultimately communities should be afforded the opportunities and support to define their own needs and find ways to address them themselves (Buchy and Hoverman, 2000: 16). In terms of the role of social enterprises in community empowerment, they can be seen as part of the second model, whereby the creation of community-based social enterprise is a way for individuals to take an

active role in public life and come together to work towards meeting their own and the community's needs. Participation in social enterprises may therefore take the form of being both a means to an end, and an end in itself.

3.1.2 Community capacity

Community capacity is a multi-faceted concept which is concerned with the ability of a community to adapt to economic, social, political and environmental change both in terms of threats and opportunities to ensure community members maintain or enhance their quality of life (Stewart, 2010). Community capacity is therefore, dependent on a wide array of factors including both processes and structures such as civic culture, leadership, physical resources, infrastructure, employment opportunities, human resources and social capital. Community-based social enterprises can therefore be considered to be both an indicator of community capacity, in terms of a community's ability to take the initiative to form and operate a social enterprise, as well as a means of strengthening a community's capacity and enhancing its resilience in the face of change, using its own physical, human and social capital to help achieve community aims and meet the needs of its members.

3.1.3 Social inclusion

In the British context, social enterprise is often associated with area based social exclusion and as Teasdale (2009: 2) points out, it may affect social exclusion in three broad ways:

1. Social enterprises can deliver services in deprived communities abandoned by the private sector, as they do not need to create a surplus to return to shareholders
2. Social enterprises can provide employment opportunities, either directly, or through training, work experience, and matching local people to jobs
3. Social enterprises can play a role in economic development by creating more enterprising communities and attracting new people to business.

3.1.4 Social capital

As we have heard, social capital is a key component of community capacity and it is also an important part of community empowerment. It is about more than non-physical assets; the concept of social capital is essentially concerned with the relationships and networks between individuals, organisations and institutions as well as the characteristics of these relationships which enable people to work collectively such as trust, shared understandings, norms and values (Stewart, 2010). The UK Office for National Statistics (ONS) defines social capital as per the Organisation for the Economic Cooperation and Development's definition, where social capital is described as 'the networks together with shared norms, values and understandings that facilitate cooperation within or among groups' (Cote and Healy, 2001 cited in Brook, 2005: 114). It is developed through social interaction and contact and is generally taken to have three forms:

- Bonding – interactions networks and ties within groups and communities
- Bridging – interactions, networks and ties (generally more cross-cutting but weaker than those within bonding capital) between different groups and communities
- Linking – the interactions, networks and ties between individuals, groups and communities and formal authorities (Be Birmingham, 2009: 2; Brook, 2005: 114; Office for National Statistics, 2010).

It is believed that communities with greater social capital are better positioned to address collective concerns. As is the case with community empowerment and capacity, therefore, communities with higher levels of social capital may be better positioned to form social enterprises but social enterprises may also be a mechanism through which social capital is developed.

It has been claimed that 'Local organisations, including social enterprises, can play a key role in helping to build social capital' because of their social motivations, the reinvestment of profits into the community, their ability to find innovative ways to address local needs, their potential to provide goods and services that might otherwise not be delivered, and their potential to impact positively on employment, local well-being and the environment (Be Birmingham, 2009: 2). Pearce (2003: 78-9) maintains that 'Social enterprises generate social capital in their area, mostly by using social capital'. In other words, solidarity is created between like-minded social enterprises through their shared values, and through co-operation and collaboration they build up trust and

reciprocity: 'Informal and formal social networks are actively built upon – bonding the social enterprises together and also bridging to other social enterprise organisations outside the immediate group. It has been noticeable that where there is an energetic co-operative or community enterprise development agency, a cluster of social enterprises is likely to develop' (Pearce, 2003: 79). The formation of a social enterprise may also help to build bonding social capital within the community between members. Spear (quoted in Teasdale, 2009: 2) further claims that because of their 'associative aspect' they are enabled to 'mobilise and reproduce social capital among their user groups'.

However, there is not overwhelming evidence to support these claims at present (Teasdale, 2009: 3), and it is important to realise that social capital is a contested concept. For example, as Stewart (2010: 15) noted, 'social capital can help to reinforce groups, which in turn can lead to the exclusion of 'non-members' and the advantages gained for some through social capital may be obtained at the expense of others'. For Pearce (2003: 80), 'Local social capital that concentrates too much on binding the community into a cohesive unit can make a community more isolated and less tolerant of strangers and outsiders. Both bonding and bridging social capital are required to ensure there is a healthy balance within local the local community'. However, it is not clear whether even with all forms of social capital in play that social capital will always operate in an inclusive manner.

3.2 Potential benefits of asset management or ownership

Nonetheless, social capital is generally viewed as a positive force and Pearce (2003: 81) argues that 'social capital may be strengthened by encouraging community ownership and management of assets such as community centres and village halls'. Having ultimate control over an asset can also help to restore community confidence and local pride (Aiken et al., 2008). Indeed, it is often argued that community ownership and management of assets can promote community development and help further community empowerment, community capacity, social inclusion and social capital objectives, regardless of whether social enterprise is involved or not.

The management or ownership of assets can, however, enable a community to create a social enterprise or enterprises and give groups a secure base for them to be able to plan ahead and undertake long-term work. Asset management and ownership can also facilitate wealth generation, allowing enterprises to move away from 'grant dependency' to 'self-sufficiency' more easily and diversify

their income streams (Aiken et al., 2008). Indeed, community asset ownership gives communities more financial opportunities since they can borrow against the asset and invest in it with more reassurance that the benefits of the investment will reside with the community (Aiken et al., 2008). This can also be possible where a long-term lease/management agreement is in place.

However, Aiken et al. (2008: 39) note that while there are numerous case studies which explore these potential benefits, evidence is not rigorous, especially in relation to community benefits because there is little long-term research which tracks neighbourhood and organisation changes. Although asset ownership may allow groups to experiment with new approaches and provide scope for them to take more risks, at the end of the day, the ownership of assets also brings with it greater risks and liabilities, and ownership as opposed to leasing may not always be the best course of action depending on the aims and objectives of the community group in question.

3.3 Potential risks and barriers

Having set out the potential benefits of social enterprises and asset transfer, we now focus on the potential risks of such an approach and the potential barriers to the realisation of benefits.

Aiken et al. (2008: 27) state that 'There appears to be little published evidence of the risks and barriers connected with community ownership and management of assets' and likewise there is little systematic evidence published on the risks and barriers to creating social enterprise. Nonetheless, the available literature does suggest that there are some key problems that communities face in relation to social enterprise involving asset ownership and or/management and these are listed below.

3.3.1 Reluctance of communities

A problem at the outset is that some community organisations may be unwilling to enter into asset management or ownership, particularly because of the liabilities and risks associated with doing so (Aiken et al., 2008: 27). Even where asset acquisition is pursued, it can become controversial when the extent of benefits to the community are questioned (Walker, 2008: 4402).

3.3.2 Limited capacity

Another barrier is that communities may lack the capacity, skills and experience necessary to run social enterprises and undertake asset ownership and management (Aiken et al., 2008: 27); often 'key committed individuals or entrepreneurs can be essential to success' (Walker, 2008: 4402). A related issue is that while there is often great enthusiasm for such endeavours initially, sustaining this momentum can be difficult to achieve in the longer-term (Aiken et al., 2008: 26). Furthermore, even where capacity exists at the outset, maintaining the necessary skills base can be difficult as enthusiasm wanes, community members become less active or move on (Walker, 2008: 4402).

3.3.3 Lack of support mechanisms

Related to the issue of capacity, Walker (2008: 4402) raises the fact that support mechanisms for social enterprises are often lacking, not only in terms of funding but also in relation to helping develop expertise and provide organisational development.

3.3.4 Exacerbation of social fragmentation and exclusion

A significant challenge to community benefit realisation is the danger that asset ownership and management can be divisive in some situations. For example, Aiken et al. (2008: 39) maintain that small or minority groups within communities may be excluded from asset ownership. They add that 'assets could become monopolised by unrepresentative groups and sold off' if mechanisms are not in place to ensure they are retained for the wider community or public benefit (Aiken et al., 2008: 27). Furthermore, where assets are divided between different groups this could cause tension and increase community fragmentation, as well as making strategic management decisions more difficult (Aiken et al., 2008: 27).

3.3.5 Barriers imposed by regulatory and public sector bodies

Another issue raised in the literature relates to the role of public sector bodies. To begin with, some public bodies may not perceive any tangible benefits to asset transfer (Aiken et al., 2008: 27). However, even where they do and asset transfer takes place, some public bodies 'impose rules on community organisations to repay profits' from trading, meaning that they cannot use their asset to secure further loans (Aiken et al., 2008). Another criticism is that when community projects involving assets run into difficulties,

statutory agencies can be too quick to 'clawback' these assets (Aiken et al., 2008: 22). Similarly, it has been suggested that many of the partnerships between social enterprises or communities and public sector agencies are often very fragile (Aiken et al., 2008: 25). Finally, it has been suggested that the regulatory burden of asset management can pull some community organisations away from their core activities and result in them losing sight of their purpose (Aiken et al., 2008: 39).

3.3.6 Assets become liabilities

One of the most conspicuous risks in taking on the management or ownership of assets is that rather than being 'assets' to the community, they become liabilities requiring substantial amounts of money to be spent on maintaining or renovating them (Aiken et al., 2008: 27; Walker, 2008: 4402). However, in this situation the asset does not necessarily become a liability as long as sufficient income is generated.

3.3.7 Financial constraints

As previously touched upon, the literature raises the fact that finance can often be one of the biggest barriers to success. Grant funding for social enterprises and asset development is often only available in the early stages of an initiative, which does not 'enable the market to become established' (Aiken et al., 2008: 25). Competition for funds is also often very high and generally 'there is instability in funding programmes (Walker, 2008: 4402).

This issue of funding is a persistent one. The Triodos UK bank set up a £3m fund to invest equity venture capital in social enterprises in 2008. However, this fund was closed after only two years after investing only £320,000 in one deal (Giotis, 2010). The Triodos UK managing director Charles Middleton said that 'The recession was having an impact' but that the main problem had been 'not finding the number of social enterprises that were ready for, and had the appetite for, equity', 'Entrepreneurs have to be comfortable with letting go that sense of control and ownership which is not easy to do' (Giotis, 2010).

Powell (2010) reports that while the new 'Big Society' agenda in government could be a step forward in terms of local empowerment, cuts to grant programmes could jeopardise the very organisations needed to deliver this agenda. Local authorities will be making massive cuts to their spending over the coming months and 'Among the easiest victims are the annual grant programmes on which

many newly-started social enterprises, local voluntary and community organisations rely for their existence' with many likely to disappear altogether in 2011 (Powell, 2010). Furthermore, from a wider perspective there are many commentators who fear that the drive towards 'Big Society' and an emphasis on the social economy may simply be the cover for massive spending cuts and a smaller state and that in the long-term social enterprises could 'become stepping stones towards full privatization of public services' (Gosling, 2010).

It is often argued that social enterprises will be self-sufficient if they can move away from a reliance on grant funding or other forms of 'dependency' and that their ability to generate earned income is indeed one of their key strengths especially in terms of their sustainability. However, as Battle and Dees (2006: 146-7) argue 'A financially self-sufficient organization, like a perpetual motion machine, is a myth...every organization is dependent on outsiders for resources and support. Earned income comes from customers who often have a choice of many other organizations with which to do business. Earned income ventures are also dependent on suppliers for key inputs, on labour markets for talent, and often on bankers or investors for capital.' Therefore, earned income is not necessarily any more sustainable than grants or philanthropy.

Pearce (2003: 56-7) pointed out another related potential barrier to the sustainability of social enterprises. Where a social enterprise provides a service which people cannot afford (perhaps due to poverty) or because there is not a large enough market for it (such as in remote areas with low population densities) it will most likely not be sustainable or financially viable based on income from trade alone. However, without the service they are providing, the quality of life of the population served will be detrimentally impacted upon. Pearce (2003: 36) also noted that grant operating structures can be problematic since grants may be reduced if savings are made, more revenue is generated or if budget allocation is compartmentalised so that under-spending cannot be transferred to another purpose. Moreover, Amin (2009: 6-7) points out that sometimes public funding eligibility is evaluated on market performance measures as opposed to measures more in tune with the philosophy behind the social economy and as a result there is a risk of 'diverting social enterprises from their core mission to meet social needs, build solidarity and regenerate local communities, by forcing them down the commercial route. Similarly, state use of the social economy to reduce its welfare obligations could undermine often slow personalized and multiple care that third-sector initiatives close to communities pride themselves in offering, under pressure to comply with standardized public-sector rules on efficiency, price and delivery'. On a related matter, Pearce (2003:

106) observes that grant funding regimes are continually changing and to access this funding requires substantial skills amongst social enterprise members.

3.3.8 Public sector procurement processes

Pearce (2003: 102) further argues that the public sector could use its procurement policies to better allow social enterprise to gain contracts for the delivery of public services. Often it is difficult for them to do so because procurement specifications do not state clearly the non-commercial benefits which are expected to be delivered and how these will be monitored and evaluated and do not recognise 'the social costs incurred by social enterprises when they employ certain groups of people or work in certain areas, and build in appropriate payments to meet these social costs. These payments are not subsidies but proper recompense for delivering additional services' (Pearce, 2003: 109). Essentially, public procurement processes do not usually explicitly recognise the added value that social enterprises can bring. This is a topic that is explored in greater depth in section 6.6 of this report.

4. Legal forms

The legal form a business adopts does not determine whether it is a social enterprise or not, so social enterprises can adopt many different legal forms. The legal form adopted provides an enterprise with its operating framework, 'ownership' structure and the rules and regulations that will govern it. Decisions about legal form should take into account a variety of factors, including 'its social purpose, the people/stakeholders who are involved with it, the scale on which it plans to operate and the way start up and working capital needs are to be financed' (Bates, Wells and Braithwaite and Social Enterprise London, 2003: 2).

Table 1 gives a useful summary of the legal forms a social enterprise can adopt and these are described in more detail in the pages that follow.

Table 1: Legal Structures for Social Enterprises at a Glance (Adapted from Business Link, 2010b)

Legal structure	Summary: most typical features	Ownership, governance and constitution	Is it a legal person distinct from those who own and/or run it?	Can its activities benefit those who own and/or run it?	Assets 'locked in' for community benefit?	Can it be a charity and get charitable status tax benefits?	Differences in the law as it applies in Scotland
Unincorporated association	Informal; no general regulation of this structure; need to make own rules.	Nobody owns - governed according to own rules.	No, which can create problems for contracts, holding property and liability of members.	Depends on own rules.	Would need bespoke drafting to achieve this.	Yes, if it meets the criteria for being a charity.	No specific differences.
Trust	A way of holding assets so as to separate legal ownership from economic interest.	Assets owned by trustees and managed in interests of beneficiaries on the terms of the trust.	No, which means the trustees are personally liable.	Not usually. Trustees/directors can only benefit if trust, court or Charity Commission give permission.	Yes, if trust established for community benefit.	Yes, if it meets the criteria for being a charity.	No, subject to differences between English and Scots trust law.
Traditional limited company (CLG or CLS)	Most frequently adopted corporate legal structure; can be adapted to suit most purposes.	Directors manage business on behalf of members. Considerable flexibility over internal rules.	Yes, members' liability limited to amount unpaid on shares or by guarantee	Yes, but no dividends etc to members if it is a company limited by guarantee.	Would need bespoke drafting in articles, which could be amended by members.	Yes, if it meets the criteria for being a charity.	No specific differences
Community interest company (CIC)	'Off-the-peg' limited company structure for social enterprise with secure 'asset lock' and focus on community benefit.	As for other limited companies, but subject to additional regulation to ensure community benefits.	Yes, members' liability limited to amount unpaid on shares or by guarantee.	Yes, but must benefit wider community as well. Can pay limited dividends to private investors.	Yes, through standard provisions which all CICs must include in their constitutions.	No, but can become a charity if it ceases to be a CIC.	No specific differences
Industrial & Provident Society (IPS) (Co-operative)	For bona fide co-operatives that serve members' interests by trading with them or otherwise supplying them with goods or services.	Committee / officers manage on behalf of members. One member, one vote (regardless of size of respective shareholdings).	Yes, members liability limited to amount unpaid on shares.	Yes, but should do so mostly by members trading with society, using its facilities etc, not as a result of shareholdings.	Would need bespoke drafting in articles, which could be amended by members.	No, would have to be constituted as community benefit type of IPS.	No specific differences
Industrial & Provident Society (IPS) (Community Benefit Society (BenComm))	Benefit community other than just own members and have special reason not to be companies.	Like Co-op type, but new legislation provides option of more secure form of 'asset lock'.	Yes, members liability limited to amount unpaid on shares.	Must primarily benefit non-members - 'asset lock' applies.	Yes, asset lock only survives dissolution if new statutory form of asset lock adopted.	Yes, if it meets the criteria for being a charity.	No specific differences
Charitable Incorporated Organisation	First ready-made corporate structure specifically designed for charities.	Similar to company but with different terminology, eg 'charity trustee' instead of 'director'.	Yes, members either have no liability or limited liability.	Members are not permitted to benefit and charity trustees are only able to benefit if constitution, court or Charity Commission give permission.	Yes.	Cannot be anything but a charity, and must meet the criteria for being a charity.	Scotland: separate but similar legislation and regulator.

4.1 Unincorporated bodies

An unincorporated business is one in which the business has no distinct legal identity of its own and the individuals who own and/or manage it are personally liable. Unincorporated associations are one of the commonest forms of unincorporated body assumed by social enterprises. They tend to have a formal constitution that establishes how the relationship between a group of members will be governed. This usually involves the election of a management committee to run the business on the members' behalf. Individuals on the management committee take personal liability for contracts such as leases and employment contracts. Thus 'Incorporation is an important consideration if the social enterprise intends to employ more than a few staff, take on significant property interests or undertake major contractual obligations' (Bates, Wells and Braithwaite and Social Enterprise London, 2003: 10). Indeed, unincorporated associations cannot own property, although they may establish a trust to legally hold ownership of property and assets (Business Link, 2010a). The benefits of unincorporated associations are that: they have greater freedoms than regulated companies (for example, they don't have to make annual returns); they cost nothing to set up; they are relatively straightforward to run and they make their own rules for governance of the organisation, usually established in a democratic manner (Business Link, 2010a).

4.2 Trusts

Trusts are also unincorporated bodies; trusts are legal devices 'which govern how assets given by an individual or organisation are to be used' and they 'do not distribute profits' (Business Link, 2010a). Trusts are managed by trustees acting on behalf of the community the trust is designed to benefit and who take personal liability for the trust. Trusts have a trust deed which sets out the intended beneficiaries of the trust, the conditions under which the trust's assets can be used, and the rules whereby an individual or organisation is provided with assets (Business Link, 2010a). Unlike unincorporated associations, trusts can own property and other assets for the community and 'act as sister bodies to unincorporated associations' (Business Link, 2010a). Like unincorporated associations, the benefits of trusts are that they are fairly cost-effective and simple to establish and run.

Development trusts are community-led and run organisations which 'provide a hub of trade or service with the aim of regenerating their local community – e.g. to develop or manage property, restore buildings or improve the environment' (Business Link, 2010a). However, they are not trusts in the legal sense since they can take many different legal forms, including companies limited by guarantee and industrial and provident societies (Business Link, 2010a).

4.3 Traditional limited companies

Unlike unincorporated associations, companies are legal entities in their own right and individual shareholders or directors do not generally have personal liability for them. Limited companies which are social enterprises may include a clause which sets out their social and/or environmental objectives (Business Link, 2010a).

There are two types of limited liability company available to social enterprises: the company limited by guarantee (CLG) and the company limited by shares (CLS). The CLG can be used by charities since it is a non-profit distribution structure whereby the 'members give a 'guarantee' to cover a company's liability. However, the guarantee is nominal, normally being limited to £1' (Bates, Wells and Braithwaite and Social Enterprise London, 2003: 16). This is the favoured limited company type for social enterprises. Social Enterprise London (undated: 9) suggest that 'A CLG is good for organisations that want to use a mixture of grant funding and trade income to keep them financially sustainable'.

A CLS, on the other hand, has shareholders who carry the main burden of financial risk because they are usually the last to have their money returned if a company goes into liquidation. Shares also provide dividends to their holders if the company makes a profit. 'Not many social enterprises are established as CLS and there are very few charitable CLS' (Bates, Wells and Braithwaite and Social Enterprise London, 2003: 17). Some people believe that a CLS goes against the principles of a social enterprise because of what happens to the profits. However, Social Enterprise London (undated: 9-10) report that 'several bigger social enterprises have issued shares as a way of raising money for investment and the dividends they distribute are purposefully limited to protect the profits'. Examples include, Traidcraft, the fair trade retailer and the Centre for Alternative Technology. However, the level at which the cap on dividends should be set to qualify as a social enterprise is debateable.

In both forms of limited company, there is a board of directors and they are usually appointed by the shareholders (CLS) or members (CLG), or in some small companies the shareholders/members may be the same people as the board. As incorporated bodies, limited companies are regulated by Companies House and must submit to them a memorandum and articles of association which set out the company's constitution. They must also file annual returns with Companies House, publicly disclosing their accounts. Limited companies have more flexibility than unincorporated associations to mortgage their assets (Bates, Wells and Braithwaite and Social Enterprise London, 2003: 10).

4.4 Community Interest Companies (CIC)

Community Interest Companies (CICs) are a form of limited company and cannot be registered as charities, although a charity can own one (Business Link, 2010a). At the end of 2009, there were over 3,100 registered CICs, varying greatly in size and scope (Pratt, 2009). This legal form was established relatively recently in 2005 'as a way to help social enterprises clearly state their intentions as being different to those of a private business' (Social Enterprise London, undated: 10). For example, they must have an asset lock ensuring assets and profits are retained within the CIC for the benefit of the community and that, should it cease to exist, all assets are passed on to another asset-locked organisation. CICs exist to provide benefits to a community or a particular section of a community.

To register as a CIC, an organisation must first be recognised as either a CLS or CLG. Industrial and Provident Societies may also become CICs if they convert to a limited company form first. In addition to typical registration of a limited company, a CIC must also submit a community interest statement describing its social purpose. This statement must pass the community interest test, namely that the business activities intended to be conducted will be undertaken for the benefit of the community or a section of it, or that the CICs purpose is in the community or wider public interest (Business Link, 2010a). If the CIC is registered as a CLS then clearly it also has the option of issuing shares which pay a capped dividend to investors to ensure that the majority of profit can be re-invested in pursuit of its social purpose.

Some of the benefits of this legal form are that CICs allow an entrepreneur to make sure that their business will always operate in the community interest (Catchcart, 2009). They are also not regulated as rigorously as charities (Chapman cited in Aiken et al.,

2008: 24-5), can access forms of finance usually only available for private businesses, and can have a paid board of directors which may help attract and retain the right people (Social Enterprise London, undated: 10). However, they generally involve more administration than for a charity since there is a set up cost, an annual fee, and in addition to their annual accounts, they must file annual returns describing their ethical mission in a community interest company report (Business Link, 2010a; Social Enterprise London, undated: 10). Furthermore, they do not get the tax benefits afforded to charities.

4.5 Industrial and Provident Societies – Community Benefit Societies and Co-operatives

In 2008, there were approximately 8,200 industrial and provident societies in the UK with over 10 million members (Brown, 2008: 7). They range in size from The Co-operative Group (the largest consumer co-operative society with a turnover in 2007 of £9.4bn) to small allotment societies, which date back to the nineteenth century (Brown, 2008: 7).

There are two types of society available to social enterprises: Community Benefit Societies (BenComs) and Co-operatives. A BenCom operates for the benefit of the community rather than for the benefit of its members and is run and managed by its members. It must have a special reason for wanting to register as a society rather than a company and 'must demonstrate that benefits will not be returned to its own members and that its business will be conducted for the benefit of the community' (Bates, Wells and Braithwaite and Social Enterprise London, 2003: 18). Co-operatives, on the other hand, traditionally operate with the participation of members and for their benefit and they must be open to anyone to join. To register as a co-operative an enterprise must uphold the principles in the *International Co-operative Alliance – Statement on the Co-operative Identity*. This describes a co-operative as 'an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise' (International Co-operative Alliance quoted in Bates, Wells and Braithwaite and Social Enterprise London, 2003: 18).

Like limited companies, industrial and provident societies are incorporated legal forms with limited liability. They too, usually have elected directors who have delegated management responsibility, members who hold a share or shares, and have a registered

written constitution. Similar to a limited company, a society can mortgage its assets but a clear difference in terms of assets is that societies can transfer all of their assets and liabilities to another society or company. Alternatively, two societies can merge to form a new society or a society can covert to a company. Likewise, under certain circumstances, a registered company can covert into a registered society.

Unlike limited companies, societies must register with the Financial Services Authority (FSA) under the Industrial and Provident Societies Act 1965 (IPSA), rather than with Company House. 'Only societies which meet the social criteria defined in the Act can be registered, and the FSA monitors continuing compliance with these criteria by having to approve any constitutional change. The FSA has the power to suspend or ultimately to cancel registration if a society does not adhere to its registered purpose' (Bates, Wells and Braithwaite and Social Enterprise London, 2003: 18-19).

Societies, unlike limited companies, have a built in democratic structure with a one-member, one-vote system, regardless of how many shares a person owns (Brown, 2008: 7). They have the option of issuing unregulated withdrawable share capital to their members; they have built in limits on shareholding, and 'interest paid on shares must be limited to what is "necessary to obtain and retain enough capital to run the business"'. IPS co-operatives can also pay their members a share of the profits based on their transactions with the society, called a dividend' (Brown, 2008: 8). One option for societies who wish to raise capital is community investment. In this way, the collective power of whole communities is harnessed meaning that 'relatively large amounts of capital can be raised in relatively small amounts from members of the community' who buy shares in the business (Brown, 2008: 5).

As with CLS, for some people when dividends are paid to individual members of a society, the business cannot be classified as a social enterprise because the profit is not wholly reinvested into the enterprise or community. The issue of how profit is used remains a contentious one.

Bates, Wells and Braithwaite and Social Enterprise London (2003: 20) report that a combination of flexibility in governance arrangements 'and the historical origins of this legal form (the mutual and self-help movement in the early nineteenth century)', 'make them attractive as potential vehicles for social enterprises, particularly when such enterprises are established to carry on

business in a way that is markedly different from companies operating on the conventional profit-motive'. It has been suggested that societies are 'suited to organisations who believe that the stakeholders (which can include staff) should be formally involved in the decision making process' as this legal form 'allows a mix of staff and other stakeholders to be on the board of directors' (Social Enterprise London, undated: 10).

4.6 Charities

Bates, Wells and Braithwaite and Social Enterprise London (2003: 2) point out that 'For social enterprises that are emerging from the voluntary sector the question of charitable status will be of particular concern. On the one hand, charitable status offers potential savings in tax and the opportunity to raise additional funds. On the other hand, it places very clear limitations on what the business can lawfully do under charity regulations.' The Charity Commission regulates most charities in England and Wales (although some exemptions do apply) and in Scotland regulation is the responsibility of The Office of the Scottish Charity Regulator.

Charities can take many forms including trusts, unincorporated associations, companies limited by guarantee or shares (although this is rare for a CLS), and community benefit societies. Co-operatives cannot be established as charities, nor can CICs. A new incorporated, charitable legal form was launched at the beginning of April 2011 in Scotland for new and unincorporated charities: the Scottish Charitable Incorporated Organisation (SCIO). This legal form will also be available to existing Scottish charitable companies and industrial and provident societies from 1 January 2012. A similar legal form is also likely to be launched sometime in 2011 in England and Wales and will be called the Charitable Incorporated Organisation (CIO). At present, most charities opting for a corporate structure register as CLGs. This means they are subject to regulation by both Companies House and the Charity Commission or the Office of the Scottish Charity Regulator. The new CIO form will mean that they are only regulated by the Charity Commission or the Scottish Charity Regulator.

Charitable social enterprises have some key features as identified by Bates, Wells and Braithwaite and Social Enterprise London, 2003: 24-25):

- they have exclusively charitable aims and are for the public benefit
- profits or surpluses cannot be paid to members but must be used to support the organisation's charitable purposes

- charity law means that once assets have been applied to a specific purpose, they cannot be redirected and must continue to be applied for that purpose
- unpaid trustees are usually responsible for management and administration
- employees cannot serve on the board of trustees, which can cause difficulties for social enterprises where the founder(s) and employees want to be involved in the management and strategic direction of the business and potentially may have more insight into the business than possibly risk adverse trustees.

5. Case studies

This section of the study provides case studies of woodland-related social enterprises in England (5), Scotland (8) and Wales (4) respectively, showcasing a broad spectrum of the different approaches being used. These case studies are drawn from both documentary and web-based evidence as well as interviews with one or two members of each initiative. In addition, individuals from the Green Light Trust in England and Coed Cymru in Wales were also interviewed and their views are recorded here because of the relevance of the work of these organisations to this study, and their experience and knowledge with regards to community land management (Green Light Trust) and training-based wood processing social enterprises (Coed Cymru).

Social enterprises can differ in many ways, including in their: background, aims and objectives, business focus, tenure, legal form, funding, staff and volunteer input, governance and membership, and impacts and outcomes. These are the primary dimensions explored within the case studies and each case study is structured around these headings, supplemented in many instances by a heading 'Additional issues identified'. Some headings are not included in particular case studies. This is either where the information was not available or the heading was inapplicable. For example, sections on the Green Light Trust and Coed Cymru only include the headings 'Background' and 'Issues identified' since they are not studies of individual social enterprises. Similarly, the section on Bewdley Development Trust excludes various headings because at this stage it is only proposing to create two woodland-related social enterprises, rather than them already being in existence. Many of the case studies omit the heading 'Impacts and outcomes', or else detail very little under it since the majority do not have any systematic monitoring or evaluation systems in place.

The interview schedule used to guide all interviews can be viewed in Appendix A. Through exploring the above dimensions of woodland-related social enterprises in the interviews and case studies, the aim was to not only describe different types of social enterprises and their experiences but also to uncover and identify the barriers, challenges and enabling factors to establishing and maintaining 'successful' and sustainable woodland-related social enterprises. These issues will be discussed in section 6.

5.1 England

5.1.1 Bewdley Development Trust

Background

Bewdley Development Trust is a social enterprise and a Community Interest Company. It was formed in 2006 with a vision 'To have a thriving, high quality market town which meets the needs of the local community, develops to enhance the town's historic character, encourages and supports existing and new creative businesses and achieves a reputation distinct from other neighbouring towns' (Bewdley Development Trust, 2010).

The trust has delivered a variety of initiatives in the town, including physical infrastructure improvements, transport schemes, promotion of Bewdley as a visitor attraction and providing support to local businesses and community organisations (Bewdley Development Trust, 2010). Peter Miller (2010) of the trust stated that their aim is to make 'Bewdley market town and the surrounding area...the Wyre Forest, as sustainable as we can for the future'.

The Trust, alongside the Forestry Commission, Natural England, district and county councils and other local groups, is part of the £4 million Grow with Wyre landscape partnership programme looking at the future conservation and sustainability of the Wyre Forest area (Miller, 2010). There are many different strands to the work of the partnership and one of these is called the Selling the Wyre project which is looking into 'rural-based businesses and how they could be helped to be sustainable in the future and how they tie in to managing the landscape generally' (Miller, 2010). Miller (2010) highlighted the positive nature of working through partnership with government agencies, noting that 'if there is a wider partnership in place at the time that projects and policies are developed then you build in a wider range of perspectives and people can be more open to doing it in different ways'.

This is the hope in going forward for the Trust because it is considering the creation of two new woodland-related social enterprises, one focusing on firewood sales and another on local food. Both of these ideas will rely on Forestry Commission support to some degree.

Aims and Objectives

The aim of the firewood focused business will be to secure 'a guaranteed, good quality, reasonably priced, local supply' of sustainable fuel and help support the local economy (Miller, 2010).

The aim of the local food hub will be to 'boost the local economy' by encouraging 'people to use local food producers' with more organic foods and less processing, 'less food miles and more local control over quality' (Miller, 2010).

Business focus

The idea for the creation of the enterprise focusing on the sale of logs locally for firewood has grown out of another Grow with Wyre project which is working on building a stronger local wood supply chain. As part of this project a wood store has been erected in the forest with the capacity to store chip, pellets and logs. At the time of writing, the Forestry Commission were undertaking a tendering process for the management of the wood store but the Trust was hoping to be able to work alongside the eventual contract winner to keep logs from local woodland in the store for use by the social enterprise. The sale of logs would likely be of less interest to a conventional commercial business and the contract winner will probably be operating a more typical commercial business selling woodchip and pellets. Money from the Grow the Wyre partnership is being used to explore whether the log sale business is a viable proposition or not and if it is thought to be then negotiations will hopefully be held with the wood store manager contract winner.

The other idea for a social enterprise is a local food hub which could be operated by local food producers collectively, where food can be collected and distributed, where local food products can be sold and where local food can be used for catering. The current proposal is to use Forestry Commission property for this food hub – the visitor centre at the Wyre Forest – since its lease is up for renewal in April 2011 and it already has a fully equipped catering kitchen attached to it.

Additional issues identified

Miller (2010) stated that trying to bring different local food producing businesses together to work collectively will be challenging because they are used to considering each other as competitors and are often one or two-person businesses who may perceive that they have capacity issues in terms of involvement. Therefore, business support will be a key part of the initiative to help build the

capacity of local businesses individually and to help build an environment in which they are happy and committed to working collectively, which is the only way the model proposed will work. Miller (2010) noted that there is precedent for this happening elsewhere but that it is a 'long road'.

Miller (2010) identified another five barriers to successfully establishing and maintaining the kinds of enterprise they are planning: there must be a 'sufficient local market' to make it work; there must be sufficient capital to set them up; there must be suitable locations and premises available to use; there is also the matter of whether 'the bigger players like the Forestry Commission are open to these kinds of models' generally, and finally there is the related issue of public sector tendering processes.

Picking up on these last two points, Miller (2010) argued that government bodies like the Forestry Commission need to understand the 'added value' that social enterprises can bring such as 'local investment which helps sustainability. It also makes it more likely that the whole management of the landscape will be supported and 'owned' by local people'. Miller (2010) maintained that strategic thinking with regard to this matter was required because organisations 'like the Forestry Commission operate on quite a large scale' and need to consider 'how they can operate in a way that means that more local, small initiatives and enterprises can be engaged in wider schemes' and need to take this into account in both policy and practice.

This, he states 'parallels the issues that have happened in the public sector with the commissioning of services at the local level, where the third sector is often disadvantaged because the procurement policies and systems are geared at large scale providers, making it is very difficult [for social enterprises] to meet the PQQ [pre-qualification questionnaire] requirements'. Miller (2010) also suggested that it would be beneficial if 'criteria which encourage and support social enterprises' could be built into tendering processes. He (Miller, 2010) recognised that this is difficult if a tendering process is to be seen as fair and open but if it is not done, he argued, then social enterprises are at a distinct disadvantage.

5.1.2 Descend Hamsterley Bike Park

Background

Descend Hamsterley Bike Park is located in Hamsterley Forest, County Durham which is part of the Public Forest Estate. It was established in 1998 by Craig Hunter who ran it on a purely voluntary basis for the first three years. After this time he sought advice and support from various bodies to establish Hamsterley Bike Park more formally as a business and social enterprise. Significant support was given by Social Enterprise Sunderland, the North East Business Innovations Centre and Teesdale Enterprise (Hunter, 2010).

Business focus

A previous downhill biking trail at Hamsterley had been closed for health and safety reasons and Hunter developed a business plan to open a new downhill biking facility which he presented to the Forestry Commission and the project developed from there.

Tenure

In 2003, Hunter (2010) took out a ten year lease for the land on which the bike park stands from the Forestry Commission. At first the lease was free, it then rose to £1,000 per year and now stands at a little under £3,000 per year.

Generally the working relationship between Hunter and the Forestry Commission has been good with Hunter (2010) stating that 'they [the Forestry Commission] help out a lot with health and safety' and it has mainly been a case of 'just trying to meet what they [the Forestry Commission] wanted and keep them on our side', although there have been perceived difficulties at times such as disagreement over the use of safety signage in the woodlands and the burden of paper work needed to meet Forestry Commission requirements.

There have also been challenges relating to income from car parking. The Forestry Commission charges £3 car parking elsewhere in the forest and feels this should be no different in the car park at the bike park, although they cannot justify the costs of installing a new ticket machine. However, in Hunter's (2010) opinion this £3 per car requirement is unfair at the bike park since it is in

addition to the lease agreement; he created the car park on the land he leases; he installed steel barriers there using money from the bike park, and for people paying to use the bike park, parking had always been free. Indeed, he (Hunter, 2010) argued that it would actually cost his business to enforce parking charges as he would have to employ a parking attendant to sell tickets, yet all the revenue generated would go to the Forestry Commission.

Hunter (2010) also had great concerns about the future of the park going forward once his lease expires in 2013. He believed that the lease will not be renewed because of the current economic climate and the challenges facing the Forestry Commission. Instead, Hunter (2010) felt that the Forestry Commission will look to either sell the land on which the bike park is situated, or lease it at a higher price to a private firm or firms who will ultimately be chasing profit and will run the site for big groups, corporate events and training, probably with more of a cross-country mountain biking orientation. This, Hunter (2010) felt would be a great loss in terms of the amount of money, time and effort that has been invested in the site over the years. In addition, he stated that it would also be a lost resource for the 'extreme end of the sport which needs to be catered for', leading to the re-creation of a problem that the bike park was set up in part to solve, namely that without a dedicated, controlled space, downhill bikers will start using other areas of the forest on an ad-hoc basis, building their own tracks without permission, potentially creating huge health and safety and management issues and potentially causing conflict between different types of forest users such as between bikers and horse riders.

Legal form

It operates as a not-for profit unincorporated association.

Funding

The project was awarded grant funding from Defra, Durham County Council and others in the first couple of years to help get it off the ground. It has not had any more grant funding in the last seven years and is now totally self-sustaining. Mountain bikers pay to park and use the trails, and they can also hire timing equipment.

Hunter (2010) has also invested a considerable amount of personal money (which he does not expect to get back) into the bike park to purchase a vehicle in order to be able to run an uplift service for riders and he also bank-rolled the building of a four cross trail.

Staff and volunteer input

Hunter (2010) is the only full-time member of staff and he works seven days a week, drawing only a minimal salary from the business and ensuring that the rest of the income generated is ploughed straight back into the bike park. There are also one or two people employed to run a cabin supplying refreshments at the weekend, as well as a limited amount of voluntary help.

Governance and membership

Ultimately decisions about the management of the site lie with Hunter (2010) but there is a steering group which includes both riders and other interested parties, such as young rider's parents, who discuss what they want from the site and advise Hunter. As he maintains, 'it's all a trust thing. They come up and pay money to ride because they know that things are going to be maintained and looked after – there are new developments all the time'.

Although Descend Hamsterley operates as a not-for profit business it is also run as a club with around 240 members (Hunter, 2010). Members pay a fee of £15 per year and are awarded with discounts on use of the bike park's facilities. Riders come from across the UK to use the facilities at Descend Hamsterley and membership is open to anyone. Many successful world-class riders train at Hamsterley regularly and, averaged over the year, the bike park usually attracts around 45 riders every Saturday and 65-70 every Sunday.

Impacts and outcomes

The park benefits many young people from the northeast region of England, encouraging physical activity. Hunter (2010) explained that 'most of the parents that come up with their kids think it's great cos it keeps them off the street and getting in with the wrong ones. It is very community based, everyone gets on and there's always people there to help and the parents help me out. If there's an accident then it's surprising how many people there are to help out'.

Additional issues identified

For some users or potential users of the bike park, the fact that they have to sign-in and pay to use the trails (which also means they are insured) comes as a shock. In particular riders from Scotland cite the fact that they do not have to pay to use trails at other

Forestry Commission sites such as Innerleithen (Hunter, 2010). However, on the whole, Hunter (2010) argues, most similar sites don't have facilities such as catering, toilets, a shop, changing rooms and storage and so after experiencing Descend Hamsterley, the majority of people understand why there is a charge.

Although the bike park is clearly Hunter's passion, he (2010) noted that it had not been easy running the whole thing alone and that doing so comes with drawbacks such as the fact that he doesn't have the time or the skills personally to keep the website up-to-date and to the standard he would wish, for example.

5.1.3 Green Light Trust

Background

The Green Light Trust was established in the late 1980s with its objectives being to protect UK woodland and wild spaces for future generations (Green Light Trust, 2010a). It is now committed to enhancing children's environmental education; strengthening local communities; helping people achieve results in business through resource management, and conserving our natural heritage for the future (Green Light Trust, 2010b).

Part of its work programme focuses on what it calls 'community-owned wild spaces', which 'are areas of natural beauty which are owned and maintained by local people' (Green Light Trust, 2010c). It works to support communities to purchase land and create their own woodlands and wild spaces and eventually sustain these themselves without the need for the Trust's support (Green Light Trust, 2010c). The focus is not on establishing social enterprises or conventional businesses but there is potential for these to be developed in the community woodlands and wild spaces in the future. Indeed, there are examples where those groups which have been established the longest and which own the most land undertake income generating activities such as fire wood sales from coppicing, and sales of willow wands for the creation of living structures (Clarke, 2010). The relevance of this organisation to this study is therefore to provide information on some of its experiences in terms of establishing community woodlands, since these experiences are likely to be of interest in taking forward any community woodland-based social enterprise agenda.

Grenville Clarke (2010) manages this work area for the Trust and he reported that the work of the Trust involves identifying 'local champions'; engaging the whole community; supporting the community to constitute themselves as a group, with a management team of around eight to twelve people; helping them to develop a code of practice; to obtain land; working with local schools and engaging young people and children in the project, and supporting the groups until they are comfortable dealing with all the related land management issues that come with managing a woodland or wild space (Clarke, 2010). The Trust is currently working with 57 different projects, mainly in eastern England, in both rural and urban areas, and the community groups manage approximately 160 acres between them. Roughly 60% of the land is managed under a management agreement with local councils or county councils, around 20% was purchased and approximately 20% was gifted to the groups, with most of the land being unplanted when taken into community management (Clarke, 2010).

Issues identified

In terms of the barriers to undertaking this work, Clarke (2010) stated that less than ten percent of the projects failed due to lack of community interest. However, of more significance, were the institutional hurdles imposed by local councils: 'Local councils are incredibly frustrating to work with, bureaucratic, non-decision takers...' Clarke (2010) observed that 'it has taken one group three years, with our help, to actually arrange to manage a small piece of woodland which the council were neglecting', although he (Clarke, 2010) conceded that 'there are exceptions where things move very fast and it tends to be parish councils who are the ones who can move quite quickly'. Often one of the biggest challenges faced by groups was to convince the council it was competent to manage the land and meet the council's health and safety requirements: 'It's institutional barriers, red tape, health and safety, you know, expecting a voluntary group to entertain a 180 page health and safety manual and train people to a level that the council trains its people to, and then not being sure that volunteers can actually take on these kinds of roles, their nervousness about that' (Clarke, 2010). The best solution to this problem came in the form of someone supportive within the council: 'You need within local councils, somebody who is really keen and sees the benefit of community owned/managed projects and can see the broader picture rather than just the risks' (Clarke, 2010).

Another barrier identified by Clarke (2010) was the cost of land because if a group is looking to purchase a piece of land then there are sometimes difficulties in terms of competition from other groups, such as local horse-riders who are prepared to pay inflated

prices for land (Clarke, 2010). Financial problems were also apparent in relation to the role of the Trust and in terms of its ability to secure funding to enable it to support this work going into the future (Clarke, 2010).

5.1.4 Hill Holt Wood

Background

One of the most often talked about and most successful examples of a woodland-based social enterprise is Hill Holt Wood. Hill Holt Wood is an ancient woodland situated rurally on the Lincolnshire and Nottinghamshire border in England. Nigel Lowthrop, one of the founders of the Hill Holt Wood social enterprise was interviewed in November 2010 for this study but it must be recognised that the views expressed herein by Lowthrop (2010) are his own as an individual and do not necessarily reflect the views of the Hill Holt Wood organisation.

Aims and objectives

According to the website (Hill Holt Wood, 2010), the mission of the enterprise is to 'Prove the value of Ancient woodland in the 21st Century' and to:

- Maintain our ancient woodland for use by the public
- Teach and develop young people to help them realise their potential
- Create products and services valuable to the community
- Promote the cause of environmentalism and sustainability

Business Focus

Hill Holt Wood's main focus is on providing vocational training for young people who have either been excluded from school or are unemployed. It holds various contracts with statutory agencies for this work (Hill Holt Wood, 2010). The enterprise creates and sells wood craft products as well as designing and constructing sustainable buildings and providing consultancy services and skill demonstrations (Hill Holt Wood, 2010). The woodland is also used extensively by the local community as a resource for social and

educational activities and a Woodland Community Hall has been built on site (Hill Holt Wood, 2010). Karen and Nigel Lowthrop (the founders) also live on site and planning permission has been sought for five more eco-homes to house employees (Hill Holt Wood, 2010).

The organisation has recently acquired a new woodland and here they are establishing a different model of enterprise from the original business. This new enterprise is called 'Hill Holt Health'. It is to be run in partnership with the local NHS Foundation Trusts for mental health and a fully trained mental health nurse is being seconded from the NHS for two years to help set this up. The enterprise will work with long-term patients in the mental health system or those in recovery.

The other idea they will be exploring within this new woodland is eco-burials, although at the moment there is opposition (from the Wildlife Trust, the Woodland Trust and Natural England) to the planning permission application to enable this to happen (Lowthrop, 2010).

Tenure

Hill Holt Wood is a 14.2 hectare wood and was purchased by Nigel and Karen Lowthrop in 1995. In 2004, Hill Holt Wood social enterprise purchased two thirds of this land from the founders.

The enterprise recently acquired another 16ha ancient woodland site, 'Big Wood', for the nominal fee of one pound from a gravel extraction company (Lowthrop, 2010). They are also likely to be gifted another 10ha area of ancient woodland and grassland in around one year's time from a property developer (Lowthrop, 2010).

Legal form

Over the next seven years a company limited by guarantee was developed owned by Nigel and Karen (Hill Holt Wood, 2010). In 2002, a volunteer Board of Directors took control of the woodland and the business became a social enterprise. It was now 'a community-controlled membership organisation, not-for profit, limited by guarantee' (Lowthrop, 2010) and a charity with a separate

subsidiary trading arm (wholly owned by the charity and whose profits were all invested back into the charity) (Hill Holt Wood, 2010).

Funding

On the whole, grants that Hill Holt has received over the years have been used for the purchase of capital assets and all other revenue has been generated through trading. Hill Holt turned over £1.19 million last year and made a surplus of £448,000 which equates to a surplus of around £31,500 per hectare.

Hill Holt Health is being set up with £250,000 'Ecominds' investment from the Big Lottery. After the lifetime of the Big Lottery funding, the aim is to fund the enterprise through paid NHS referrals from local GPs and through personal budgets.

Staff and volunteer input

There are around 27 full time members of staff and 6 part time as well as volunteer board members. At the moment there are also approximately 35 Future Jobs Fund (a grants programme funded by government to support job creation for the long-term unemployed in positions lasting at least 6 months) participants on the pay roll who work either within in the wood, or through the wood for other people (Lowthrop, 2010). In terms of the total number of people engaged in the enterprise as trainees and learners, 'on an average day on site there are touching 100 people: around 20 under 16s, about 25 16-19 year-olds and then the Future Jobs people who are employed 3 days a week on minimum wage' so 'we employ a lot of people compared to the majority of rural businesses' (Lowthrop, 2010).

Governance and membership

There are now around 160 individual and organisational members, each with a £1 limited liability, although Nigel Lowthrop (2010), one of the founders of the enterprise, admits that it has been difficult to get local people to sign up as members even though they support Hill Holt. Many people instead are involved simply on a 'friends' basis and make donations to Hill Holt but are not formal members.

Impacts and outcomes

For the last six years, Hill Holt has measured the achievement of its objectives using social auditing. The first year's social audit was completed in a useful and comprehensive manner but this has not remained the case and, in particular, the auditing for the last two years has not been carried out in quite so substantial, thorough and satisfactory a manner (Lowthrop, 2010). Going forward with this, Hill Holt has offered a 3 month, paid job as an academic prize on an annual basis to the Business School at Lincoln University. The job will be to research and produce the social auditing information for Hill Holt each year and present it to the board, which will provide the graduate with a useful placement and valuable experience and Hill Holt with an independent and intelligent person to look at the social accounts more objectively. Three professors from the university (one from a social policy background, one from business and one from the life sciences) will then test the evidence and audit the social and environmental outcomes.

Additional issues identified

Lowthrop (2010) suggested two barriers in England, as compared with Scotland, to the creation of social enterprises by community woodland groups. Hill Holt Wood has been a member of the Scottish Community Woodlands Association (CWA) for the last three years because it perceives that this is a 'vibrant organisation which sees opportunities for job creation and community development' and therefore fits with the aims and ideals of Hill Holt. In England, Lowthrop (2010) maintains, there is no equivalent organisation and this, he perceives, is a barrier to the social enterprise agenda. The Woodland Trust does play an umbrella role for community woodland groups in England but, Nigel argues, it 'is dedicated to oppose development in woodland' and 'campaigns to stop development in ancient woodlands in particular' and there is therefore 'no incentive for them to support their community woodlands to go down the social enterprise route'. Furthermore, Lowthrop (2010) stated that another barrier is the membership constituency of community woodland groups in England which tends to be white, middle aged or older, middle or upper class people 'who love trees' and 'have no interest in getting money or a job out of it, whereas in Scotland the membership 'seems to be dominated by community activists and people who want to work in a wood'.

Other barriers to the establishment and sustainability of woodland-related social enterprises identified by Lowthrop (2010) included the planning system, institutional issues, legal models available, a reliance on key individuals and the need for good leadership. The planning system currently widely denotes that any development on greenfield sites is bad. However, the new coalition government is

making steps towards improving this situation in Lowthrop's (2010) opinion, indicating that they will make it easier for planning decisions to be taken locally and that they may change the law to enable communities to develop housing on greenfield sites. This, Lowthrop (2010) felt is important because the Hill Holt experience has shown that some development in woodland can facilitate income generation to enable the sustainable management of the rest of the woodland and meet environmental as well as social and economic goals. He (Lowthrop, 2010) stressed however, that who the individual or organisation applying for such planning permission is, and their motives, is of great importance and that this should be taken into account in the planning process.

Lowthrop (2010) suggested that 'there is confusion' over the legal models available to social enterprises because there are a variety of options available. Of the newest available option, the CIC, Lowthrop (2010) suggested that it was not the perfect solution because in many cases certain shareholders end up controlling CICs and receive substantial dividends, and to his mind it is unclear whether this is 'real' social enterprise. Hill Holt Wood is a company limited by guarantee but it is also a charity in order 'to protect its assets and avoid paying tax' (Lowthrop, 2010). This dual status 'complicates management and complicates the thinking of the board because they are no longer just directors, they are also trustees' and as a charity they become more 'restricted on the entrepreneurial action' because of the risks (Lowthrop, 2010). Essentially, Lowthrop (2010) believed that 'there is still room for a rethink and a single model' which means that you do not have to be a charity to avoid paying tax, as long as profits are reinvested into furthering environmental or social purposes. The barrier here, Lowthrop (2010) maintained, is ultimately the Treasury who do not seem prepared to discuss tax benefits to social enterprises even though the benefits social enterprises can provide to government, far exceed the tax benefits. Another related issue is that as a charity the board of directors/trustees cannot contain staff members from the enterprise but Lowthrop (2010) suggested that having non-executive board members and executive (staff) board members is a good thing, just like in many mainstream businesses and a new model is needed which allows for this.

Another potential barrier to the success and sustainability of woodland-related social enterprise is the importance of key individuals and high level support from people in other organisations; in particular those for which an enterprise intends to provide services for or in partnership with. For example, Hill Holt was aided by the fact that in the early days there was a director within local government who recognised the potential of the enterprise and championed it, helping to find ways for it to gain contracts and from there it was better positioned to thrive and grow (Lowthrop, 2010). However, identifying and getting the right people behind an

enterprise is not always easy: 'Finding the key individuals, whether it be an elected politician and/or a senior executive officer at the level where they can actually influence and push things is all about persistence and luck' but 'it is what makes the difference' (Lowthrop, 2010). The impact of key individuals within social enterprises is also paramount to their success according to Lowthrop (2010). He described how people often dismiss Hill Holt Wood as a 'one-off', dependent on certain individuals with 'no real meaning for policy' since it is not replicable. Lowthrop (2010) disagreed that it is not replicable, at least to some degree, although each enterprise will be unique. However, he did agree that individual leadership will be an important success factor: 'the entrepreneurs, the leadership – you need individuals to drive this'; it 'isn't a franchise like McDonalds, it's an approach and therefore requires that each one is unique and that requires an individual to drive it. So the way forward is actually to find those people (and I think there are plenty of them out there, especially when they're given the opportunity), and where necessary to train them and support them and network them' (Lowthrop, 2010).

A barrier identified by many social enterprises is finances and funding but Lowthrop (2010) argued that this is not as big a problem as it is sometimes made out to be and it should not be a substantial hurdle. He maintained that social enterprises should not need to rely on public funding or donations to survive: 'If it is a viable business and you have a track record of doing good business then money is not usually that much of a problem'. This is especially true if you have an asset to borrow against such as a woodland and he maintained that public land does not have to be sold to community groups to achieve this, it can be leased over a long term.

Lowthrop (2010) is also currently spearheading efforts, alongside the Plunkett Foundation, Carnegie, Co-ops UK and the DTA to convince Defra and the Prime Minister to consider very seriously the role of social enterprises in relation to the Public Forest Estate in England, since the coalition government envisages a changing role for the state in forestry in England. The above grouping does not believe sale of the Public Forest Estate is necessary and that it should be 'thrown away', instead they argue that long-term leases to communities to enable them to establish social enterprises could provide a satisfactory and successful way of ensuring the long-term value of the forest estate for generations to come, whilst also meeting other more immediate social, economic and environmental objectives through a 'Big Society' approach (Lowthrop, 2010). The figures Lowthrop (2010) is using to back-up their recommendations rest on the fact that Hill Holt made a surplus of around £31,500 per hectare last year. Conversely, he argues, the Forestry Commission made a loss on the land it manages and that 'that should make everybody sit up and think, hey, maybe there is

something here' because although the Forestry Commission provides many benefits through its woodlands beyond the economic timber value of the trees, Hill Holt is also supplying major social and environmental benefits through its work yet also still managing to generate a substantial surplus (Lowthrop, 2010).

5.1.5 Kielder Limited and Kielder Valley Services Limited

Background

Kielder Limited (Ltd.) was formed in 1999/2000 as part of an effort to regenerate the area and at the suggestion of a regeneration manager (Grimwood, 2010). In November 2000, a trading arm for Kielder Ltd. was created, Kielder Community Enterprises Limited (KCEL).

Aims and objectives

Kielder Ltd. and its trading arm is aimed at securing and maintaining the well-being of Kielder Village (the remotest village in England with around 200 residents) as a thriving community (Kielder Community, 2010). It looks to 'provide new services, bring tourists into the area and create jobs for residents' (Tynedale District Council, 2001).

Business focus

KCEL has been involved in many initiatives over the years with varying degrees of success. For example, in 2001 KCEL purchased the local derelict petrol station, refurbished it and developed the site into a successful filling station, vehicle repair centre, outdoor clothing and equipment store and county shop. It also established a new bus service for the village in 2002. These both ran for 6-7 years under KCEL management. However, unfortunately, in the end, they proved to be loss making ventures, unable to cover their costs and with poorly kept trading accounts (Gill, 2010; Grimwood, 2010).

Another venture that KCEL got involved with was a renewable energy district heating scheme which it ran and managed for a time. This initiative was one of the first of its kind in Britain and was installed by the Tynedale District Council (now Northumberland County Council) using various funding sources and carried out in co-operation with the Forestry Commission and KCEL (Kielder

Community, 2010). The scheme uses an automatic, self-fed 300 kilowatt Austrian K b combustion boiler fuelled by woodchips produced from timber felled in Kielder Forest, managed by the Forestry Commission (Kielder Community, 2010). Installed in 2004, the system cost around  600,000 and provides for the heating needs of 6 newly built affordable homes, six workshop units, the youth hostel, the school and Forest Enterprise Kielder Castle Visitor Centre (Kielder Community, 2010; Northumberland Renewable Energy Group, 2010).

However, there were significant problems with the district heating scheme and KCEL relinquished their management of the scheme to the Forestry Commission. A recent report by the Northumberland Renewable Energy Group (2010) explores the potential pitfalls and challenges of developing Renewable Energy projects and includes the Kielder energy scheme as case study.

In 2004, KCEL took over the management of Kielder Campsite and six years on, the campsite is still under the management of the community, although KCEL no longer exists and its management now falls under the auspices of Kielder Valley Services Ltd., the new trading arm of Kielder Ltd., established in May 2010.

Tenure

Kielder Campsite is owned by the Forestry Commission and leased to KCL on an annual basis. Previously it had been run by the Forestry Commission and then Forest Holidays who were unable to make a profit from it so had decided to close it (Grimwood, 2010). The local Forest District Manager, Graham Gill (who has been supportive throughout according to Grimwood, 2010), asked Forest Holidays to hand responsibility for the site back to the district and then suggested to Kielder Ltd. that they take on its management, which they did through KCEL. Gill (2010) maintained that the primary concern for the Forestry Commission was to keep the campsite operating because of its importance to the local economy and so initially no charge was made for rental of the site as the agreement was on a trial basis and the forest district were looking for Kielder Ltd. to re-invest some of the income generated back into the site.

In the summer of 2010, the campsite underwent a  40,000 refurbishment using  23,000 of grant funding and the rest of the money coming from Kielder Ltd. itself through revenue made from the campsite. Further work will be done over the winter of 2010/11 and a

new five year lease has just been signed with the Forestry Commission, with rent to be paid on a monthly basis, starting at £150 per month in the first year and rising gradually to 9% of turnover in a few years time (Grimwood, 2010). Gill (2010) reported that although there was initially no charge to Kielder Ltd. for the lease of the campsite, once both Kielder Ltd. itself and the campsite business were on a stable footing, a rental charge and longer lease period were deemed appropriate, with the longer lease allowing the community to secure external funding for campsite improvements. The rental charge 'took account of the income the campsite was making, and also that Kielder Ltd. were reinvesting some of that income in the capital value of the campsite, along with significant external funding for which they had applied' and the main concern for the district 'was that the charge should be affordable' (Gill, 2010).

Legal form

Kielder Limited is a charity and company limited by guarantee. One of the main reasons it was established as a charity, as Grimwood (2010) explains, is 'because there's a lot more funding you can tap into when you're a charity than if you're anything else'. The original trading arm of Kielder Ltd, Kielder Community Enterprises Limited (KCEL), was a company limited by guarantee, and its successor, Kielder Valley Services Ltd., is also a CLG.

Funding

It was set-up using money from the Single Regeneration Budget, ONE NorthEast and the Northumberland Strategic Partnership. The campsite has utilised grant funding for refurbishment works but has made a profit every year since the community enterprise took on its management. In the last year, the campsite generated £68,000, with a surplus of around £25,000 (Grimwood, 2010). Part of the regulations of grant funding that has been used to refurbish the campsite requires that half of the profits generated by the campsite are reinvested back into the site for the next five years. The other half of the profits are invested into the aims of the charity such as being used to improve the play area in the village (Grimwood, 2010).

Staff and volunteer input

The campsite creates employment for two local people on a seasonal basis, a manager and a part-time cleaner, who are contracted through Kielder Valley Services Ltd.

Governance and membership

Membership of Kielder Ltd. is free and open to anybody in the village with membership levels currently standing at somewhere between 50 and 60. However, as the chairman, Tom Grimwood (2010) reported, it relies on a small group of individuals to drive it forward.

It currently has a board made up of 7 local residents and business owners and also has two advisors, one the Forestry Commission's Forest District Manager for the area, Graham Gill and the other, a member of the organisation Social Enterprise Northumberland.

Kielder Valley Services, the current trading arm for Kielder Ltd., has two directors who are also trustees of Kielder Ltd.

Impacts and outcomes

Kielder Ltd. have turned what was a loss-making enterprise into a successful business. Alongside the profits from this allowing the organisation to invest money into community projects, Grimwood (2010) reported that the campsite 'brings people into the area and helps keep the pub alive and the village shop alive' (Grimwood, 2010).

Additional issues identified

Grimwood (2010) suggested that there were numerous reasons for the problems encountered with the district heating scheme. Firstly the scheme was not big enough for them to be able to make a profit from it. Second, part of the problem was the expertise provided by 'so-called experts' on renewable energy, or rather the lack of it. He maintained that they 'didn't really have a clue', they claimed 'it was gonna be one of the cash cows for Kielder Ltd.' but 'all it ever did was cost us money' (Grimwood, 2010). The experts figures were way off when they claimed that the boiler would be over 80% efficient, based on heat output compared with woodfuel input, and in reality the best the boiler ever managed, was 52% efficiency when a minimum of 65% efficiency was needed just to break even (Grimwood, 2010). This was not the fault of the boiler however, but of poor underground pipe work that was not of a high enough specification and was not installed properly which resulted in significant heat loss from the system. There was also a lack of understanding about how much electricity the scheme would require to run and this ended up being around £100 per week. Another challenge was the fact that being one of the first schemes in the UK meant it was faced with a lack of expertise and

resources in-country to deal with problems encountered; 'In Sweden, Finland and places like that, they've been running these schemes for over thirty years and they never seem to have a problem. But over here, if you get a problem then you're waiting days before anybody can come and fix it' (Grimwood, 2010).

Grimwood (2010) noted that an important factor in the success Kielder Ltd. had enjoyed throughout its history was the support it had received from other bodies and he suggested that after the trading problems Kielder Ltd. had experienced it would not have survived in any form had it not been for the support received from Social Enterprise Northumberland and the Forestry Commission.

In discussing the support that the Forestry Commission has given to Kielder Ltd. over the years, Gill (2010) put forward two main reasons for this backing:

1. Social Responsibility: the FC created Kielder village [it was created to house forestry workers], and created very much a dependency culture, and then largely abandoned the village with a shift to contract working and house sales. There is a corporate responsibility on the FC to help the village stand on its own feet.
2. The FC can deliver some of its objectives better through a community company than by other means: the campsite is being successfully run by Kielder Ltd. whereas it was unsuccessful under Forest Holidays. The campsite allows more people to experience, enjoy and understand the forest environment, as well as bringing business to the FC visitor centre. The local businesses which Kielder Ltd. has supported and hopefully will support again, add to the infrastructure which is as essential for visitors as it is for locals. Community engagement and community empowerment are in themselves objectives of forest policy – community empowerment in particular is a significant element of the coalition government's policy.

5.1.6 Wye Wood Partnership

Background

The Wye Wood partnership initiative began in 2003, it was developed by the Herefordshire Sustain project and is hosted by the Small Woods Association (SWA) (a UK charity and company limited by guarantee).

Aims and objectives

The business plan for Wye Wood 2010-2013 states that the current aims of the project are 'to successfully deliver health improvement and training opportunities to hard to reach and at risk groups in Herefordshire using local woodlands' (Wye Wood, 2010). The business plan also reports the aim to 'provide a progression route from this training into a social enterprise allowing participants to gain work experience on a volunteer basis' (Wye Wood, 2010). Progression to volunteering in the social enterprise will only occur after a minimum of 3 months participation in the training programme and the hope is that from involvement in the social enterprise, participants will gain enough experience and skills to allow them to find paid employment. The realisation was that while people were gaining a lot from the project as it stood, there was a need for a stepping stone in between the project and outside employment.

Business focus

The partnership focuses on exploring how local woodlands can be used to contribute to health improvements in Herefordshire (Wye Wood, 2010). It works with clients referred by the health, education and probation services in the county, as well as a small number of self referrals. Around 70% of referrals are from the Mental Health Service. The initiative engages participants in a range of activities including walking, coppicing and creating craft items.

The social enterprise element of the project undertakes 'woodland management contracts such as coppicing, cleaning, hedge laying, construction of gates and planting etc.' (Wye Wood, 2010). This work has been building since 2009 with contracts for hedge laying with the local authority, and a contract with a land management body in Herefordshire who, amongst others, looks after the Duchy of Cornwall's land there.

Another element to the business is to produce a range of products for sale including rolling pins, rounders bats, bird feeders and bespoke benches, picnic tables and fencing to be sold at public events.

The final element to the business is the building and installation of composting toilets or “Treebogs” which are constructed at one of the partnership’s woodland bases. So far one has been installed at the local allotments and one in a community garden run by a mental health charity and this is an area of the business they hope to expand on (Tudge, 2010).

Tenure

The partnership has two broadleaf woodland sites (or bases) in Herefordshire, one owned by the Duchy of Cornwall, for which they are not charged and another owned by the Forestry Commission who sit on the partnership’s Steering Group. Their use of the Forestry Commission site is through a management agreement at no cost.

Legal form

At the moment the social enterprise is not formally constituted as a separate legal entity from the Wye Wood partnership or the SWA and the SWA carries out all their financial and pay roll duties. Debate is ongoing as to whether the whole project should now be set up as a social enterprise or whether just the element they have termed the Wye Wood Social Enterprise should be constituted as a new legal entity.

One issue raised by Tudge (2010) was that becoming a separate legal entity brings with it ‘so much red tape’ (Tudge, 2010). For example, there is a need for the social enterprise to gain accreditation in order to be awarded contracts from government health and education services. In Herefordshire there is a specific health and social care accreditation scheme which is used to provide evidence that an organisation is ‘fit for purpose’ and capable of offering a given service. The cost of obtaining this accreditation is not prohibitive but the time to obtain it is, especially for such a small organisation as the SWA, within which Wye Wood sits (Tudge, 2010). At the moment they are operating in a grace period without accreditation but that will not last forever.

Tudge (2010) also suggests that the red tape and other challenges associated with setting up a social enterprise as a separate and legally distinct entity from the Small Woods Association mean that this process is 'daunting' and that the ideal situation would be to 'feed into an existing social enterprise' focused on health and social care and 'be an arm of that' organisation.

Funding

The partnership is reliant on grant funding but it is seeking to become more 'sustainable' financially in respect to all elements of its work (Tudge, 2010). In terms of the craft and coppicing days and the walking programme it is starting to gain funding on an individual budget basis from the health service and is beginning to look at the possibility of establishing broader contracts with them for service provision.

Another element of the effort to move away from a reliance on grant funding is that the Wye Wood partnership received start-up funding of £18,000 from the Social Enterprise Investment Fund of the Department of Health to investigate the possibility of setting up a social enterprise. As a result, the Wye Wood Social Enterprise is now in the early stages of development (Eastaugh et al., 2010: 9; Tudge, 2010). The financial aim of the enterprise is to be self-sustaining and cover all its costs (such as a paid supervisor for the volunteers, transport and tools) and feed any surplus generated into further training for the volunteers (Tudge, 2010).

As most of the volunteers suffer from mental health problems it is unlikely they can perform to the same level as those not suffering from such conditions. The enterprise charges £250 as a day rate, which includes the supervisor and around 4 volunteers and the rate is set with the aim of accounting for the fact that the amount of work undertaken will not be as much as if it were five people with no mental health problems carrying out the work. The idea is that it should cost the customer less than it would to hire a typical commercial contractor to complete the same work (Tudge, 2010). Kate Tudge (2010), Project Manager for the Wye Wood project admitted that one of the customers had initially raised concerns regarding productivity. However, recent feedback has indicated that the level of care taken to remove deer fencing for this customer means that the fence can be reused, thus saving the customer money and outweighing the drawbacks of a slower pace of work.

As the attempt to move away from grant funding is relatively new, the Wye Wood partnership still obtains most of its funding through grants. The expenditure of the whole partnership is around £100,000 per annum and in the financial year 2009-2010, £10,000 of this was brought in through income generation by the social enterprise element and at the time of interviewing (October, 2010) the Project Manager (Tudge, 2010) reported that the social enterprise had already generated £8,000 in the financial year 2010-2011. Furthermore, she also reported that around £5,000 had been secured for work with patients through 'personal budgets' (which is a government scheme whereby individuals with long-term conditions are given a cash budget to spend on their own health-care), but that to support everyone referred to the project from the health service currently they would need to secure around £30,000. The current goal is to try and operate the whole partnership on a 60% income (from income-based referrals attending with supported funding and direct income for work undertaken) and 40% grant funding basis (Tudge, 2010).

These financial challenges also impact upon the day-to-day running of the project in terms of the fact that the amount of work required to keep the project running is growing but it is not yet clear how this can be funded.

Staff and volunteer input

The project has a part-time Manager, Kate Tudge, who works two days per week and she is responsible for any financial decisions, although there is also a Finance Manager within the Small Woods Association who oversees the partnerships spending as the host organisation. The project also funds two part time posts, one a coppicing craftsman and the other a health development worker and trained Occupational Therapist. The core work undertaken by the enterprise is all carried out by volunteers as the aim is to give these volunteers work experience. Around 40-60 participants take part in the Wye Wood project at any one time, with around 8-10 involved in the social enterprise.

Governance and membership

The Steering Group acts as a 'sounding board' for the project and it is made up of the SWA, the Forestry Commission, various council departments and Primary Care Trusts within Herefordshire and the Probation Service (Tudge, 2010).

Impacts and outcomes

The Wye Wood project, including the new social enterprise, uses the SF36 evaluation method, which is a multi-purpose self-reporting health survey which provides scores in physical health, mental health and social functioning. It looks at both functional health and well-being scores, as well as psychometrically-based physical and mental health summary measures (Wye Wood, 2010). Participants undertake assessment on joining the project and then again every three months so that progress can be monitored.

Additional issues identified

One identified challenge is that at the moment a lot of the work undertaken for the public sector by the social enterprise tends to be non-essential work, such as the Treebog they installed in the local allotment, which was funded by the town council. Given the current state of public funding, there is concern that this kind of work could potentially dry up as public funds are squeezed.

5.2 Scotland

5.2.1 Argyll Green Woodworkers Association

Background

The Argyll Green Woodworkers Association (AGWA) was established in 1994 by a small group of people, interested in woodland management, woodland history, woodland crafts and timber utilisation (Gray Stephens, 2010). Part of the motivation for its formation was because of the lack of available sustainably sourced timber in Argyll for woodworking. At the same time there were people who owned woodland and wanted to produce timber from it, so it was about making a link in the wood supply chain to some extent (Gray Stephens, 2010).

Aims and objectives

AGWA (2010) aims to:

- Encourage interest in woodland skills
- Research woodland history and ecology

- Bring native woodlands into sensitive management
- Co-ordinate woodworking demonstration & training
- Stimulate the use of local timbers (from green pole to seasoned plank).

Business focus

In the past, AGWA took on the management of a small area of woodland in which it intended to reintroduce coppicing. However, shortly after the management agreement was in place, there was a realisation that the woodland was full of lichen and coppicing the wood would disturb the lichen and pose a threat to its survival. The site then acquired SSSI status and a Special Area of Conservation designation. Therefore, the group helped to clear some young conifer and carried out some lower plant courses in the woodland but did not carry out any coppicing in the core hazel area (Gray Stephens, 2010).

On ground next door to the woodland, AGWA restored a derelict 19th century cottage and built an oak framed shelter and a Western Red Cedar log building around a composting toilet (Gray Stephens, 2010). The group used this site as a training centre and ran a number of courses from it. However, they did not secure sufficient numbers of participants to bring in enough income to make it worthwhile and use of the site then dwindled.

The group also managed an old estate sawmill in south Argyll for a number of years. The mill produced sawn softwood for beams, cladding and outdoor projects as well as occasionally hardwood for furniture. It was essentially self-sustaining and was able to generate enough money to buy the timber and maintain the equipment on a day-to-day basis because the labour input was largely free. However, if it had been run as a conventional business then it is not thought that it would have made any money (Grey Stephens, 2010). This venture has now ended but AGWA are still keen to engage in similar sawmilling activities.

The group also offer wood craft demonstration sessions at events and shows for a fee, a cut of which is kept by AGWA and the rest of which goes to the demonstrators. This side of the business was much busier in the early 2000s but two members decided to set up on their own offering a similar service. Since then demand has lessened, however during 2010 there was an upturn in activity (Gray Stephens, 2010).

Recently AGWA has been offering support to some other fledgling woodland-related social enterprises, as described below in the section on funding.

Tenure

In the mid 1990s, AGWA negotiated a 10 year management agreement with Forestry Commission Scotland for a 5ha hazel woodland, in which it intended to reintroduce coppicing (see 'Business focus' above).

They also took on an 'improvement lease' from the Forestry Commission for a small piece of land next door to the woodland (see 'Business focus' above) (Gray Stephens, 2010). As it was an improvement lease there was no fee but a lot of money was invested in the site by AGWA (Gray Stephens, 2010).

The management agreement ended a couple of years ago and the lease was not renewed because the Forestry Commission felt that AGWA were not making enough use of the site (Gray Stephens, 2010). The Forestry Commission paid AGWA some compensation for the investment they had made on the site and after discussions, AGWA and the Commission agreed to run the site on a partnership basis (Gray Stephens, 2010).

However, AGWA, despite several efforts by volunteer directors, apparently found it very difficult to organise a meeting with Forestry Commission staff to discuss how this relationship might work (Gray Stephens, 2010). In their view this was because this site was not a priority for the Commission and so meeting with AGWA was not either (Gray Stephens, 2010). Gordon Gray Stephens (2010), a member of AGWA, reported that 'the site seems to be used less now than it was when Forest Enterprise took it off us because we weren't using it enough!'

The sawmill was leased on a three year, £200 per year basis (Gray Stephens, 2010). However, a major problem developed with the wiring of the saw. The sawmill owner could not afford the considerable amount required to upgrade it, nor would they consider a

lease for more than three years. AGWA did not, therefore, feel comfortable investing money to upgrade a saw it did not own (Gray Stephens, 2010).

An AGWA member has since purchased his own sawmill and entered into a separate agreement with the owner of the mill originally leased by AGWA to use some of the facilities. AGWA are investigating ways of supporting and developing this activity (Gray Stephens, 2010).

Legal form

It is a CLG and registered charity. Gray Stephens (2010) stated that this legal form was the most suitable one available to them at the time of formation and has worked reasonably well. However, if they were forming now they might consider becoming a CIC. He also noted that a benefit of charitable status was that AGWA could secure income from sources that otherwise they would not be able to because some grant making bodies will only support charities.

Funding

AGWA received various grants in the 1990s and used these to fund the sawmill project (then known as the timber stockpile project), the construction of the two wooden buildings, and restoration of the derelict croft on the Forestry Commission site (Gray Stephens, 2010). By 2000, they had decided not to apply for any more grant funding for various reasons, including: not wanting to be reliant on grants; feeling constrained by the terms and conditions of funding agreements, and having had a bad experience with one funder who refused to pay a grant claim because it had been received after the stated deadline (Gray Stephens, 2010).

However, recently AGWA applied for a grant to support a new project at Kilfinan. Over the last five years, AGWA has been assisting some of its members with the set up of two other distinct projects. One involves the purchase of a piece of woodland from the National Forest Estate by Kilfinan Community. AGWA assisted in the feasibility study stages of this and applied for grant funding on behalf of the community group as they were not a recognised, constituted body (Gray Stephens, 2010). Kilfinan Community Forest Company are now developing new woodland enterprises at the site. The other project AGWA have been supporting is health related,

Blarbuie Woodland, and is discussed below in its own section (Gray Stephens, 2010). Going forward, AGWA is also considering building a new base for AGWA on a piece of privately owned land, which would require new grant support (Gray Stephens, 2010).

Staff and volunteer input

AGWA does not employ anybody and its work has always been undertaken through voluntary efforts or contract work (Gray Stephens). For example, members ran the sawmill part-time, on a voluntary basis, in return for small amounts of sawn wood (CWA, 2008: 3).

Governance and membership

It is a membership organisation. It has a board of directors, or committee which steers its work but usually initiatives have been put forward by individuals and then either the individual has taken action or a group of members has taken it forward (Gray Stephens, 2010).

Additional issues identified

Gray Stephens (2010) concluded that in many areas of government there was and probably still is 'a certain lack of understanding of what social enterprise is about' and that in terms of dealing with public institutions and governmental bodies finding the right individual, supportive of the social enterprise model, made a huge difference, although this reliance on individuals also had drawbacks in terms of staff moving on to different roles.

5.2.2 Assynt Foundation

Background

The Assynt Foundation was established prior to the community land buy-out of the Glencanisp and Drumrunie Estates in the parish of Assynt in the North-West Highlands of Scotland (Assynt Foundation, 2010). The Foundation was established specifically to manage the purchase of the land, which was completed in 2005, and to manage the land thereafter (Lazzeri, 2010). Its role now is to

manage the estate in a sustainable way through maintaining and improving habitats for the long-term benefits to the local community and the wider public, including educational benefits and health and well-being (Lazzeri, 2010).

Aims and objectives

The Assynt Foundation's (2010) objectives are:

- To manage community land and associated assets for the benefit of the Community and the public in general as an important part of the protection and sustainable development of Scotland's natural environment, where 'sustainable development' means development which meets the needs of the present without compromising the ability of future generations to meet their own needs
- To advance the education of the Community about its environment, culture and/or history.

Business focus

The estate is managed for habitat and amenity purposes and the Foundation is also keen to use their land and other assets to promote enterprise and employment and, through partnership with existing or new businesses, help and support other individuals and organisations to generate income (Lazzeri, 2010).

The Foundation has a trading arm which leases a 12-bedroom hunting lodge from the Foundation. The lodge has been renovated and refurbished and is rented out to groups, either as self-catering accommodation, with catering or with full housekeeping (Lazzeri, 2010). The trading arm also sells venison from the estate and rents out stalking lets (Lazzeri, 2010).

In addition there is an aspiration to establish a micro renewables company.

Tenure

The estate of land purchased and managed by the Foundation totals 18,000 ha and includes various areas of woodland, covering around 600 ha.

Legal form

The Assynt Foundation is a trust, charity and company limited by guarantee and it also has a trading subsidiary, Assynt.biz, a CLS wholly owned by the Foundation. This legal set-up enables the trust to generate income to support the charity without jeopardising its charitable status, although Mark Lazzeri (2010) of the Foundation suggested that it would be easier if charities were allowed to trade to a greater extent, in which case this set-up would not be necessary.

Funding

Any surplus made by the trading subsidiary (Assynt.biz) at the end of the year is gifted to the charity (The Assynt Foundation) through donation but the Foundation remains largely dependent on grant funding and it is expected this will be the case for the next few years (Lazzeri, 2010).

Staff and volunteer input

The Foundation employs three full-time members of staff and one part-time member and attracts volunteers for specific project work (Lazzeri, 2010). In addition, there are six people who are employed on a part-time basis, as and when required in relation to the hunting lodge (Lazzeri, 2010).

Governance and membership

Membership of the Foundation stands at around 300 out of potential 1,100 adults based on postcode and electoral role eligibility criteria and costs £1 for life (Lazzeri, 2010). The most recent effort to engage the community and find out their views regarding proposals to acquire some land through the NFLS involved a mailshot to all 1,100 residents, with pre-paid reply envelopes included, and generated a 40% response rate. There are some concerns and some disappointment from within the Foundation that membership and engagement is not higher but it is not clear whether this reflects feelings that there is no need to get involved because the work the Foundation is doing is good regardless, apathy and inertia within the community, or a more significant lack of support and a failure on the part of the Foundation to serve the community's interests or convince and communicate to the community the benefits of membership and engagement (Lazzeri, 2010).

A board of up to 13 directors is elected from within the membership to manage the Foundation and directors stand for a maximum of two years before being required to stand for re-election (Lazzeri, 2010).

Additional issues identified

As previously mentioned, there is an aspiration to establish a micro renewables company and in relation to this aspiration, Lazzeri (2010) highlighted a barrier to the Foundation being able to grow and generate a higher surplus: if they went into partnership with an energy company on the project they would probably only receive around 10 percent of the income generated from the scheme, however, if they could do it themselves, they would generate substantially more. However, the Foundation does not currently produce a significant enough income to be able to install and run the system themselves and a bank would be unlikely to lend them the full amount. Thus, Lazzeri commented, 'the shortage of available funding means all of our projects are going to take a lot longer to get off the ground' (Lazzeri, 2010).

Lazzeri (2010) also cited other challenges relating to their location in a remote area of the Scottish highlands which puts them at greater distance from the infrastructure and facilities which many take for granted, and which leads to some institutions and organisations the Foundation deals with not really appreciating their situation, the higher costs involved in operating as compared with elsewhere in Great Britain, and the realities of managing a highland estate. Lazzeri (2010) further noted that it is important not to underestimate the ongoing costs of managing woodland and other land after the initial purchase and that doing so could potentially jeopardise the other benefits that ownership and/or management can deliver.

5.2.3 Birse Community Trust

Background

Birse Community Trust (BCT) is a local community business that was established in 1999.

Aims and objectives

BCT aims 'to promote the common good of the inhabitants of Birse Parish [covering the three scattered rural communities of Birse, Ballogie and Finzean] and deliver wider public benefits' (Birse Community Trust, 2007a). Through its forestry involvements and natural heritage projects, BCT is also encouraging Capercaillie conservation, deer management and other land use initiatives at a locality-wide scale in co-operation with the three large private estates in the parish (Callander, 2010).

Business focus

Robin Callander (2010) is self-employed and works some of his time as an agent for Birse Community Trust. He described BCT as 'a social enterprise that is based on forests and trees'. Alongside managing woodland, saw mills and local buildings, BCT undertakes a variety of activities including sales of timber and wood products, publications and contractual services to deliver public benefits.

Half of the woodlands BCT manage are native pinewoods. The pinewoods are managed as habitat for conservation. The Trust extracts selected trees from the native pinewoods to be used in its three mills for manufacture into materials for use in other BCT projects as well as some for commercial sale (Callander, 2010).

The other half of the woodland that BCT manages (and owns) is made up of two former Forestry Commission plantations which were both planted in the 1960s. The Trust intends to harvest these on a relatively frequent and small scale basis to bring in income to cover some of its running costs (Callander, 2010).

Tenure

The Trust's website (Birse Community Trust, 2007b) reports that the first thing the Trust did after it was created was 'safeguard ancient shared rights over the 3,500 ha' Forest of Birse Community and 'ensure the sustainable management of the native pinewoods there'. These pinewoods are on privately owned land.

Following on from this the Trust took on a number of other woodland related projects including the restoration and operation of 'three [grade A listed] water-powered wood mills, joint management of two Forestry Commission woodlands, and the management

of Community Woods and a School Wood' (Birse Community Trust, 2007b). In total, the Trust is involved in the management of 1000ha of woodland (Birse Community Trust, 2007d).

The Trust has also purchased buildings which were considered important to the community, in terms of its identity, well-being or development aspirations, and/or were under threat (Callander, 2010). These include Birse Kirk, Birse Community Hall, two old school buildings, used as the Trust's offices and parish archive, and a historic shoe-maker's shop (Birse Community Trust, 2007e; Callander, 2010). BCT is, as a result, directly involved in the management of 12 different sites across the parish (Callander, 2010).

Over the course of its history, BCT has acquired two woodlands from the Forestry Commission through the NFLS, the first in December 2006 and the second in March 2010 (Callander, 2010). In fact, BCT was the first community to acquire woodland through the NFLS. As Callander (2010) explained, Birse Community Trust was involved in the creation of the NFLS because they recognised the need for, and pushed for a change in public policy which would create the scope for the community to be able to acquire woodlands. Callander (2010) stated that that the acquisition process was lengthy and challenging. It took six years to get the first Forestry Commission woodland due to the need to change public policy and create the NFLS and another three or four years to get the second woodland because of problems securing finances to purchase it.

Callander (2010) reported that the Trust put considerable effort and time into an application to the Big Lottery Fund that was turned down by their final committee twice. Part of the reason behind this, Callander (2010) considered, was because the Big Lottery Fund was opposed to using their Community Assets Fund to pay for the acquisition of woodland from the public forest estate because of a belief that the government should not be making money from the Big Lottery Fund (Callander, 2010). With only three months remaining in which they could purchase the land according to the terms of the NFLS, the Trust managed to find a benefactor and secured the woodland through a substantial private donation (Callander, 2010).

Legal form

The Trust is a CLG, charity and membership organisation. The Trust also has a wholly owned, subsidiary company, the Birse Trading Company (CLG). Callander (2010) reported, that operating through the trading arm helps protect the Trust in the event of something going disastrously wrong because the trading arm can be dissolved without it resulting in the loss of assets for the Trust.

Funding

BCT does not actively seek out donations from within the local area, nor does it utilise local volunteers in order to avoid competing with other local groups for resources, which would go against the Trust's aim of enhancing community capacity (Callander, 2010). Instead it seeks to draw money into the area via grants or through sales of timber and wood products, contractual services and publications, for example (Callander, 2010). BCTs turnover (excluding capital grants) is around £90,000 per annum and between 1999 and 2008 grants for specific projects accounted for 49% of all income BCT received, followed by 26% from grants for capital purchases and 25% from other avenues (including sales and donations) (BCT, 2009).

Callander (2010) reported that in the time period 2008-2010, the percentage of sales compared with grant income had increased. However, he also maintained that in the future the majority of the Trust's income will continue to be through grants and other contracts for delivering public benefits. This is in part due to the Trust's view that there is no real 'distinction between someone giving you a contract to deliver something and you doing that and sending them an invoice, to somebody giving you a contract and you delivering it and sending them a grant claim form' for delivering public benefits (Callander, 2010).

It is intended that the two former Forestry Commission plantations which BCT now owns will be harvested on a less frequent basis and on a smaller scale compared with economies of scale in more conventional forestry. This will enable BCT to have a more regular income stream to help cover its core costs such as accounting, insurance and professional and legal fees and it is hoped that this will give the Trust a degree of financial sustainability (Callander, 2010).

Staff and volunteer input

As mentioned above, BCT does not engage local volunteers. BCT also has no employees and instead contracts out all work, with a preference for local contractors (over 75% of BCT's expenditure is spent each year in the immediate local area on an average of over 40 different suppliers). This is claimed to be a 'very effective, efficient model' because first, it ensures that there is 'good knowledge security' because 'everything is not invested in one or two employees'; second, 'you are able to get the best person for each job rather than expecting one or two people to have all the knowledge and skills' needed, thirdly it meets a local need for a range of part-time employment opportunities, and finally 'it means you're not paying for work when there is none to be done' (Callander, 2010).

Governance and membership

Everybody on the electoral register is automatically a member of the Trust. Members can vote in the election of five trustees who run the Trust on behalf of the community. One trustee stands down every year (Birse Community Trust, 2007a). Others living outwith the Birse parish can join BCT as an Associate Members for £20 per year (Birse Community Trust, 2007c). There are around 300 households within the parish with a total adult population of c.620. BCT AGMs are attended by an average of c.10% of the adult population and around half of the households have attended at least one BCT AGM (Callander, 2010).

Impacts and outcomes

Callander (2010) reported that since BCT was established it has encouraged the creation of a strong community infrastructure, involving three community associations, two community councils as well as one community business (BCT) within the parish, and at any time over 40 different individuals make up the elected committee members and trustees etc. of these organisations. Thus, 'on the basis of some trees, BCT has become a very empowering mechanism for rural development in the sense that the community now has a very strong, independent, democratic infrastructure and, at the same time, has a direct stake in the places in the parish that the community considers important to it' (Callander, 2010).

Callander (2010) further suggested that 'BCT is unusual in the extent to which it systematically measures and monitors various social indicators' including tracking how much of the Trust's expenditure is spent locally and detailed monitoring of local attendance at BCT

events. He also noted that this has included investigating kinship ties within the parish to help understand the factors supporting local community development.

Additional issues identified

Although Callander (2010) acknowledged that Forestry Commission Scotland was open to a change in policy to enable the sale of woodland to communities, he believed that they still 'don't understand the issue clearly enough' and 'struggle to understand BCT as the best example of a forest based social enterprise they have in Scotland'. So while 'individual staff members of Forestry Commission Scotland see the BCT vision so to speak, the institution struggles more' (Callander, 2010).

To clarify this view more, Callander (2010) claimed that the Forestry Commission have had minimal engagement with the Trust even though their policy documents advocate such initiatives. He further maintained that grant schemes such as the Forestry for People scheme in Scotland, administered by the Commission, do not appear to recognise the scale at which some community organisations are operating, seem to be targeted more at small-scale activities, and that Forestry Commission Scotland 'are way behind what social enterprises and community bodies can deliver' and 'are missing a trick' by not engaging with, supporting and promoting these kinds of initiatives more (Callander, 2010).

Callander (2010) also highlighted a barrier to encouraging successful community enterprises in the fact that there is no clear contact within the Scottish Government for community development related issues (compared with forestry, agriculture, nature conservation and so on). As a result, despite all the government rhetoric supporting community development, the government deals with community matters in a disjointed fashion.

5.2.4 Blarbuie Woodland

Background

Blarbuie woodland is attached to Argyll and Bute long-stay psychiatric hospital. It is a mixed woodland and was mostly planted around 150 years ago when the hospital was built (although there are some older native elements) (Fife, 2010). Previously the

grounds and woodland have enjoyed relatively open access and have been enjoyed by members of the public, staff and patients but by the 1990s the woodland was no longer being managed at all and had fallen into a degraded and abused state (Fife, 2010). In 2002, Hugh Fife (2010) (who at the time was working part-time as a disability and access officer for the charity, Reforesting Scotland, was working part-time for the NHS at the hospital, and was also a member of the Argyll Green Woodworkers Association) began discussions with other relevant parties regarding the possibility of bringing the woodland back into active management and making it safer and more attractive, principally for the patients at the hospital but also for staff and the wider public.

Fife (2010) had already been running some woodworking activities at the hospital and there was an ongoing Garden Project in existence, run in partnership between the NHS and the Scottish Association for Mental Health (SAMH). Therefore, the new project ideas would build on existing ongoing activities. Reforesting Scotland helped to take things forward from this point and, using grant funding, an extensive participatory consultation was undertaken both within the hospital and within the local town of Lochgilphead about people's views of the woodland and what they wanted from it (Fife, 2010). In the summer of 2003 a document was produced summarising the outcomes of the consultation (Fife, 2010).

Aims and objectives

The intention of bringing the woodland back into active management was to use the woodland specifically to improve the health and well-being of both mental health service users as well as local people with physical disabilities, but also more broadly to enhance the woodland for the environmental, community and health benefits it could provide to society.

Business focus

Over the preceding years the woodland was renovated and, in 2007, the site was opened as a public park with all-abilities paths and facilities and interpretation (Blarbuie Woodland, 2008). The woodland is now used for a variety of recreational purposes and organised activities, including a Woodland Project for mental health service users with many of the former trainee/volunteer members of the Gardening Project (which has now ended) participating. Use of the wood is also included in the treatment programmes of patients at the hospital through health walks run in the woodland (Fife, 2010). Patients have also participated in arts and music activities, alongside other users of mental health services and disabled people (Blarbuie Woodland Enterprise, 2010).

Even from the early days it was recognised that there could be a commercial element to the woodland project and some benches, firewood, planks, and greetings cards, Christmas cards and postcards using prints, paintings and photographs of the wood were sold (Fife, 2010).

The project is also propagating plants on a reasonable scale, growing native trees, hedging plants and shrubs and selling these as well as compost (Fife, 2010).

The hospital woodland group, made up of patients and mental health service users undertake woodland management contract work for the local council and have carried out tree planting work at the local landfill site (Fife, 2010).

Other business opportunities may also be opening up as the hospital is going to be knocked down and a new smaller one built in its place. As a result the group is exploring the possibility of using an existing building onsite as a café/shop, taking over the management of more land and moving into food production (Fife, 2010).

Tenure

Blarbuie woodland is owned by the NHS and around the same time as the consultation exercise (2003), AGWA, SAMH, Reforesting Scotland, the NHS and Lochgilphead Community Council signed a partnership agreement to carry out the renovation of the woodland, with Reforesting Scotland taking the lead role (Fife, 2010). However, there is no technical document which sets out in detail agreement terms between the project and the woodland owners (the NHS) such as may be found in a management agreement (Fife, 2010).

Legal form

The Blarbuie Woodland project still operates as a partnership under its host and lead Reforesting Scotland (Fife, 2010). However, Blarbuie Woodland Enterprise is to become a separate entity as a charity and CLG in its own right within the next year.

Funding

The project currently has a turnover of around £100,000 per year, with most of their expenditure being ploughed back into the local economy (Fife, 2010). Fife (2010) estimated that the funding mix for the partnership as a whole may now be approaching around 60% grant and 40% earned income and that earned income has doubled over the last year. The aim is that Blarbuie Woodland Enterprise will eventually gain most of its income through trading (Fife, 2010).

The original consultation process in 2003 was grant funded and by late 2004 the project had built up a package of funding agreements from various bodies. Since then it has secured various other grants.

Fife (2010) reported that postcard, greetings and Christmas card sales are significant and the firewood side of the business is reportedly very secure with the initiative struggling to meet demand every winter (Fife, 2010). In terms of sales of plants, shrubs and trees, this side of the business has not seen an enormous amount of success so far but it is very early days and it is now beginning to make sales (Fife, 2010). The project is also currently trying to generate more interest in the sale of the high quality compost that they produce, although sales have already been going reasonably well and demand has grown (Fife, 2010).

The amount of external contract work (usually within woodland) that the group is undertaking is growing, including activities such as waymarking and path building (Fife, 2010). Fife (2010) suggested that this is due to the fact that they are very affordable, whilst still being able to make a surplus for themselves. A supervisor's (the full-time Site Manager who was previously long-term unemployed) wages and administrative costs have to be covered and sometimes contractors with specialist skills, such as chainsawing, have to be brought in to help. However, because they have a squad of workers that are only paid £20 per week, they are able to operate very competitively.

However, he (Fife, 2010) also noted that organisations from the public and not-for profit sector that are taking them on to do this work are all suffering in the current economic climate, which makes the future of the contract work side of the enterprise less stable.

Staff and volunteer input

Various individuals, local groups, children from the local high school and members of the hospital Gardening Project (for mental health service users) carried out the renovation work on the woodland, with very little of the work being done by outside contractors (Fife, 2010).

At the moment, although set to increase, there are two part-time members of staff, one full-time employee and numerous volunteers

Impacts and outcomes

In 2008, the group undertook a research project on the impact of working and walking in the woodland which involved interviewing a range of woodland users. This project found that people came to the woodland for various reasons but all felt that it improved their health in some way, with 85% reporting a benefit in terms of mental health and well-being (Blarbuie Woodland, 2008).

Additional issues identified

In terms of challenges or barriers to establishing this enterprise, Fife (2010) cited the supervision of vulnerable people as a challenge because vulnerable people require more supervisory, trained and disclosed staff than other members of society and that comes with a financial cost (Fife, 2010). He (Fife, 2010) also cited a lack of funding for job creation as a problem because in their case, for example, they have been unable to access Future Jobs Fund money because the people that the Blarbuie enterprise focuses on, those with mental health issues, are not on job seekers allowance but are instead in receipt of other kinds of benefits which are not recognised by the Future Jobs Fund. However, he (Fife, 2010) acknowledged that the funding that Blarbuie has received from various bodies over the years, including from Forestry Commission Scotland, has been significant and has played an important part in their success so far.

5.2.5 Fintry Development Trust

Background

Fintry Development Trust was formed in 2007 in the village of Fintry, Stirlingshire.

Aims and objectives

The aim of the Trust is to reduce energy use in the area, promote renewable energy use and energy efficiency and ultimately, create a zero-carbon, zero-waste community (Fintry Development Trust, 2009a).

Business focus

The Trust has a trading subsidiary called Fintry Renewable Energy Enterprise (FREE) which essentially owns a wind turbine; Rather than accept a community benefit payment from the developer at the nearby Earlsburn Wind Farm, FREE negotiated to secure the effective ownership of a wind turbine instead (Fintry Development Trust, 2009b). There was a possibility that the developer would wish to sell the whole wind farm at a later date and so rather than allow the Trust to buy a turbine outright and become a 'sitting tenant', instead the developer agreed that FREE could receive one fifteenth of the income from the windfarm (of 15 turbines) in return for covering the cost of one of the turbines, which it did using a loan (Fintry Development Trust, 2009b). This was finalised in December 2007.

Income from the turbine has been used to run home insulation projects (with almost half of the community taking up the offer of free roof and cavity wall insulation) as well as funding energy saving measures in the village sports club and a new heating system on the village hall, amongst other things (Fintry Development Trust, 2009b).

The Trust also has another trading subsidiary, FRESCo which is aimed at delivering a micro-renewables programme to the community, including the installation of a woodchip and pellet boiler into the sports hall, which acts as the hub of the community.

They are also hoping to install a district woodchip heating scheme.

Tenure

Although there is already a supplier of woodchip locally, the Trust is in the early stages of efforts to acquire a piece of land from the Forestry Commission on which to begin a woodfuel project focusing on both firewood and woodchip. In this way they may eventually

be able to supply the village with woodchip themselves (McIntyre, 2010). They are still investigating the feasibility of such a move at this stage and no formal application has yet been made through the NFLS.

If the acquisition does go ahead, it has not yet been decided whether the Trust will concentrate solely on providing woodfuel to the village or whether they will also undertake commercial sales to others. The decision to try to and acquire the woodland occurred independently of, and before the decision to install a woodfuel boiler in the sports hall was made. Woodland acquisition efforts were decided upon based on the aim of the village to become sustainable and on a belief that the woodland would provide a multi-purpose community asset providing a venue for recreation and health and fitness improvement, an outdoor education centre, skills and training provision and improved biodiversity, for example (McIntyre, 2010). It is not yet clear if all of these woodland-based initiatives will be run under a separate trading arm from FREE or FRESCo should the land purchase go ahead (McIntyre, 2010).

Legal form

The Trust is legally constituted as a CLG and charity. Its trading arms, FREE and FRESCo are both CLGs and wholly owned by the Trust (Fintry Development Trust, 2009a).

Funding

Other than for the paid employees (see 'Staff and volunteer input' section below), the Trust utilises grant funding largely as 'seed-money' to pilot projects and to start projects off but, as Kelly McIntyre (2010), a Project Manager with the Trust stated, 'we like to ensure our projects are sustainable fiscally, as well as environmentally' and that they do not become grant dependent. Much of their income to enable this to happen comes through their effective ownership of a wind turbine.

FREE receives income of around £50,000 after loan payments from the turbine per year and it will potentially earn over £400,000 per year once the loan is repaid, although income varies depending on how windy it is each year (Fintry Development Trust, 2009b).

Staff and volunteer input

There are currently two full-time members of staff and their posts are funded using grant money. There is also one part-time administrator funded directly from trust income, as well as numerous volunteers (McIntyre, 2010).

Governance and membership

Fintry is a small rural community with a population of around 550 and the Trust has around 170 members, with membership costing £1 for three years (McIntyre, 2010). The Trust has an elected board of eight directors (Fintry Development Trust, 2009a).

Additional issues identified

McIntyre (2010) suggested that although the Forestry Commission had been helpful so far, it had been quite difficult to find out how to go about acquiring the land and who to approach initially, even though they were aware it was possible. She (McIntyre, 2010) proposed that something that would help support the use of woodlands for community enterprises would be if the fact that woodland ownership or management through the NFLS is an option for communities could be promoted to more groups and if it could be made easier to find out how to start a process towards this, since many communities do not realise that it is possible or how to go about it.

5.2.6 Living Solutions

Background

Living Solutions was established in 2005 by two students from the School for Social Entrepreneurs (Cruise, 2010). The enterprise is based in Cowdenbeath, Fife.

Aims and objectives

The enterprise aims to:

- Protect and improve the local environment
- Reduce unemployment

- Manufacture and build affordable housing (Cruise, 2010; Living Solutions, 2010).

Business focus

Everything Living Solutions does involves training unemployed people, who are often supported to gain nationally recognised qualifications such as chainsaw certificates (Cruise, 2010).

Paul Cruise (2010) was one of the founders of Living Solutions and he reports that the initial focus of Living Solutions was on greenspace management and landscaping. The group secured a contract (which is still ongoing) with a housing association to improve their communal greenspace areas, involving tree-planting among many things (Cruise, 2010).

There is now also a forestry team which began working for the Forestry Commission undertaking litter picking, hand pruning and other similar jobs (Cruise, 2010). This work has now developed to include felling, high-logging, thinning operations, extraction, wood chipping and planting operations (Cruise, 2010).

Another strand to the organisation is a non-money making allotment project which engages with young people and children.

Living Solutions also provide training as part of a rural skills training course at a local college (Cruise, 2010).

They are also a small-scale timber processor and have a timber production facility. Here trainees learn about processing and producing finished products such as bird feeders, beds, benches, as well as construction methods because there is a long-term aim for the enterprise to move into affordable housing construction (Cruise, 2010). In fact, they are currently in discussions with one housing association about building two homes in Falkirk, starting in 2011 (Cruise, 2010).

Tenure

Living Solutions rents a 10,000 square foot factory with a 10,000 square foot yard, hosting a saw mill, two drying kilns and various other pieces of equipment.

Legal form

Living Solutions is a CLG and has charitable status and so far this set-up has worked satisfactorily, although, in the future they may explore setting up a separate entity wholly owned by the charity for the affordable housing element of their work (Cruise, 2010).

Funding

The enterprise receives government funding through Future Jobs Fund which provides trainees with a wage over a six month placement with Living Solutions and also provides the organisation with some funding towards their training. Similarly New Deal clients come with some funding for their training but they are not paid for their work as they are in receipt of benefits (Cruise, 2010).

The greenspace improvement/landscaping side of the enterprise is wholly self-sustaining and also pays the wages of another office based employee (Cruise, 2010).

On the forestry side, the training is largely funded through grants but contract work for the Forestry Commission brings in around £20,000 per year and the Forestry Commission 'are very supportive' of the enterprise (Cruise, 2010).

The processing side of the enterprise also brings in some money but for it to be sustainable overall the construction element needs to get up and running properly because, as Cruise (2010) reported, 'we're never going to make enough money to pay the rent and rates and the supervisor's wage making bird feeders'.

In respect to the new venture into construction, Napier University has done all the technical and engineering specification work for this, paid for through grant funding (Cruise, 2010). Work with Napier is ongoing with tests on acoustic grading are currently

underway (Cruise, 2010). There will be a need to secure further funding to allow for technology transfer but Cruise (2010) is confident that this can be secured and that 'making homes using Scottish timber is the sensible and sustainable way forward'.

Currently, in total the enterprise generates around £120,000 income per year (not including the wages of those trainees engaged through the Future Jobs Fund) with around £80,000 of this coming in grant form.

One of the biggest challenges Cruise (2010) identified in taking the business forward is securing enough paid work to make things more sustainable and the enterprise less reliant on grants.

Staff and volunteer input

There are currently five full-time employees, ten Future Jobs Fund placements/employees, three New Deal clients and four volunteers who are engaged in the enterprise, although these figures change frequently (Cruise, 2010).

Governance and membership

There is no membership body but there is a board of directors which is open to new members.

Impacts and outcomes

With respect to the results of this enterprise, they are attempting to track those trainees who have participated in Living Solutions to see if their efforts are working from an employability perspective and see if people have found employment and in what work areas (Cruise, 2010). For example, Cruise (2010) reported that two people who recently completed training in the forestry team are now setting themselves up as contractors to work for larger contractors.

Additional issues identified

A challenge for the enterprise in taking the construction side of their endeavours forward was identified by Cruise (2010) as the problem of navigating the red-tape and 'long-winded mechanisms' instigated by councils and housing associations, which will enable Living Solutions to build affordable housing for them. Cruise (2010) noted that identifying the right individuals who are supportive of

social enterprises is key to getting anywhere with such bodies. Cruise (2010) also admitted that currently one employee's job is under threat, as is the processing factory because they have thus far been unable to secure funding to support them.

It was also noted that transitions in governments and the resulting changes to funding programmes mean that social enterprises have to be adaptable if they are to survive (Cruise, 2010). In terms of the biggest challenges and barriers to success that the enterprise had faced in the past, Cruise (2010) identified the fact that they were unknown and did not have a track record as one hurdle they had had to overcome in relation to securing income. To overcome this hurdle with the Forestry Commission, Living Solutions built up their own profile and the trust of the Commission in them by undertaking a lot of small jobs for free in the first instance.

5.2.7 Scottish Wood

Background

Scottish Wood was established around ten years ago because of an acknowledgement that at the time there were a lack of small-scale wood processors in the wood supply chain in Scotland.

Aims and objectives

Its aim is to 'help revitalise local woodland culture for the benefit of the environment, community and economy' and to provide training and timber in the local area (Birley, 2010).

Business focus

The enterprise is focused around a community-based hardwood saw mill (although it also deals in naturally durable Larch and Douglas Fir) based in Inzievar Woods, Fife, using kiln-dried, air dried and freshly-sawn timber (Birley, 2010). Scottish Wood customer needs vary from those who want to purchase a small £2 piece of wood from their stock for turning, to £40,000 orders (Birley, 2010). The timber comes from a range of suppliers, and is usually taken from within a 50 mile radius of the mill, although

Oak and Larch might come from further a field, but still from within Scotland (Birley, 2010). There is also a policy of buying locally where possible so that the turnover is recycled within the community.

Tenure

The land on which the saw mill is situated is not owned by the enterprise but is owned by one of its founders and co-ordinators, Maggie Birley (2010) who charges no fee for its use. Access to land, Birley (2010) noted, is however a big barrier to others who want to set up similar enterprises.

Legal form

Scottish Wood is a CLS but all the shares are owned by the charity and CLG, Dynamic Woods, which was established to essentially 'be the holding arm for the enterprise' and 'to make use of its profits' and ensure that it was operated as a social enterprise rather than a conventional business (Birley, 2010).

Birley (2010) observed that this set-up of parent charity and subsidiary trading enterprise was 'very cumbersome' but that things had changed since the time Scottish Wood was established and this was probably no longer necessary with the advent of the Community Interest Company. However, she also noted that now Scottish Wood is well-established and generates a reasonable surplus it is useful to have the two organisations separate to some degree, citing the example that with this set-up the board of directors for the business can be limited to those interested in developing the business, whereas the board of directors for the charity can be opened up to include anyone interested in the mission of the charity.

Funding

Initially, a pilot project was run for around one year using Landfill Tax funding and this demonstrated that there was sufficient demand for the business. Using a start-up grant of approximately £50,000, equipment was purchased and the enterprise was launched (Birley, 2010).

Birley (2010) argued that getting hold of initial start-up funding is difficult and a significant barrier to enterprise development, particularly where what you are proposing is innovative and funding bodies do not have other examples with which they can compare it. Now, she (Birley, 2010) conceded, things are easier and social enterprises as a form of business are much more common and they have a proven track record in many fields.

Scottish Wood now has a turnover of £280,000, almost purely from trading (Birley 2010). Any surplus generated is used either within the business to further its development or by the charity Dynamic Woods for various activities, including grant-making to local community groups involved with woodland and to support Forest School initiatives.

Staff and volunteer input

The business currently employs nine full-time members of staff, including two co-ordinators and seven people who were previously long-termed unemployed. There is a very low turnover of staff with a few members of staff having been at Scottish Wood since it began.

Impacts and outcomes

Although Scottish Wood monitors the benefits it provides to the local geographical community with reference to things like the amount of jobs and training opportunities created as a result of the enterprise, it also measures its impact on the small-scale hardwood processing industry in Scotland (Birley, 2010).

Additional issues identified

Birley (2010) concluded that not establishing similar businesses and other woodland-related social enterprises was a missed opportunity by a lot of community woodland groups as there was great potential in this area. However, she (Birley 2010) also identified the fact that there are a number of potential threats and risks facing small saw mills such as that posed by large-scale biomass power plants buying up all the available timber.

The original intention was that Scottish Wood would be a much smaller enterprise but as the demand has grown so too has the business. Indeed, Birley (2010) cited one of the biggest challenges facing the business as being its capacity to keep up with the demand for timber whilst not overstretching the resources of the saw mill as there is much greater demand than the business can meet. Rather than try and increase in size, Scottish Wood has put a significant amount of time and effort into supporting the wider industry and offering advice to others to help them establish more small saw mills across the country and there is evidence that this sector is growing (Birley, 2010).

5.2.8 Sleat Community Trust and Sleat Renewables Limited

Background

Sleat Community Trust is based in the Sleat Peninsula in the southern part of the Isle of Skye and focuses on supporting sustainable development initiatives in the area. The Trust was established in 2004 with the driving force behind its formation being the idea of erecting a wind farm that would require a local organisation to oversee the fair distribution of the resulting financial benefits (Sleat Community Trust, 2010). The wind farm project eventually came to nothing but the Community Trust remained and it supports a range of projects in the local area.

The Trust has two subsidiary companies, Sleat Community Trading Ltd. which manages a visitor centre, petrol station and garage, and Sleat Renewables Ltd. (SRL) which was formed in 2008 and carries out and manages a variety of renewable energy activities and projects (Sleat Community Trust, 2010).

Aims and objectives

The Trust (and therefore its trading subsidiaries) was established in order to 'create a Sustainable Sleat through projects which would enhance the lives of people living here, retain necessary services in Sleat, develop all our aspirations while maintaining a high quality environment' (Sleat Community Trust, 2010).

Business focus

SRL was formed to take forward not only wind energy projects but also carbon reduction and biomass projects and make a surplus for use by the Trust in various community projects (Robertson, 2010). SRL has now established numerous projects but of most relevance to this study is their work in relation to biomass.

A few years ago, the Trust became aware that the local Gaelic college, Sabhal Mòr Ostaig was planning to install a woodchip boiler to supply the college buildings with heat and hot water. Although there was an existing woodchip supplier based on Skye, it was based around 45 miles away so the Trust saw this as an opportunity to become a local woodchip supplier and this helped to drive the formation of SRL (Robertson, 2010).

At present SRL supplies the college using a bulk purchase of logs from Ord Forest (managed by Scottish Woodlands).

There are also plans to take over the management of an area of woodland and run various enterprise activities from here, as described below.

Tenure

The current log supply for woodchip that SRL use is coming to an end and therefore other supply options are being explored, including the purchasing of an area of woodland locally.

Alongside other advisory groups, such as one focusing on tourism and one focusing on housing, in September 2005, the Trust formed a Forestry Advisory Group to explore the viability of purchasing 440ha of Sitka Spruce/Lodgepole Pine woodland at Tormore from the Forestry Commission through the NFLS (Forestry Commission, 2009; Sleat Community Trust, 2010). In July 2009, the Trust formerly applied through the NFLS to purchase the woodland with plans to enhance the public benefits of the woodland through 'continuing development of a recreational trail network, developing resources to support Gaelic education and developing various timber and woodfuel business opportunities' (Forestry Commission, 2009).

The Community Trust held a ballot in early 2010 which found that the vast majority of the community backed the plans for the acquisition of the woodland with 712 ballot papers sent out, 448 people voting for acquisition, and 50 voting against (Member of Sleat Community Trust, 2010). This is also an indication of how actively engaged the community are in the work of the Trust with a voting turnout of almost 70%. A member of the Trust (Member of Sleat Community Trust, 2010) suggested that having the right expertise within a community, as well as having enthusiastic individuals with time to give, were vital factors in explaining the benefits of owning a woodland to the community at large and ultimately in the success of initiatives to purchase community woodland.

The Trust have now been given the opportunity to purchase Tormore for £330,000 and they are currently in the process of trying to raise funds to do this, through a mixture of grants, loans and donation (Member of Sleat Community Trust; Robertson, 2010).

If successful, SRL will lease the forest from the Trust and in this way they will be able to take forward the commercial opportunities available (Member of Sleat Community Trust, 2010). The plan is for the timber to be put to various uses and be sold as woodchip, as split logs for firewood sales, or for structural purposes after the development of proposed processing facilities onsite. This will have value added locally as opposed to selling the timber conventionally as sawn log or pulp at a much lower price (Member of Sleat Community Trust, 2010).

Purchasing this woodland would also allow SRL to build a wood store, possibly with drying facilities enabling them to supply woodchip throughout the year; currently the log supply is left in the open (although covered), onsite at Ord Forest and this results in SRL not being able to supply woodchip during winter because the logs are too wet (Robertson, 2010). It is anticipated that the income gained from woodfuel sales will enable the funding of a community forester post. This role will involve overseeing all forest operations and developing the multiple-uses envisaged for the forest (Member of Sleat Community Trust, 2010). It is also intended that although much of the restocking will focus on timber production (i.e coniferous planting), some of the woodland will also be given over to planting native broadleaf species and these trees will be grown locally from seed in a proposed new tree nursery (Member of Sleat Community Trust; Robertson, 2010).

A member of Sleat Community Trust (2010) suggested that the decision to put the forest into the NFLS by the Forestry Commission came about because the wood was assessed as having low environmental/conservation and social value (in terms of the community's current relationship with the wood). Robertson (2010) also confirmed that one of the reasons that the Forestry Commission is prepared to sell the land is because it is 'landlocked' with only a single track road going in and out that is not suitable for timber haulage, making removing timber from the woodland very difficult. As a result of this, the value of the land for community purchasing purposes through the NFLS was set at a relatively low figure because it was judged that a lot of civil engineering work would need to be undertaken in order to extract the timber (Member of Sleat Community Trust, 2010). However, the community believe that they can capitalise on this low valuation because they perceive that there may be other options available for getting the timber out, such as extracting timber across a private landowner's neighbouring land to the sea and then utilising 'a mobile pier system', which has been shown to work in nearby Knoydart Community Forest (Member of Sleat Community Trust, 2010).

From the perspective of the Trust, the local Forestry Commission office were 'inadvertently obstructive' during the early discussions regarding NFLS application and purchase (Member of Sleat Community Trust, 2010). The Forestry Commission were perceived as being slow in responding to requests for information (clarity over road issues, title deeds, needle blight status) or collective action (valuation, tariffing) from the Trust (Member of Sleat Community Trust, 2010). Furthermore, it is also believed that after the Trust registered their interest in purchasing the land via the NFLS and their application was formally approved, the local Forestry Commission forest district started – with no local notification – to upgrade the roads into and beyond the forest, in the hope that the forest might then be re-valued and that the higher value be applied to the NFLS acquisition price (Member of Sleat Community Trust, 2010). It appeared that the forest district did not realise that after approval for purchase has been granted within the NFLS, any change in value that either party wishes to effect must have the agreement of both parties. Consequently, the Trust refused the forest district's overtures to have the woodland re-valued, though they did agree to pay for road improvement work that the district had already begun as a token of goodwill (Member of Sleat Community Trust, 2010).

Similarly, it was reported that there is a significant amount of good quality timber, some brought down as recent windblow, that the forest district spent some time trying to negotiate with the Trust to remove prior to the sale of the forest – under the auspices of lowering the acquisition price for the community. However, it was clear through meetings and preliminary community forest planning

discussion that the ownership, extraction and sale of the most-valuable timber were fundamental to the community's own plans (Member of Sleat Community Trust, 2010). Indeed a member of the Trust (Member of Sleat Community Trust, 2010) remarked that the local forest district 'never appeared to engage with the community in a supportive or collaborative way to help us achieve things at this stage. They seemed only to have their own interests at heart'. This interviewee (Member of Sleat Community Trust, 2010) added that 'there is a kind of transparency that the Community Trust employs in the way that we correspond with any public agency, that just wasn't reciprocated'. Nevertheless, in subsequent months during the NFLS acquisition period, the relationship between the forest district and the Community Trust improved. The Trust was able to help the forest district in negotiations with local private landowners to deliver mutually agreeable public road improvements, while in turn the forest district offered to help the community through the administrative processes of amending the (previously approved) Felling Plan so that the community were in a position to immediately set about their own felling plans should their acquisition be successful in 2011 (Member of Sleat Community Trust, 2010).

Legal form

Sleat Community Trust is a charity and CLG and SRL is a company limited by shares but where all shares are owned by the Trust (Sleat Community Trust, 2010).

Angus Robertson (2010), who is the carbon reduction project officer for SRL, suggested that while this legal form (the CLS) had worked well on the whole, 'one of the drawbacks is that to apply for grant funding we apply through the Trust and then the Trust has to filter it down to the renewables company' because there are few funding bodies who will award money directly to a limited company, whereas there are many funding streams available for charities.

Funding

The logs purchased from Ord Forest which are used to supply the college with woodchip were purchased using grant funding by the Trust. However, Robertson (2010) noted that gaining working capital for initial start-up was a barrier to success and that in SRL's experience, they were lucky because they received excellent payment terms with regards to the logs purchased and were given a long time over which to pay for them, giving them more breathing space to raise the necessary funds.

SRL is now self-sustaining to some degree and around 80% of its income comes from the biomass side of its work (Robertson, 2010).

SRL hope to erect a wind turbine soon, using grant funding. This should bring in a substantial income and ensure that SRL is truly self-sustaining (Robertson, 2010). If the purchase of Tormore forest goes ahead, this will also impact positively upon SRLs trading capacity.

There is no formal mechanism which dictates that that all of SRL's profit, or that a certain percentage of profit from SRL has to be returned to the Trust and in practice the Trust draws upon SRL's surplus as when required and can choose to take all, some or none of it (Robertson, 2010).

Staff and volunteer input

The work of SRL is facilitated by around 8 volunteers and one employee, Robertson (who is a self-employed consultant) and whose role is funded by the Trust through a grant from the Climate Challenge Fund.

Governance and membership

The Trust enjoys very high membership rates with over seventy percent membership within the local community and over 40 people who are actively involved in its work (Sleat Community Trust, 2010). This is in part believed to be down to the fact that membership is free (Robertson, 2010).

Additional issues identified

SRL was, and still is hoping that other buildings in the area (such as the local primary school, the doctor's surgery and big buildings such as hotels) will invest in biomass systems. Unfortunately however, the experiences of the college with its biomass system have not been great and the problems incurred have put other people off investing in similar equipment. Essentially Robertson (2010) reported that there had been a knowledge shortage and lack of training about the installation, maintenance and running of a biomass

system, with installation problems as well as ongoing maintenance issues and a lack of training for individuals to run it. Robertson (2010) maintained that 'biomass facilities have been up and running for many, many years on the Continent and yet when we've imported this technology over here it's like we've started at base one and learned all the same mistakes again', 'it's been a huge learning curve' and 'it's only now, after three years, that our customer is finally getting to grips with it'.

In terms of barriers to progress, a member of Sleat Community Trust (2010) observed that the biggest 'rather mundane and practical barrier is finding mutually available time' for meetings of participants in the Trust and its subsidiary companies to 'take decisions and push things forward'. If invitation to such a meeting is extended out to include other bodies and outside agencies, such as the Forestry Commission, then this complex scheduling becomes yet more difficult (Member of Sleat Community Trust, 2010).

Another challenge identified is the amount of administrative time required to progress anything and the fact that funding applications and project correspondence are 'immensely time-consuming' (Member of Sleat Community Trust, 2010) Therefore, for anything to move forward 'you do need people who not only have got time on their hands but are also competent and conversant with the new language of rural and sustainable development and social enterprise' (Member of Sleat Community Trust, 2010). In Sleat this work often falls to retired professional people (Member of Sleat Community Trust, 2010).

5.3 Wales

5.3.1 Caia Park Partnership and Caia Crafts

Background

The Caia Park Partnership was established as a community development organisation in the mid 1990s to deliver a needs led service for local people. Caia Crafts is 'The Woodwork Department' of the Caia Park Partnership, based in Wrexham (Caia Crafts, 2010). Caia Park is a council estate home to around 12,500 people with five wards, two of which fall into the index of multiple deprivation and the area is said to be known 'for its high dependence on benefits, poor health, high levels of substance abuse and poor educational attainment' (Caia Crafts, 2010).

The partnership offers local people training, support and advice and runs a host of social enterprises or 'trading arms' including a nursery, a community café and catering service and Caia Crafts, which was set up with European funding in 1995 (Stait, 2011).

Aims and objectives

Caia Crafts is the focus of this case study and aims to offer 'local residents the opportunity to learn new skills and improve confidence through the medium of wood' (Caia Crafts, 2010). The training that volunteers and trainees receive is seen as a way for them to gain skills (including numeracy) and confidence, provide them with opportunities to access Further Education, and ultimately to gain employment (Caia Crafts, 2010). The business uses either commercial timber waste or wood from accredited Welsh woodlands and aims to support and promote sustainable local broadleaved woodland management (Stait, 2011).

Business focus

Trainees at Caia Park have a varying programme, of which woodwork with Caia Crafts is one element. Caia Crafts trains volunteers and individuals to work with wood and to produce items which are simple and rustic in design so that their production does not preclude anyone from participating (Stait, 2011).

The enterprise then sells the wooden garden and home products (such as cheeseboards and boxes) that are manufactured through their own website and a shop on site, as well as selling them on to a range of local retail outlets, including the Prince of Wales's Highgrove shops (which doesn't necessarily bring in much income but is very good for public image and for convincing other retailers to stock their goods) (Stait, 2011).

They also attend events throughout the year in order to sell their products but they have a limited capacity with respect to these because the enterprise only employs one full-time member of staff and the events generally take place on weekends outside of his usual working hours (Stait, 2011).

Legal form

Caia Park Partnership is a charity and CLG. Initially, in 2005, Caia Crafts was set up as part of the partnership, but in 2009, after the European funding ended, a decision was made to establish Caia Crafts as a separate CLG (Stait, 2011).

An issue identified relating to sales of wood products and legal form is that as a social enterprise operating under a parent charitable CLG, Caia Crafts does enjoy the 'sympathy vote' in terms of the motivations behind why people may make a purchase, but on the down side, 'people don't take you seriously, especially high street retailers'.

Funding

The trainees come through probation and youth justice services as well as through the government funded Future Jobs Fund and European funded Intermediate Labour Market (ILM) scheme, aimed at reducing economic inactivity by investing money in organisations to provide paid work experience and training for people facing barriers to employment.

Caia Crafts currently receives no grant funding and is self-sufficient, largely because of the money it receives to fulfil its ILM and Future Jobs Fund contracts since product sales bring in very little money (Stait, 2011). Any income it receives (roughly £45-50,000 per year) goes to the Caia Partnership as a whole to support its aims and objectives (Stait, 2011).

Staff and volunteer input

The partnership as a whole is a relatively large organisation, employing over 75 staff, supplemented by over 150 volunteers (Caia Park Partnership, 2010).

There are around 32 volunteers and trainees engaged with Caia Crafts in total but their level of engagement varies with some only participating in half a session a week and others being involved all week. Volunteers are usually local residents, often with mental health problems, physical disabilities, or drug and alcohol dependency issues and some will be using the enterprise to help them to gain paid employment (Stait, 2011).

David Stait (2011) is the only dedicated member of staff for Caia Crafts but he does receive administrative and IT support from the Caia Partnership.

Governance and membership

Stait answers to a group of senior managers within the partnership, who in turn report to a board of trustees.

Impacts and outcomes

Stait (2011) reported that the enterprise has enjoyed much success and has helped numerous volunteers and trainees in to 'quality' paid employment.

Additional issues identified

However, it has, and still does experience some difficulties which hinder its success. One such issue raised was that the Future Jobs Fund programme and the ILM scheme have reduced their investments in individuals in terms of the time they get to spend in training, resulting in participants having less experience to take out into the world of work when they finish their training (Stait, 2011).

Another problem that the enterprise has faced (and continues to face) is a lack of capital to invest in equipment. It was set up on the basis of the previous European funded project and with only the equipment already purchased available for its use, most of which is 'inadequate' (Stait, 2011). Thus, Stait (2011) maintained, it lacked the investment at the outset to make it successful and sustainable in the long-term. With wisely spent investment, Stait (2011) believed that productivity would increase, sales would increase and the financial sustainability of the initiative would be more secure going forward.

A related element that Stait (2011) believed was necessary for Caia Craft's future success and was a 'missing cog in the wheel' was a dedicated professional salesperson to 'sell' the enterprise and its products. Stait (2011) also suggested that the enterprise would benefit from greater support from the local authority, for example, by them allowing Caia Crafts to have a free stand at the local

market every month, which they have refused to do. Similarly, he (Stait, 2011) suggested that the Forestry Commission could also offer more support, for example by giving the enterprise sawn-up planks from windfall (timber blown over by the wind) for free.

5.3.2 Coed Cymru

Background

Coed Cymru is a partnership organisation, formed in 1985 and established as a charity and CLG in 1989. Its core funding comes from national and local government (including funding from the Forestry Commission) and it is dedicated to bringing Welsh broadleaf woodlands into sustainable management (Coed Cymru, 2010). In his work as Director of Coed Cymru, David Jenkins (2010) has accumulated a wealth of experience in relation to woodland-related social enterprises and he is convinced of the merits of social enterprises which train people and build their skills through woodworking shops, arguing that 'most people who are given the opportunity to work with wood find the experience satisfying. For many it comes as a revelation that they are able to do something well and for some it is a life-changing experience'.

Many woodworking, training-based social enterprises have been established within Wales over the years and Coed Cymru has been involved in many of them, covering their involvement costs from their own core funding and usually playing a supporting role. These enterprises have focused on providing training and skills development to various groups in society such as prisoners, people coming out of drug or alcohol rehabilitation, the long-term unemployed and people with severe mental and physical disabilities. There is no single legal or governance model which has been adopted by all the enterprises but instead various models have been used. Often clients work to specific designs (of increasing difficulty) provided by Coed Cymru and the products produced are sold through various outlets including the Prince of Wales's Highgrove shops and sold to individual customers such as the sale of benches to local councils. Some have established their own sales through shops, market stalls and internet sales.

Issues identified

The critical success factor for these enterprises, Jenkins (2010) maintained, was funding and short-term thinking involved in grant programmes, often with such programmes providing money at the beginning but nothing over the medium or long-term. Even

though the enterprises make and sell products they are not self-sustaining since Jenkins (2010) suggests 'if your primary product is people then you're not going to run something which is inherently profitable, but if you have a secondary product, which is timber products, then you can at least make this a very cost effective way of doing things'; the timber products offset the cost of the training provision. In addition, Jenkins (2010) cited the 'constant shifting priorities within the training agenda within government as a problem – 'one minute it's long-term unemployed, then it's youth employment' – these constantly changing agendas affect and restrict the funding available and therefore the long-term viability of some social enterprises. Another factor identified was the individuals running the enterprises: 'if you've got dynamic and committed individuals running them then they will run themselves' so to speak (Jenkins, 2010).

Jenkins (2010) also made the point that training-focused social enterprises need to be realistic and focus on areas where people can actually gain employment after their time with the social enterprise has ended. For example, training people on how to use harvesting equipment, he suggested, is often pointless if they cannot afford the equipment to be able to set up in business in this field themselves (although it is possible to argue that they could potentially gain jobs in the wider industry through such training efforts). He maintained that woodland management focused enterprises have found it impossible to survive far beyond initial funding since they are limited to doing things which are inherently unprofitable because the workers/clients cannot use chainsaws and heavy machinery. He (Jenkins, 2010) added that this kind of work was more suited to volunteer groups not seeking to generate money from their activities and that more appropriate opportunities (especially in terms of career opportunities) and training for the above groups could be provided in a woodworking shop than actually in a woodland. This view, however, was not shared by all respondents involved in this study.

Nonetheless, Jenkins (2010) noted that if somebody wanted to set up an enterprise based on timber, it is relatively inexpensive to set up a woodworking shop compared with setting up a woodland management enterprise which requires substantial investment in equipment and machinery in order to be competitive. In terms of social enterprises which focus on the recreational side of forestry such as mountain bike hire, or woodland café's, Jenkins (2010) suggested that some may be feasible but that these kinds of businesses are highly capital intensive (and therefore most people could not afford to set one up themselves) and an interface with

the public is important, which is not necessarily something that is an appropriate undertaking for some of the kinds of people some social enterprises target, such as sex offenders.

Jenkins (2010) also called for joined-up, high level thinking in answering the question, 'what role are forests going to play in the development of this nation?' He (Jenkins, 2010) argued that, 'We have a situation in Wales, where the Forestry Commission is underwriting a huge amount of the cost of timber production but the social benefits which come from the utilisation of that timber' are not fully realised. As a result, 'many of the social enterprises end up using imported timber' because 'the home-grown timber, particularly the softwood, is being converted into dimensions and grades which are targeted at things like pallet manufacture, fencing materials' and so on, yet a high proportion of that timber is material of a high enough quality to be used in joinery for example (Jenkins, 2010).

5.3.3 Coppicewood College

Background

Coppicewood College was established in 2005 by a small group of individuals who wanted to support sustainable woodland management and run training courses using traditional methods and traditional tools (Slark, 2011).

Aims and objectives

The formal objectives of the initiative are stated in its constitution (Coppicewood College, 2006) as being to:

- advance education and training by developing and delivering a range of educational activities, courses and programmes in traditional rural skills and allied crafts and global environmental issues for the local community in the area of Carmarthenshire, Ceredigion, Pembrokeshire and all Wales.
- relieve financial hardship to those who through social and economic circumstances are in need and are unable to gain employment by promoting and supporting schemes where such people may receive training for employment in rural land based industries.

Business focus

The college therefore provides educational programmes in woodland-based traditional rural skills and related crafts. These can be 1 day, 3 day or 4 day short courses teaching skills such as coppicing, greenwood craft, hedge laying and willow weaving. Their signature course is a woodland skills course, run over the winter period, 2 days every week for 6 months. This enables students to become proficient in the management of woodlands using the methods taught and to fully comprehend coppicing and associated skills. The college also make some items for sale and have a contract to supply charcoal to a neighbour (Slark, 2011).

Tenure

The college holds a ten year, free-of-charge lease on 11 acres of privately owned woodland (formerly part of the Public Forest Estate) in Cilgerran, Pembrokeshire. Slark (2011) suggested that the landlord is very happy with the progress and improved management that the group have brought to the woodland over the six years that they have held the lease and that the landlord and his family are active volunteers within the project. Slark (2011) was also, therefore, optimistic that when the lease is up the landlord will renew it.

Legal form

The college is a charity. The organisation is aware that 'it's probably safer' to be a CLG because the trustees are currently personal liable but they did not want to make themselves a trading company because of personally held convictions within the group that they did not want to create an organisation than engaged in profit-making and be considered 'profiteers' because 'all we are trying to do is make a margin on what we sell in order to cover our costs, nothing more than that' (Slark, 2011). In this sense, some may question Coppicewood College's credentials as a 'social enterprise' since it shies away from being associated with 'business' and 'trading' but in essence the core of its operations are focused on securing income through trading in pursuit of social and environmental objectives. In general, Slark (2011) suggested that the charity form has worked well for the college since it has allowed them to secure donations, even if these have been a very minor part of their income.

Funding

Most of the college's income comes through course fees but the college is not exclusive to only those who can afford the full costs, with three of this year's woodlands skills course students receiving subsidies from the college to train (Slark, 2011). The college has also received grants from various organisations for things such as purchasing equipment and building maintenance and Slark (2011) estimated that on average, over the years, roughly 25% of their income has probably come from grants with an additional small amount (possibly as little as 5% of total income) coming through donations.

Slark (2011) noted that the college had at times experienced difficulty in securing enough income to be able to pay their three course instructors. In the past it has not always had sufficient enrolments on the courses to cover the costs of the instructors but they have been able to cover the short-fall in funds through grants. Most grant-making bodies will not allow grant funding to be spent on wages but the Ernest Cook Trust have awarded two grants to the college which have allowed them to do this and without this they 'would really struggle' (Slark, 2011). The grant funding that the college has received from various bodies has not just helped in financial terms, it has also helped the organisation to 'feel valued' and has given them a 'lift' psychologically in that they have been externally judged as worthwhile (Slark, 2011). Another factor that has helped them to overcome this challenge was the creation of a website in the last year, with Slark (2011) reporting that they now receive a much higher level of interest since its creation.

Things are currently looking fairly stable for the college; this year's main woodland skills course is oversubscribed with seven students rather than the normal maximum of six (and they have often had fewer subscribers than six in the past) (Slark, 2011). The college now have sufficient funding to see them through to 2013 which means that those involved 'are feeling pretty positive about the future' (Slark, 2011).

Staff and volunteer input

There are three course instructors who act as both paid instructors when a course is running and 'expert volunteers' who manage the volunteering process out of term-time (Slark, 2011). The volunteer group give their time for free but in return the college assists them in developing their own woodland skills.

However attracting enough volunteers to get involved on a regular basis has proved to be challenging (Slark, 2010). The core group need help to be able to sustain the initiative and fulfil the necessary workload. Every Wednesday the woodland is opened for volunteers but numbers fluctuate and beyond involvement from the instructors/expert volunteers, there are no villagers from Cilgerran (the closest settlement) that are engaged as volunteers (Slark, 2011). Attracting a larger number of volunteers is therefore seen as a priority in going forward (Slark, 2011).

Governance and membership

The current governance structure of the organisation consists of a board of four trustees (although one lives a long way from the site so does not attend many meetings) and the 'core group' or 'working committee' of three instructors, plus an IT volunteer (Slark, 2011).

Impacts and outcomes

As the objectives imply, one of the things that the college want to promote is rural employment and, through becoming proficient at woodland management, it is intended that people who come to Coppicewood College to train can go on to practice some form of woodland management themselves (Slark, 2011).

Bruce Slark (2011), the secretary and chair of the trustees for the college reported that most of their past students who have come to the college independently are now working in the environmental sector. Other students, such as those who were struggling in a traditional school environment and referred to the college by Coed Lleol (a partnership project involving the Smallwoods Association, Forestry Commission Wales, the Countryside Council for Wales, the Woodland Trust, the Wildlife Trusts, Tir Coed, the Health Service, self-employed foresters and community woodland groups), have not necessarily gone on to work in the environmental sector but have grown in their confidence and self-esteem through their time at the college, which has enabled many of them to find employment (Slark, 2011). The college has also had referrals from the probation service and there have been some significant successes with one student becoming a tree surgeon and others going on to work in the environmental sector (Slark, 2011).

Additional issues identified

The initiative has experienced some challenges over the course of its history, one of the main ones resulted in a court case. This problem focused around two of the original members of the founding group who ran into disagreement with some of the paid course instructors. The two members left the group and took the organisation to court over claims that it was 'demeaning their reputation' and taking actions that would mean that they would struggle to find positions in other charities or employment elsewhere (Slark, 2011). After a protracted court case, the court eventually ruled in favour of the Coppicewood College and its remaining members. This experience led Slark (2011) to comment that you need to consider the interpersonal relationships within an enterprise at the outset because 'if you have got someone with a strong personality', 'who wants everything to go their way, then it won't work. You have to have a consensus within the people'.

Slark (2011) also suggested that, in his view, many woodlands have become neglected over time and that their owners need to be persuaded to allow fully trained individuals, such as those graduating from Coppicewood College, to take over the management of those woodlands and bring them back in to productive use, through coppicing. He (Slark, 2011) noted that members of Coppicewood College believe that by using hand tools and sustainable methods to create and manage underwoods by traditional coppice, there are real benefits to humans by the sustainable production of fuel and other necessities, as well as significant health benefits to the coppice workers, and benefits to wildlife through the creation of varying habitats via the rotation system. The promotion of coppicing on currently un-managed woodland sites, Slark (2011) suggested, could perhaps be achieved through a government-led scheme. One of the benefits of this approach, Slark (2011) maintained, would be that, in most cases, it would be more economically viable than conventional forestry since harvesting coppiced wood fuel would not require felling licenses and could be done by hand. It could also lead to the creation of a substantial number of jobs, which would be of real value to the economy (Slark, 2011). Such a scheme, he (Slark, 2011) proposed, could apply to both public and private woodland, although he noted that most of the public forest estate was coniferous (although if clear-felled and in need of re-planting it could be used for coppicing).

5.3.4 Eternal Forest Trust

Background

The idea for a woodland burial initiative first came to the founders of the Eternal Forest Trust in 1991 due to the death of one of the founders (Arabella Melville) family members and a realisation that there was nowhere in Wales where it was possible to get a 'green burial' in established woodland (Melville, 2011). At the time, however, the idea was not taken any further because there was no capital available with which to fund the purchase of land and set-up costs (Melville, 2011).

In 2000, Melville's partner became very ill with MRSA and for a few months it was not clear if he would survive or not (Melville, 2011). This highlighted once again the fact that there was no established woodland burial site available in Wales and if Melville's partner had not survived his illness then there would have been no facilities available to give him the type of burial he wanted (Melville, 2011). As Melville (2011) described it: 'this focused our minds' and herself and her partner decided 'one way or another we would make it happen'.

Aims and Objectives

The objectives of the enterprise are:

- provision of amenity woodland for the public;
- provision of education about woodland;
- provision and maintenance of a green burial ground;
- succour for the bereaved (Eternal Forest Trust, 2011).

Business focus

Although the focus is on a facility for woodland burial, the enterprise has done a lot of work on improving the biodiversity of the wood and improving access as the objectives above suggest.

Tenure

After some research into the practical and legal requirements for a woodland burial site they found a 7.5 acre mixed woodland in Boduan, Pwllheli (marked on some maps as Coed Frochas) which was suitable for purchase. It had been put on the market by a private owner but had previously been owned by the Forestry Commission.

Legal form

The charity and CLG, Eternal Forest Trust Ltd. was then formed. Although the legal form and structure now works well for the organisation, it has not been without its problems in the past.

The co-founders set it up with a vision of it operating in a similar way to a co-operative with no hierarchical structures and they were helped by the Wales Co-operative Centre in establishing their model, legal form and articles of association (Melville, 2011). The first board of trustees were drawn from personal contacts of the founders who were individuals experienced in the charitable sector, some of whom had held senior posts in large charity organisations. However, Melville (2011) reported that some of these individuals did not really understand their vision or the model that they had established for the organisation and they came with their own preconceptions and assumptions about the type of model that should and could be used for the Eternal Forest Trust, based on their own experiences in other charities (Melville, 2011).

This resulted in conflict between the board and the founders over its form, lack of hierarchical structure and the way forward, and concluded in the dismissal of the founders by the board (Melville, 2011). The founders however, sought legal advice from The Small Charities Coalition and a local solicitor who advised that the board had acted illegally in trying to change the organisational model and dismiss its founders (Melville, 2011).

The situation has now been resolved with the founders returned to the heart of the enterprise and a new board of trustees in place. However, this experience led Melville (2011) to recommend that, when they are first drawn up, any new enterprise needs to take very seriously the decisions around their legal form and their articles of association (or other legal documents) and seek legal advice on these.

Funding

As implied earlier, a lack of available funding for land purchase and set-up costs was the biggest barrier to the formation of the Eternal Forest Trust and in the end Melville (2011) resorted to purchasing the land herself, using £50,000 of personal capital. Melville (2011) gifted the woodland to the charity, knowing that she would never receive a financial return on her investment.

At present, the service charge for a burial in the wood is £480 but people are also asked to make a donation of a similar amount. This is largely because they are able to claim Gift Aid (a mechanism to reclaim tax from the government) on donations (Melville, 2011). Payments can be made in one go or over a long period of time so that no-one is excluded from being able to be buried in the wood (Melville, 2011).

The enterprise's income is made up of a mixture of service charges for burial (around 20%), donations (around 65%) and grants (around 15%). Grants are used for a variety of activities, including tree planting and improving access through path building. In relation to the grants that they have received, Melville (2011) suggested that their experience of Forestry Commission administered grants had not been positive and the system was 'cumbersome' and 'not people friendly', resulting in a four or five year time span between beginning a grant application and receiving any funding.

Staff and volunteer input

Much of the work to support and run the initiative is done voluntarily by a 'fluctuating pool' of volunteers but with around eight core volunteers; those that are paid to undertake work for the enterprise are all self-employed and their cumulative paid time spent working for the Eternal Forest Trust probably equates to the equivalent of around one full-time position (Melville, 2011).

Governance and membership

Despite earlier problems, the Eternal Forest Trust's governance model now runs very smoothly with understanding by all involved of the 'model rules' by which the enterprise is run (Melville, 2011). It is a membership body with both 'prospective members' and a higher level of membership granted to 'associate members' who have booked and begun to pay for a plot within the woodland for their future personal use for burial (Melville, 2011). Associate members are able to participate in the running of the business and the

board of trustees is appointed by the members. The trustees are also the directors of the business. Members can dismiss the board and, if necessary, the board can dismiss members creating 'a balance between the members and the board' (Melville, 2011). For around the last year there have been five associate, or voting members, and five trustee directors (Melville, 2011).

Impacts and outcomes

The woodland is used by local people recreationally, especially to walk their dogs and the relationship with the local community is said to be 'great' (Melville, 2011). In terms of burials, the catchment is much wider with people travelling from hundreds of miles away and from both England and Wales (Melville, 2011).

Additional issues identified

The main risk or problem foreseen in going forward is in finding a team of successors, since most members and trustees are around retirement age (Melville, 2011). However, as Melville (2011) suggested, as the issue of burial becomes more relevant to others in years to come, they will likely attract new interest.

In general terms there is a largely positive and optimistic outlook with regards to the future within the Eternal Forest Trust and there is a desire to expand its work and act as an umbrella organisation to help support the set-up and running (including through providing office support) of many other woodland burial grounds across the country (Melville, 2011).

5.3.5 Growing Heart (Calon yn Tyfu Cyf)

Background

The Growing Heart workers co-operative began in 1996.

Aims and objectives

Its remit is to address poverty and meet the basic needs of both its members and wider society (Willow, 2010).

Business focus

Growing Heart started life by attempting to meet the food and fuel needs of its members. First they undertook hardwood thinning work for the Forestry Commission in order to obtain firewood for members (Willow, 2010). Second, they began growing organic produce. However, they found both avenues to raise significant challenges resulting from a lack of capital to invest in equipment, transport and machinery (Growing Heart, 2010).

For example, it was estimated that the thinning work for the Forestry Commission resulted in earnings of around only one pound per hour, meaning it would have been more cost effective to buy the firewood (Willow, 2010). This led to a realisation that to meet members' needs, the co-operative would need to operate at a larger scale 'to cover the costs of investment, which would then enable us to supply the local community as well' (Growing Heart, 2010).

To raise capital for investment, Growing Heart took on contractor work for tree planting, mainly in Wales, and seed collection in Sussex, Somerset, Scotland and Wales (Willow, 2010). This contractor work has been the most beneficial area of work financially for the co-operative; Willow (2010), a founder of the co-operative, explained that for them, this type of work was perfect because it only required the use of a bucket and spade in terms of equipment.

Tenure

In 2006, using a grant of over half a million pounds from Cydcoed (which was a £16 million programme in Wales, funded through the Welsh Assembly Government and the EU, for the most part managed by the Forestry Commission and which supported community woodlands in North, West and South Wales between 2001 and 2008) the group purchased 325 acres of primarily conifer woodland which was previously privately owned, and had not been actively managed for some time (Wilmot and Harris, 2009: 27).

The two woodlands purchased, Ffynone and Cilgwyn, are in West Wales, about seven miles south of Cardigan and adjoining Henparcau farm where the co-operative is based (although it has prospective members who undertake work for the co-operative elsewhere in Great Britain) (Growing Heart, 2010; Willow, 2010).

There is an intention to use the forest for timber production and members of the group have already undertaken harvesting training (Willow, 2010). However, Willow (2010) reported that while the new woodland brought the group both advantages and opportunities, it also provided challenges, especially in terms of the fact that large-scale costs and investments are needed before any income will be secured and this potential income will not come until much further down the line.

Using grant funding from the Better Woodlands for Wales scheme, Growing Heart has brought the woodland back into active management, adding roads, fencing and other elements of infrastructure and it aims eventually to convert it to continuous cover and back to native broadleaves, 'with an emphasis on sustainability, diversity, education and improving access for the public' (Willow, 2010; Wilmot and Harris, 2009: 27).

Growing Heart has engaged with a variety of groups such as local schools, the girl guides, horse-riders, motor bikers and mountain bike groups to find out what they want from the wood and how to accommodate their different needs. This is because there is an intention to create a community woodland to meet the 'woods for all' objectives of Cydcoed, where a range of activities will be developed 'for the benefit of the wider community' (Growing Heart, 2010).

Legal form

Although Growing Heart defines itself as a workers' co-operative, legally it is constituted as a CLG rather than a co-operative (Willow, 2010).

Funding

Current turnover is between £10,000 and £30,000 per month, including grant income.

Planting and seed-collection activities generate around £5,000 surplus per year (after wages) and this has been used to purchase equipment such as a tractor, a firewood machine and commercial horticulture machinery enabling the group to supply firewood, kindling, fencing, as well as organic fruit, vegetables and cider at a commercial scale (Growing Heart, 2010; Willow, 2010).

Staff and volunteer input

The core constituents of the co-operative are its members (see below) but the co-operative also engages some employees and volunteers (Willow, 2010).

Governance and membership

The group currently has three members based in Wales and six or seven prospective members based in various locations around the UK.

Membership is set to increase but there have been delays in accepting prospective members as full members because of recognition that there is a need for more formalised systems of governance and organisational structure to be implemented before the group can grow (Willow, 2010). As the group's website states, 'Our feeling has always been it is better to go slow, than to get it wrong' (Growing Heart, 2010). To become a member one must work, to begin with prospective members work as employees then as they take on responsibility for the things they do and begin to understand the ethos of the co-operative, they can eventually become members (Willow, 2010). The group is governed by consensus with anyone involved in a particular area of the business being able to have a say on matters in that area but not in other areas, although decisions about where money and surplus should be spent are taken by everyone (Willow, 2010).

Additional issues identified

Despite its apparently good intentions, Growing Heart has received a great deal of criticism from certain members of the local community, especially in relation to the Cydcoed grant. This is because the funding programme was supposed to focus on community groups and community benefits, whereas because people have to work to become a member of Growing Heart, many feel they are excluded from participation and feel that it is not a true community group (Willow, 2010).

Willow (2010) reported that at every stage of work relating to the wood they have had opposition which has resulted in the auditing of all the grants they have received and investigations held into work carried out in the woods to determine if it is legal and within agreed terms. Some of this opposition was the result of road-building and clear-felling (in order to replant with broadleaves) which

some people found 'shocking' (Willow, 2010). To Willow's (2010) mind some of this problem could have been prevented by more proactive work by the Forestry Commission to educate people about the realities of forestry, what it is and how it works.

In terms of supporting the Growing Heart project itself, however, Willow (2010) stated that the Forestry Commission had been 'great on the whole' but that dealing with the local council had created more challenges such as their disbelief that a felling license granted by the Forestry Commission could override a Tree Preservation Order (which it can).

6. Discussion: Enabling factors and barriers to success

While many of the enterprises investigated in this study have undertaken some form of evaluation of the benefits that they produce and their economic, environmental and societal impact, for the most part these efforts are piecemeal and there is a distinct lack of systematic, rigorous evaluation being undertaken, with no accepted, standardised methodology or framework within which this should take place. Many social enterprises struggle to carry out any significant evaluation because, with stretched resources, it is often not viewed as a priority unless it is undertaken specifically to fulfil a funding body's requirements. The benefits of woodland-related social enterprises are clearly significant, as evidenced by the examples discussed in this report. However, if they are to be better understood, their full potential realised and assessment of the elements and models that are most successful is to be carried out more thoroughly, then it is vital that monitoring and evaluation needs are addressed.

This report focuses on the lessons that can be learned with regards to the key factors that either enable or hinder the establishment, development and sustained 'successful' operation of woodland-related social enterprises. This is a discussion which would benefit from richer evidence on the impacts and benefits of specific enterprises, compiled within a standardised framework for evaluation. However, there is still much that can be learned from the examples of woodland-related social enterprises discussed in the previous section and the main enabling factors, on the one hand, or barriers to success on the other, which have been identified through this research project are now explored.

6.1 Financial support

The experiences of the respondents involved in interviews undertaken for this report suggest that, perhaps unsurprisingly, the availability of financing, typically in the form of grants or loans, is a key factor in relation to the ability of woodland-related (and other) social enterprises to be created and maintained. This is especially true in the early stages of establishment, when costs are often highest (Fife, 2010; Melville, 2011; Stait, 2011; Willow, 2010).

Different enterprises explored in this study have experienced varying circumstances in terms of the availability of grant funding, in particular for set-up costs, with no apparent correlation to type of business or geographical location. Some enterprises explored have been able to access start-up funding relatively easily (Jenkins, 2010) and others, such as the Assynt Foundation, the Eternal Forest Trust and Scottish Woods claimed that finding funding for initial start-up was difficult and a substantial barrier to progress, especially when proposals were innovative and untested (Birley; 2010; Lazzeri, 2010; Melville, 2011). A lack of 'track record' was also noted as barrier to gaining earned income (Crusie, 2010). On a more positive note, Lowthrop (2010) suggested that if a social enterprise could demonstrate that it had a viable business model, built on experience, then bank loans were not as hard to secure as many perceived them to be and that this was particularly the case if there was an asset, such as a woodland, either owned or on long-term lease, to borrow against.

Hill Holt Wood borrowed £100,000 over 10 years from Agricultural Finance (a subsidiary of the Royal Bank of Scotland) at 1.5% over the base rate. The best deal they could find from a social lender at the time was 3.5% over the base rate. At present the rate of interest on the loan stands at 2% which is considerably less than the rate of inflation. This shows that it is possible for social enterprises to borrow from commercial banks when they have assets to borrow against. However, as Lowthrop (2010) admits, he had considerable business experience to be able to negotiate the rate Hill Holt Wood secured. None of the other case studies within this report have gone down this route so it is not possible to judge the potential for commercial business loans to be secured at favourable rates more widely.

Returning to the topic of grant funding, participants in this study suggested that grant support for training-focused enterprises was particularly problematic (although the challenges identified by interviewees are likely to have resonance in other fields beyond training). For example, Fife (2010) noted that for some groups in society, such as those with mental health problems, there is a conspicuous lack of funding available for training initiatives to help them gain paid employment.

In the current economic climate, concerns over funding streams are likely only to increase. For example, one interviewee (Miller, 2010) stated that, 'It's unclear at the moment where the coalition government stands, they're a bit confused I think in terms of

talking about Big Society and broadening the range of people and organisations who are involved in doing things but, on the other hand, they've withdrawn some of the support models for third sector development' (Miller, 2010).

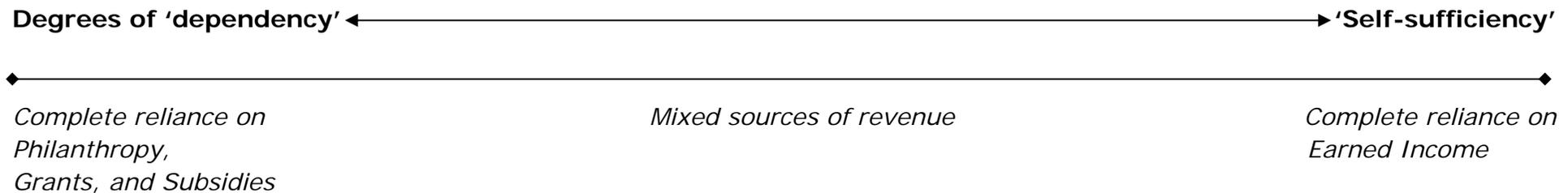
Furthermore, particularly in relation to training-focused enterprises, it was noted that earned income streams may also be drying up: For these enterprises, public and third sector organisations are often their main client base for paid contract work such as woodland and green space maintenance and management, and with budget cuts and limited resources available in both the public and third sectors, they may find it difficult to secure new work (Fife, 2010; Tudge, 2010).

Jenkins (2010) reported that other issues facing training-focused enterprises included constantly changing governmental policy and grant priorities targeting different societal groupings (such as the long-term unemployed generally or unemployed young people), which mean that those enterprises reliant on government funding over the long-term can become seriously compromised when funding priorities change to target a different group or groups in society. Similarly, Stait (2011) noted that changes in publicly funded training programmes (such as the ILM and Future Jobs Fund) to shorten their length for individuals participating on them, compromised the benefits that could be provided by their training. Jenkins (2010) further suggested that, in Wales, where funding was available it was often only accessible in the early-stages for establishment purposes and there was a lack of grant support in the medium and long-term which had caused significant problems for some training-focused enterprises.

This observation relates to a debate (as was noted earlier in section three) which centres on levels of grant 'dependency' and whether or not social enterprises should aspire to complete 'self-sufficiency' and 'sustainability' through earned income or if they will always require subsidisation. The expectation of many grant administering bodies is that after initial start-up costs have been paid for through grants, social enterprises should become more 'self-sustaining' through earned income and require less, if not nothing, in the way of grant funding. Battle and Dees (2006) illustrate this perspective of dependency/self-sufficiency as a continuum, as shown in figure 4:

Figure 4: A perspective on financial strategies: Dependency vs. self-sufficiency

(adapted from Battle and Dees, 2006: 146)



This is a fundamental area of contention, and there are numerous examples in this study of enterprises that are attempting to move towards a more 'sustainable' and 'self-sufficient', in their view, financing model which relies more on earned income and less on grants, even if they are struggling to achieve this (Crusie, 2010; Tudge, 2010). However, there are also those who argue vociferously against the assumption that a successful and sustainable social enterprise can be defined as one that relies purely on earned income to sustain itself and further its own social or environmental goals. Indeed, evidence seems to suggest that the achievement of self-sufficiency through earned income is to some degree dependent on the nature of the business in question, the context within which it operates and the social aims of the enterprise.

Evidence from the case studies bears out the argument that in some instances, the services offered by social enterprises to certain groups in society, and often for which individuals in these groups cannot afford to pay themselves, come with a considerable financial cost attached. For example, woodland-related enterprises which target unemployed people with mental health problems, or other vulnerable people, require greater levels of income (be that earned or not) than enterprises focusing on some other groups in society because of the need to cover higher supervision and support costs (Fife, 2010). Similarly, for some enterprises a remote location, in the Scottish highlands for example, could mean higher operating costs are experienced that might be the case elsewhere (Lazzeri,

2010). Indeed, in relation to social enterprises undertaking woodland management, it has been suggested that since the Forestry Commission does not make a profit and it enjoys economies of scale, how can smaller organisations with social and environmental objectives be expected to sustain themselves or generate any surplus without public funding of some sort?

In some cases, in a similar way to the Forestry Commission, woodland-related social enterprises may carry out inherently unprofitable activities, but which are, none the less, of important social value and could be regarded as public services. For example, Jenkins (2010) reported a view that training-based social enterprises will rarely, if ever be self-sustaining because their primary focus is on developing people, not on the sale of a product. However, the trading element of the enterprises, Jenkins (2010) argued, helped to make the training of these individuals far more cost effective than if the whole cost was borne by government or other funding bodies alone. Callander (2010) put forward a related perspective when he reported that Birse Community Trust, a very 'successful' social enterprise, intended to continue to secure the majority of its income from grant funding programmes because, in their view, winning a grant was, for all intents and purposes, the same as gaining a public service delivery contract.

There are however, those within the forestry sector who suggest that if grant-dependent social enterprises were to compete for contracts within the sector then they would be operating at an unfair advantage over many other small 'typical' businesses within the often fragile contractor base. This could lead some of these small businesses to fold, and yet later, grant funding could potentially dry up and force the social enterprises to fold too.

This discussion points to the fact that the reasons for supporting and promoting social enterprises within forestry policy and the perceptions of beliefs underlying this policy agenda are not wholly unambiguous: do woodland-related social enterprises have a competitive advantage over conventional commercial enterprises or will they only ever work and thrive in areas directed at delivering social benefit and dependent on financial support (be that through public contracts or grants)?

6.2 Business support

Alongside financial support, some interviewees also noted that an important success factor for them was the non-financial business support that their enterprises had received from third-sector agencies and specialist social enterprise support providers, or that they

hoped would be available in the future. For example, Grimwood (2010) of Kielder Ltd. stated that their business would probably have ceased to exist had it not been for the support and advice it had received from organisations like Social Enterprise Northumberland and the Forestry Commission, especially in difficult times. Similarly, Hunter (2010) reported that Hamsterley Downhill Bike Park had relied on support from various agencies, particularly during its early days when it was being established. It was also noted that in taking forward Bewdley Development Trust's idea for a food hub social enterprise, business support would be key to convincing local food producers of the benefits of forming the enterprise and to building their capacity to work collectively since such businesses often operate with limited manpower (Miller, 2010). However, it was also suggested that some of those agencies and organisations offering business support and advice to social enterprises were struggling in the current economic climate, with less avenues of funding open to them (Clarke, 2010).

Lowthrop (2010) suggested that there is a thriving woodland-related social enterprise sector in Scotland, which is in many ways more advanced (at least in terms of numbers of social enterprises operating) than the sector in England. However, he (Lowthrop, 2010) also noted that in terms of Scottish community woodland groups being able to achieve similar levels of success to that experienced by Hill Holt Wood in England, they face barriers of scale. Although rural in English terms, Hill Holt has a relatively large population close-by, whereas Scottish community woodlands tend to be isolated and Scottish rural communities are often very small. Therefore, the CWA in Scotland is planning to provide the facilitation to bring community woodland groups within a given area together to offer services on a united basis, and Nigel Lowthrop is going to be offering advice drawn from his experience to aid this process.

6.3 Forestry Commission support

Beyond the identified need for business support, there were also calls for greater support to be given to woodland-related social enterprises by public bodies generally and the Forestry Commission in particular. For example, one interviewee (McIntyre, 2010) called for the Forestry Commission in Scotland to raise awareness of the NFLS amongst community groups and provide more information and advice on the avenues of opportunity the scheme could open, how to take advantage of these, and the process of woodland acquisition under the scheme. Another interviewee (Callander, 2010) claimed that while Forestry Commission Scotland

now operates the NFLS, they still do not fully embrace the social enterprise agenda, understand its full potential or engage with, promote and support woodland-related social enterprises to a sufficient extent, which is reflected in their grants system.

Similarly, another interviewee (Miller, 2010) in England questioned the extent to which government bodies such as the Forestry Commission recognised the 'added value' that social enterprises could provide and called for strategic thinking, recognising that the Forestry Commission operates on a large scale but arguing that it needs to consider how it can operate in such a way as to support small-scale enterprises. In terms of Wales, there were calls (Jenkins, 2010) for more joined-up thinking by the Forestry Commission to support the use of locally produced timber in social enterprises rather than converting it all into pallets and fencing materials etc. It was also suggested that the grants system needed to be improved because it was 'cumbersome' and long-winded (Melville, 2011) and that the FC could provide more support to woodworking social enterprises by providing them with free timber, such as planks from windfall (Stait, 2011).

6.4 Supportive individuals within public bodies

It was also suggested by interviewees (Clarke, 2010; Cruise, 2010; Gray Stephens, 2010; Lowthrop, 2010) that finding supportive individuals and champions within public bodies such as local councils was often vital to making progress; without their support, some projects were liable to flounder and having key individuals on board could aid the route through red tape and perceived bureaucracy. However, it was also noted that identifying these individuals was not always easy (Lowthrop, 2010) and that relying on individuals rather than on more widespread acceptance and support within public bodies was not ideal due to staff changes (Gray Stephens, 2010).

6.5 Bureaucratic and institutional hurdles

As mentioned above, many interviewees perceived that a barrier to progress was the imposition of time consuming bureaucratic hurdles as well as institutional barriers. At the national level, Lowthrop (2010) observed that an institutional barrier to progressing the social enterprise agenda existed in the form of disjointed working between government departments and that 'despite all rhetoric, government departments work in silos'. He maintained that there is a need for joined-up policy on this issue with

'recognition across a whole plethora of departments' of the benefits of the social enterprise approach and the need to work together to maximise these potential benefits. This change, Lowthrop (2010) argued, must be driven from the top by politicians because change will likely not occur from within the different departments. From a related perspective, Callander (2010) highlighted the fact that in Scotland there is no obvious single government department co-ordinating community development issues, resulting in disjointed efforts and more difficulties for community enterprises because there is no clear contact within government, nor is there a coherent perspective within all government departments.

At the local level, for some (Clarke, 2010; Lowthrop, 2010) bureaucratic hurdles and institutional barriers were perceived to be imposed by local council departments, such as planning, and those responsible for land management as well as other conservation bodies and related statutory agencies. For example, Lowthrop (2010) identified that the planning system as a whole essentially precluded development on greenfield sites, which acted as a hurdle to the development of some woodland-based social enterprises, although change may now be afoot under the new government who are working to give more decision-making power to local planning departments. He (Lowthrop, 2010) also noted that Hill Holt had experienced some resistance to its developments from 'purist conservation organisations'.

Similarly, Clarke (2010) reported that local council health and safety requirements imposed on community groups managing council land could be excessive, in his view. For others (Tudge, 2010) the barriers were perceived to be imposed by local public service providers, such as health and education agencies, which, for example, sometimes require an organisation to go through a time-consuming accreditation process before they can receive funding to provide services on their behalf (Tudge, 2010).

With respect to the Forestry Commission, a number of perceived institutional and bureaucratic barriers and obstructions were identified. For example, as with the local councils, health and safety requirements were perceived to be a burden in some cases, such as with regards to Hamsterley Downhill Bike Park, although they were also recognised as being highly important (Hunter, 2010). Institutionally, Lowthrop (2010) maintained that sometimes the Forestry Commission in England can appear to put up institutional barriers to innovation and change, with 'momentum to stay the same', resistance to ideas that do not fit within its worldview and with forest policy, as well as the mindset of certain individuals, acting as a barrier to alternative uses of the Public Forest Estate.

There are also examples, such as in Sleat, where the Forestry Commission at a local level had been ‘inadvertently obstructive’ and it was suggested that despite national policy support for social enterprises and community development, at the local operational level there had appeared to have been a lack of interest within the Forestry Commission in supporting the community (Member of Sleat Community Trust, 2010). It was suggested that one reason that the Forestry Commission could appear unhelpful at the local level was that, like all organisations, they had to prioritise their work and certain woodland sites were probably not deemed a priority and perhaps community groups and community development were not either in some areas. This is a point picked up on in the Community Woodland Association’s (CWA, 2010b: 18) review of *The Mechanisms to Support Community Engagement with Forestry*, in which they argue that ‘delivering on community expectations is only one of the Forest District’s objectives, and national policy objectives changes may override local aspirations’.

6.6 Public sector procurement

Another issue related to institutional barriers and bureaucratic hurdles is that of public sector procurement processes. As we heard from one particular interviewee (Miller, 2010), for some woodland-related social enterprises this issue is key because it is perceived that procurement processes are often geared more towards large-scale service providers and do not usually take into account the added value that social enterprises can provide when evaluating ‘best value’ which is typically assessed in purely economic terms. In a study exploring the critical success factors for community and social enterprise in deprived communities in the North West of England by Cox and Viitanen (2010: 11), a key recommendation put forward was that: ‘local authorities and other local service providers should review commissioning and procurement processes to better understand the needs and benefits of the social and community enterprise sector’, involving local social and community enterprises in this process. It was also noted that contract sizes should be reviewed because as ‘contracts increase in size they become more difficult for locally based social and community enterprises to deliver’ and that while part of the answer to this problem may lie in developing third sector consortia, ‘part of the answer is also likely to rely on a fundamental reassessment of what we mean by value’ (Coz and Viitanen, 2010: 11).

In England there are now moves to implement change in government procurement processes to ensure that social enterprises are able to compete on a more level playing field with traditional businesses, and that the best value criteria upon which these processes are judged incorporate social and/or environmental benefit and value in addition to economic benefit and value. In July 2010, Chris

White MP tabled a Private Member's Bill titled 'Public Services (Social Enterprise and Social Value)' which aimed to make it easier for Social Enterprises in England to secure contracts to deliver frontline services with an additional social or environmental return. This bill was debated in parliament on 19th November, 2010 and will now pass to committee for debate. This means that the bill has got further along the passage through parliament and towards becoming law than most Private Member's Bills ever get, although its future is not yet clear.

There are calls for similar to happen in Scotland with the Scottish Social Enterprise Coalition appealing to the government to 'promote community benefit clauses in public sector procurement contracts, to ensure that the greatest benefit possible is derived from public sector spending' (SenScot, 2010d). It is as yet unclear what affect these efforts will have and if any real change will occur.

However, concerns have been raised in relation to the Forestry Commission suggesting that awarding contracts to social enterprises could have a detrimental financial impact on the organisation. The fear is that if social enterprises take on contracts to run businesses and services such as visitor centres, bike hire shops and cafes at Forestry Commission sites, it may be expected that their rents should be lower (which could ultimately lead to Forestry Commission job losses because of reduced income) than those offered to commercial ventures because of their potentially higher operating costs and because they are likely to be less profitable. However, there is no reason to suggest that social enterprises cannot be run on just as sound a financial basis as any commercial venture and that their business model will not attract just as much 'profit' or 'surplus'; the difference is how the surplus is used. Furthermore, where an enterprise does operate at higher costs than would be expected in a conventional business, and thus requires support in the form of reduced rent rates, it could be argued that these costs should be borne by the Forestry Commission because the higher operating costs are a result of the added value that the enterprise is providing to society, which government should provide support for.

6.7 Community and social benefit clauses

Similarly, some interviewees (Clarke, 2010; Hunter, 2010) pointed towards the need for mechanisms, such as those provided by the NFLS in Scotland, to be put in place more broadly across the three countries and across more/all public sector land owners, to ensure

that where public land and assets are sold or leased, rather than be sold or leased to the highest bidder as a matter of course, public sector bodies must additionally consider the social, environmental and community benefits that will be delivered by each party.

6.8 Marketing

Another issue raised by this study and which has hindered the progress of some social enterprises is around marketing. In particular, two enterprises in Wales raised this issue. Stait (2011) of Caia Crafts claimed that they struggled to achieve significant sales of the products they produced in their woodcraft workshop because they lacked a dedicated marketing and sales individual. Similarly, Slark (2011) of Coppicewood College noted the turnaround in fortunes they had experienced since launching a website and their ability to now attract greater numbers of students. These experiences highlight the critical role that marketing can play in the success of a social enterprise.

6.9 Existing capacity

The challenge of having limited marketing skills available within some enterprises is an example of the problem of limits in existing capacity, including experience, knowledge and time available within communities to form and run such businesses. This was briefly touched upon in the section on business support in discussion of Miller's (2010) observations on the Bewdley Development Trust's plans for a food hub and the need to build local capacity. A member of Sleat Community Trust (2010) observed that one of the reasons he believed they had made so much progress with their businesses was because of the knowledge and experience that already existed within the community, since they were lucky to have numerous retired professionals within the locale, such as foresters and solicitors, who had spare time they were willing to invest in the work of the Trust. Where woodland management is a key part of the enterprise, and forestry skills do not exist within the community or membership, then it should be recognised that these skills will need to be paid for in the form of a professional forester.

In this study, issues of capacity, at both a local and national level, have also been highlighted particularly in relation to woodfuel enterprises such as those established in Kielder and Sleat. Interviewees (Grimwood, 2010; Robertson, 2010) from both enterprises reported that while biomass heating schemes seem to run well elsewhere in Europe, there is a lack of expertise in GB, even amongst

'so-called experts', which has caused substantial difficulties in installing and maintaining such schemes. In Kielder, they found that a lack of expertise in the country and a lack of people who could repair and install such systems led to a loss-making venture (Grimwood, 2010).

In Sleat, rather than run such a scheme themselves, as was the case in Kielder, the community established a business to supply biomass fuel, initially to the local college but with an aim to expand the business. However, a lack of knowledge and suitably experienced and trained individuals to run the biomass scheme at the college was cited as a major stumbling block for the enterprise and it was observed that 'there's no point in setting up forestry social enterprises if the customers at the end of the day haven't got the training, manpower or the knowledge to run the very things that you're trying to supply, whatever product that may be' (Robertson, 2010).

6.9 Demand

Likewise, there is also no point establishing a social enterprise that does not meet an identified need, as without sufficient demand for its services or goods it is likely to fail (Miller, 2010). This finding is confirmed by Cox and Viitanen (2010) who concluded that 'Enterprises need not only to understand the community that they serve but also how to access markets and – where relevant – develop new markets. Part of this challenge is to identify and fill a niche and then gather evidence to demonstrate community need and gaps in service'. Although some enterprises investigated here have experienced problems with demand, such as AGWA and its training activities, for most, demand has not been a significant problem, apart from, one could argue, the fact that the services which some of the enterprises offer are not actually profitable on the open market. On the other hand, some enterprises actually experienced the reverse of this problem and were struggling to meet levels of demand (Birley, 2010).

6.10 Leadership

Another success factor identified was that of leadership (Jenkins, 2010). The establishment of most of the social enterprises investigated here was driven by one or more committed individuals and as Lowthrop (2010) argued, each woodland-related social enterprise will always be unique and will operate under different circumstances and within an individual context. Therefore, there is

not one model which can simply be replicated in various locations and each enterprise will therefore require strong leadership to drive it forward. It was suggested that one way in which woodland-related social enterprises can be supported, therefore, is to help train people to lead them and help support networking between them (Lowthrop, 2010).

However, the Coppicewood College and Eternal Forest Trust case studies highlighted the need to bear in mind interpersonal relationships within an enterprise and ensure that there is confidence that the key members of an enterprise can work together and that there is understanding of the governance mechanisms and how decision-making will be undertaken from the outset, which will also help to manage individual expectations.

6.11 Ownership and tenure

The woodland-related social enterprises explored in this study demonstrated that an array of arrangements are possible in terms of woodland asset ownership and management, although long-term leases (there are no leases above ten years) are not evident.

In England, of the five specific enterprises discussed one involved a management agreement with the FC and an informal arrangement with a private owner, two had existing leases for FC land (one 10 years and one 5 years), one had previously held a 10 year lease on FC land and one enterprise owned two woodlands itself, with a further woodland expected to be acquired sometime in 2011.

In Scotland, of the eight specific enterprises investigated, three held (informal or formal) management agreements with land owners (one with the NHS and two with private owners (but in one case the owner was also one of the founders of the enterprise)). In addition, one of these also owned two woodlands purchased through the NFLS, two enterprises were looking to purchase woodland through the NFLS and another owned a highland estate (including woodland) and was exploring the possibility of purchase of further woodland through the NFLS. One Scottish social enterprise held a lease, not for a woodland area but for a wood processing facility and another had previously held a lease on FC land and another on a privately owned saw mill.

In Wales, of the four specific enterprises discussed in depth, two owned woodland, one leased a piece of woodland on a ten-year basis and the other ran a woodcraft workshop but did not own or hold a lease or a management agreement on any woodland.

It is difficult to discern trends from the small sample studied here but research suggests that Scotland's woodland-related social enterprise sector is more prolific than within England and Wales and there are many more examples of community groups acquiring woodland assets on which to develop businesses. This phenomenon has been facilitated in part by the community right to buy law in Scotland and the NFLS, the like of which are not present in the other two countries. It has also been aided by the fact that in Scotland there is a dedicated support and networking body for groups wishing to take on woodland management for enterprise purposes, the CWA.

In mid-late 2010, CWA (2010b) called for an extension to the NFLS to include provisions for leasing arrangements. They note that while the Forestry Act 1967 did not allow public forested land to be leased for woodland management purposes, The Public Services Reform (Scotland) Act 2010, which became law in April 2010, amends the Forestry Act to allow this and thus it would now be pertinent to develop and introduce NFLS leasing provisions (CWA, 2010b: 27). In November 2010, the NFLS was amended to include provisions for national forest land to be leased (for a minimum of 25 years) with the rights to manage it for forestry purposes and new measures have been added to act as a catalyst for community scale renewable projects on the national forest estate, giving groups longer to plan their projects before having to put up the capital to buy the land.

There is no clear indication from the enterprises studied the extent to which ownership of assets, as opposed to leasing or management agreements, is beneficial. However, it is clear, as Cox and Viitanen (2010: 11) argue, that 'owning or being able to manage assets in a way that generates a profit can be crucial for many community enterprises. Community enterprises need to take care though not to accept attempts by local authorities or other agencies to offload liabilities to community and voluntary groups which don't have the capacity to manage them effectively'.

Lowthrop (2010) also argued that community ownership of, or long-term lease arrangements on woodland assets were important and, significantly, could be used to borrow money against for investment into business development. He (Lowthrop, 2010)

maintained that to a business a lease is as good as a freehold if it's long enough and you can borrow against the lease.' He added that, '25 years is a long time to most businesses. Now ok, forestry is different, but you can judge each forest from the age of the trees – if there's a crop that can be taken in 50 years time then a 50 year lease or a 60 year lease would be adequate. There's no reason to give a freehold. You can put in place all sorts of restrictions but the public still own the asset which I think is key'.

6.12 Legal model

As has been found elsewhere and as is the case across social enterprises in all sectors (Social Enterprise Coalition, 2009: 27), the most common legal form adopted by woodland-related social enterprises appears to be a CLG. In this study, most enterprises were either a stand-alone CLG with charitable status or a CLG subsidiary of a parent CLG with charitable status. Of the existing social enterprises discussed in this study in detail, five were operating enterprises as or within bodies established as CLGs with charitable status (and of these, three were exploring the possibility of establishing social enterprises as separate legal entities from the parent organisation entirely or as a subsidiary) and five were CLG subsidiaries of CLGs with charitable status. One enterprise was operating as a CLG only, one as a charity only, one an unincorporated business, and three as CLS subsidiaries of CLGs with charitable status.

To a large degree, interviewees maintained that the legal form assumed by a woodland-related social enterprise did not have a significant impact on its successful establishment and operation. However, on further probing it was found that the legal models available for social enterprises do present some challenges which have to be navigated. In the first instance, Lowthrop reported that: 'there is confusion' over the legal models available to social enterprises and 'you need to know the system' to understand which model is the best one to use in any given circumstances. Lowthrop (2010) believed that, 'there is still room for a rethink and a single model'.

Ultimately, the main bug bear amongst interviewees (Lazzeri, 2010) seemed to revolve around the current need for charitable status to avoid tax and protect assets (Lowthrop, 2010) and also to access various funding sources which are only open to charities (Gray Stephens, 2010; Grimwood, 2010; Robertson, 2010). The problem lies in the fact that charitable status comes with inherent trading limitations which often result in the need for the establishment of a trading subsidiary and this dual structure can then be quite 'cumbersome' (Birley, 2010) and it 'complicates management' (Lowthrop, 2010). There was also a suggestion that while having

charitable status had its benefits, it also meant that potential retailers for products produced by a charitable enterprise were less likely to take the enterprise seriously (Stait, 2011). Similarly, while charitable organisations may be more able to secure grant funding, they are often perceived as unsuitable or unacceptable candidates for commercial investment.

Melville (2011) noted that it is vital that legal advice is sought at the outset and that significant attention is paid to ensuring the correct legal framework and documents are in place to ensure that challenges to structure and orientation further down the line can be assuaged.

Another issue is the favour currently given by some funding and statutory bodies towards certain legal models. For example, the CWA (2010a) in Scotland have recently published a report investigating the appropriateness and fit of using share issues for community land purchase. Under the community right to buy legal provisions in Scotland, the required legal structure for a community wishing to acquire and manage land is a company limited by guarantee with or without charitable status, which precludes the option of raising share capital. This is also the recommended legal form within the NFLS, although this scheme has more flexibility and will allow other legal forms to be considered. For example, Burghead Thistle Junior Football Club, an unincorporated association, purchased land through the NFLS in 2009. However, there is room for more clarity regarding legal/organisational requirements within the NFLS guidance. At present, on the same page within the guidance it states that, on the one hand an organisation 'must be a company limited by guarantee' to apply, and on the other hand, that 'a company limited by guarantee is the preferred type of organisation. However, other suitable types of organisation maybe eligible' (FCS, 2010: 7).

In practice, most new organisations established with the intention of acquiring land (or in the knowledge that this may be an option in the future) will form as a CLG to ensure their eligibility under the community right to buy legislation should they need it. The CWA (2010a; 2010b) maintain that in going forward the restrictions of the community right to buy laws which favour CLGs will probably need to change because social enterprises are going to have to look beyond the 'shrinking pot' of grant funding (CWA, 2010a). Interest in community shares is rising within the social enterprise sector with, on average, four enterprises launching community share offers annually in the early 2000s, rising to 28 in 2009 and with at least another 50 community organisations known to be exploring the option of community investment in the future (Brown, 2010).

Although they (CWA, 2010a) found that community share issues usually only raise a small percentage of the funds required for capital purchases, they also noted that these do help to raise the profile of initiatives which can help to open up new avenues of support through grants, donations and loans. They (CWA, 2010a: 32) argue that the most suitable legal model to enable share issue for community land purchase, taking into account the negative and positive aspects of other legal forms, appears to be the Community Benefit Society which 'allows ownership of community woodlands, trading activity and activity for community benefit, open membership and the ability to raise capital from both share and bond issues'.

6.13 Business type

There is much debate over the proposition that certain types of woodland-related social enterprise are inherently unworkable and that there are only certain types of business that will be successful in the long-term, both financially and in terms of meeting their own social aims. For example, Jenkins (2010) argued that training-centred enterprises should not use woodland management as the basis for their training efforts because not only are these types of businesses inherently unprofitable, they also fail to provide useful training for individuals to enable them to gain employment because there are a lack of jobs within this industry and it is extremely costly to set-up a woodland management business oneself. This he noted was also a problem in terms of many woodland-related recreational-related business types, such as mountain bike hire or woodland cafes and an additional problem was that for some people, these customer-facing roles would be unsuitable.

However, there are examples of such social enterprises operating and woodland-related enterprises can take many forms, a good range of which are covered by the cases studies included here. For example, the case studies in this project undertake work the following fields (or are planning to): timber production and sales; biofuel supply; timber processing and wood products; sustainable construction; woodland, greenspace and landscape management; recreational facility management; woodland skills demonstration; local food production and sales; holiday property rental; venison sales; sale of stalking rights; the sale of publications and greetings cards; woodland burials and renewable energy production. Some of these activities are undertaken to benefit a community of interest and some a community of place and some are focused specifically on targeting certain groups within communities of place

such as those with training or health needs, although while often still offering other benefits to the local community as a whole as well.

Another example of a potential type of woodland-related business is demonstrated by the Borders Forest Trust who operate a carbon trading social enterprise. There is also an area of renewable energy production that has not been covered in depth in this study: wind power. Although energy production from wind turbines requires small areas of land clear of trees on which to install the turbines, many wind turbines have been installed in woodland areas around the country. An example of a woodland-related social enterprise operating in this field is Bro Dyfi Community Renewables. This initiative was set up in 2001 as a community energy co-operative with the purpose of developing community-owned renewable energy projects in the Dyfi Valley area in Wales. Their first substantial project, and one of the first of its kind in the UK, was to erect a 75-kilowatt wind turbine, owned by members of the surrounding community and positioned on land belonging to the public forest estate.

The project was financed through selling shares to members of the community which provide them with an annual dividend. Grant funding from the Energy Saving Trust was also used to fund the purchase of 30% of the shares. Other grant funding came from the Scottish Power Green Energy Trust and the European Commission. Share purchasing was limited to a maximum investment of £1,000, to enable everyone who wanted shares to be able to invest in the project and as of 2006, 55 people held shares in the turbine (Bro Dyfi Community Renewables, 2010; Forestry Commission, 2010).

As a co-operative registered under the IPSA, all members have an equal say in decision-making, regardless of how many shares they own (Forestry Commission, 2010). The turbine began operation in 2003 and electricity generated by the turbine is sold to the nearby Centre for Alternative Technology who sell any surplus on to the National Grid. This enterprise has financial, social and environmental benefits: the shareowners receive financial reward in the form of an annual dividend on their investment; the dividend from the shares that were purchased using grant funding is invested into a community energy fund to fund energy efficiency schemes which benefit the local community, not just the shareholders; and the electricity generated by the turbine helps in efforts to slow climate change because of its reliance on the wind rather than fossil fuels (Forestry Commission, 2010)

Returning to the main topic of this section, it is too early to be able to discern if across the board there are indeed some types of woodland-related business which are more suitable to run as social enterprises than others, or certain types which are more suited to achieving specific aims. Thus, at this stage it seems sensible to share Lowthrop's (2010) view that: 'Every woodland is unique and has unique management requirements. Every community is different in what its aspirations are and what it would like to see. And every business opportunity is different depending on what is available locally and where the gaps are. I put down no barriers' to what kind of models and what types of business will work.

7. Key Considerations

It is evident that social enterprises and asset transfer are becoming increasingly relevant in Great Britain in terms of their potential to help meet government policy goals in various fields. They are receiving growing political support at high levels in both policy and rhetoric and there is no doubt that woodland-related enterprises could have a valuable part to play within these agendas. This study has clearly illuminated the significant and wide-ranging potential benefits that woodland-related social enterprises can bring to society. Although the social and community enterprise movement can, by its very nature, only be driven from the bottom-up and cannot be artificially imposed or created in a top-down fashion by public institutions, the case studies and discussion presented within this report reveal that the Forestry Commission and other agencies who wish to support the development and maintenance of sustainable woodland-related social enterprises and see them flourish and fulfil their potential could consider and address a number of key issues in order to help support this vision:

7.1 Cross-sectoral

1. Although, as noted above, a social and community enterprise agenda cannot be wholly driven from above if it is to succeed, national government could do more to support the agenda in a coherent and consistent manner. One suggestion was the need for **more joined-up thinking across government** departments and across government policy in relation to community development and social enterprise, which would help to both mainstream the social enterprise agenda and to ease the establishment, operation and growth of social enterprises in a variety of areas. Such changes would probably need to be instigated at a ministerial level in order to be successful and effective.
2. There is also a need for government to **ensure the adequate financing of support services for social enterprises**. This study has revealed how fundamentally key such services are felt to be by many enterprises. They are an important element in safeguarding the future success of social enterprises, helping many such initiatives to tackle and overcome the challenges which they are faced with, including legal, structural and financial issues. Included within such support services should be those organisations that allow networking between enterprises, such as the Community Woodlands Association, since they are

vital resources which can be used to help community and social enterprises thrive and enable enterprises to learn from one another.

3. The favoured legal form for not only woodland-related social enterprises, but social enterprises across the board appears to be the CLG. Often, however, these CLGs also adopt charitable status in order to ensure that an asset lock is in place, to qualify for the tax advantages only available to charities and because charities are the only legal form eligible to apply for many funding sources. While seeming to work reasonably well, adopting this dual structure does pose some challenges and brings with it the additional administrative burden of reporting to both Companies House and the Charity Commission (England and Wales) or the Office of the Scottish Charity Regulator. One way to ensure that an enterprise will always act in the community interest and that its assets are locked is to register it as a CIC rather than a charity but this does not address the issues of tax and funding. It is therefore suggested that there is **room to explore affording social enterprises the same tax benefits as charities and for more funding bodies to recognise and support social enterprises which are not charities** as legitimate applicants.
4. It has been noted that **the community right to buy legal provisions in Scotland are restrictive in that they require community groups to form themselves as CLGs**. This legal requirement may need to be revisited to make allowances for other legal forms such as CLSs which enable share capital to be raised. Likewise, if any similar government programmes and/or legislation are adopted in England and Wales then the legal organisational form requirements for community groups must be considered in view of this discussion.
5. Related to this, it has also been suggested that since strong leadership is a key ingredient of success, it should be considered whether the establishment of a **social enterprise leadership training programme** by government is appropriate, in much the same way as the coalition government has committed to training 5,000 professional community organisers to help empower communities.

6. In respect specifically to training-based social enterprises, this study begs the question of whether **a more flexible approach to the funding of training programmes for specific groups in society** is required which does not specify so rigidly the groups to be prioritised. After all, as we have heard, when government priorities change, this can threaten the future of enterprises which are focused on one such group (e.g. under 18s or those with mental health problems).
7. If social and community enterprises are to be able to meet the expectations placed upon them within government policy it would also appear that there is a need to consider **changes to public commissioning and procurement processes** across the board, including within forestry. Such changes would be relevant to the Forestry Commission in many areas, including tendering processes for visitor centres and cafes, as well as for woodland management contracts and many other procured services. These changes would need to allow for the added value that social enterprises can supply to be taken account of and ensure that judgements about 'best value' include more than just economic considerations. The Public Services (Social Enterprise and Social Value) Private Member's Bill in England is proposing measures in line with these requirements but its adoption is not yet certain.
8. Similarly, it is suggested that consideration is given to the question of whether mechanisms can be invoked whereby **public sector asset owners do not base decisions relating to their acquisition** (freehold or leasehold) **purely on economic factors but also consider the social and environmental benefits that will be delivered**, much as is the case within the NFLS in Scotland.

7.2 Woodland sector

9. There is a need to develop and encourage use of a simple, non-resource intensive, standardised (yet flexible enough for use by different types of enterprise with different goals) **framework for the monitoring and evaluation** of the benefits and environmental, economic and social impacts of woodland-related social enterprises. This would not only help in terms of adding richness to the debate and learning around what kinds of enterprises work and are most 'successful', but it could also

help in terms of encouraging both greater political and financial support for woodland-related enterprises and demonstrating the woodland sector's contribution to government policy agendas such as 'Big Society' and community empowerment.

10. One of the fundamental challenges faced by woodland-related enterprises is a lack of available funding sources to support land purchase costs and/or set-up costs at the outset (although some interviewees also raised concerns about a lack of ongoing, medium-term funding). **New funding mechanisms** could be considered to help support woodland-related enterprises, perhaps through creating new dedicated streams within existing grant systems.
11. Another approach to helping overcome this challenge for some enterprises could be through the development of national schemes throughout Great Britain which **allow the public forest estate to be leased on a long-term basis for forest management purposes by communities**, in much the same way that the NFLS now allows in Scotland. This could potentially allow enterprises to borrow money against their asset (the woodland) without the need for them to raise capital to purchase it, and without having to release the woodland from public ownership. This would however require legislation changes in England and Wales and amendment to the Forestry Act 1967. Similar schemes to the NFLS in Scotland could also be considered in England and Wales in relation to woodland sales.
12. The findings of this study also imply that **the use of the public forest estate to support social enterprises needs to be given greater priority**. Essentially, greater consideration of, and support for alternative uses of the public forest estate is required within the Forestry Commission at all levels. Although there is policy support across GB for the public forest estate to be used to support social and community enterprises, it would appear that this support does not always filter down to a local operational level. On the other hand, it would appear that supporting communities and social enterprises is not always prioritised at a local forest district level because of competing priorities imposed at the national level.
13. A linked suggestion was made by interviewees that the Forestry Commission could also do more to support woodcraft social enterprises through **providing affordable local timber sources** or providing them with free timber sources such as unwanted timber from windfall.

14. Experience gained through conducting this study also suggests that, ideally, any **future research into woodland-related community and social enterprises should have funding attached to it to support the participation of such groups** in the research and contribute something towards their time.

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Appendix A

Interview Schedule

Introduction

I work for Forest Research which is the research agency of the Forestry Commission, the government department responsible for the management of the public forest estate.

I am leading a project to explore the barriers to, and the benefits and drawbacks of different models of woodland-based, or woodland related social enterprises across Great Britain. This will involve looking at different tenure arrangements, different types of businesses, different legal forms and different financial models and will investigate what works and what doesn't and what are the barriers to success.

This research has been commissioned by the Forestry Commission in all three countries in Great Britain as they are all increasingly interested in the potential value of woodland-related social enterprises to society.

With your permission I will record our discussion today. The recording will only be used for research purposes. If you are happy for me to do this then you can also choose whether it is ok to attribute your comments to you or at least to your social enterprise in any written reports that come out of this project, or if you would prefer for your comments to remain anonymous.

You do not have to answer any questions that you do not wish to and can of course terminate the discussion at any time if you choose.

Opening

1. Does this sound like a useful piece of work to you?
2. Are there any issues you think it would be useful for us to explore in particular?

Purpose/Driver

3. What were the drivers behind the formation of the enterprise?
4. How was it formed and developed?
5. What are its aims and objectives of the enterprise?
6. Do you have a formal constitution which evidences these objectives?
7. How are the objectives achieved?
8. What need is it trying to meet? (in terms of the business and social or community aspects of the enterprise)
9. Is it aimed at meeting a gap in the market?
10. How was the gap identified?

The Woodland

11. What form of ownership, management agreement or use rights is in place with regards to the wood/s involved?
12. Do you think this form of ownership / tenure / rights has been the most suitable arrangement for your enterprise or have there been any difficulties?
13. How was this established?
14. How is the land used?
15. How big is the area of land used?
16. What is the location of the woodland?
17. What type of woodland is it?
18. Are there any designations applied to the woodland?

Legal status and governance structure

19. What is the legal status of the enterprise? (i.e. company limited by guarantee with charitable status, co-operative, trust etc.)
20. Does this legal form work well for you?
21. How is the enterprise structured internally?

22. How is it governed?
23. Who are the 'members' of the enterprise?
24. How do they participate?
25. Are all sectors of the community represented within the enterprise?
26. How can somebody become a member?
27. Does it have good community buy-in?
28. Is there equality in decision making powers between members?
29. Do you think this structure works well?

Finances and staffing

30. How is the enterprise funded? (grants, trade, philanthropy, shares)
31. What percentage is gained from trading?
32. If there are shares, what percentage of profit is distributed in dividends?
33. Does this work well or has the enterprise suffered any problems relating to funding?

34. What is the turnover?

35. Do you break even?

36. Does it have an 'asset lock' to ensure all profits are reinvested in pursuit of the enterprises social mission?

37. Do you have a mechanism to ensure that should the enterprise cease trading, all remaining assets would be distributed for social or environmental purposes?

38. How many staff does the enterprise employ?

39. How many volunteers?

Achievements

40. What has the enterprise achieved so far?

41. What more do you think it could achieve and what does it need to do to be able to make that a reality?

42. Are you optimistic about the enterprise's future?

43. What do you think the future holds for the enterprise – barriers and opportunities?

44. How do you measure the social benefits of the enterprise?

Barriers to success

45. What have been the biggest barriers to getting your enterprise off the ground and making it a success?

46. Was a social enterprise the best way to achieve the goals you set out to achieve?

Endings

47. Is there anyone else you think it would be useful for me to speak to or are there any other woodland-related social enterprises you think it would be useful for me to contact?

48. Are there any key issues you think this project should explore or anything you think I missed out today and should have asked you about?

49. Is there anything else you would like to add?