

Case study Summary

This case study outlines the experience of one community woodland group in considering social enterprise as a means of maximising grant income available, being more sustainable, and being able to take forward everyday maintenance in a woodland. It describes the journey taken and the issues faced that may be helpful for other groups considering similar issues. The journey is continuing...



View of Blaen Bran – looking North *Photo: BB*

Background

Blaen Bran Community Woodland (BBCW) is an area of 100 acres/40 hectares in Upper Cwmbran, South Wales. A detailed case study has been prepared explaining how BBCW was set up available at www.laisygoedwig.org.uk. Since its inception as a community woodland in 2004 BBCW has used grants and volunteers to make the woodland a pleasant place of recreation and natural beauty - reflected in the greater numbers of people now making use of the woodland. Woodland management is an ongoing task and in order to do this some level of funding is needed.

Our experience was that grants are focused towards specific projects rather than on 'maintenance' type tasks. Volunteers can do a lot, but not everything. We wanted to explore how we could become more sustainable and develop our own skills 'in house'.

In 2011 we decided the next step for us was to establish a social enterprise; this case study describes what we did and what we have learnt.

Why a Social Enterprise?

The current economic climate means that grant funding is more difficult to obtain, so an objective for the woodland is to become self-sufficient and sustainable – which led to our application in 2011 to the Community Enterprise Development Programme (CEDP) to set up a social enterprise to:

- Develop and utilise the assets of the woodland
- Create local employment opportunities
- Provide a source of income for maintenance and improvement works

The CEDP provided some advice as to requirements for social enterprise funding – for example a business plan, staffing arrangements and the need for a constituted body with trading as a core function.

As Torfaen is a local authority that comes into the Valleys Regeneration area for EU Convergence funding they qualify for a CEDP programme and three types of funding programmes:

- A three year revenue grant fund – paid on a tapering basis, with expectation of income replacing grant over that time frame – up to a maximum of £80,000.
- A capital grant fund – based on a 50% match funding basis, up to £25,000
- A feasibility grant fund – to explore potential for a business enterprise, up to £10,000

BBCW applied for the first of these, which has a requirement for match funding both in terms of income generated and in terms of volunteer hours, calculated on a minimum wage basis. The two elements together have to match the grant funding given. The application process was quite involved, requiring a business plan, cash flow projections, and an estimation as to volunteer hours to support as match funding.

The grant applied for was primarily to cover the salary of a part time (25 to 30 hours per week) woodland manager for up to three years and also for a number of important revenue items such as employers liability insurance, payroll costs, telecoms/IT, woodland consumables (PPE, log bags, etc), stationary/leaflets, fuel and licenses.

It was clear that whilst the memorandum and articles of association for BBCW did allow some element of trading, it was not a primary function – so the advice received was to constitute a separate social enterprise body that could focus on trading activities.



The Woodland Manager arrives for work *Photo: BB*

What was right for us?

- Social enterprises do not have a set legal form. They can be a limited company, a trust, a community interest company, a mutual provident society, a co-operative. As BBCW was already a company limited by guarantee we could set up a social enterprise, but we felt there should be a separation between the trading arm and the main community woodland group

- The BBCW Directors did have mixed views. Some Directors were happy to remain involved with BBCW as a company limited by guarantee and a charity, and did not want to be part of a social enterprise. There was also a desire to protect BBCW as an entity, with its charity status and ability to apply for grants in its own right. There was also a desire to ensure that equipment provided for use in the wood should not be at risk if the enterprise was not successful. BBCW Directors therefore requested that any enterprise body was owned but yet separate from BBCW – it should share the same aims and objectives, the same vision, contribute to the woodland management plan objectives and put any revenue generated into the community woodland in some way
- The best fit for our circumstances seems to be a Community Interest Company – having to be registered at Companies House, submitting accounts, and subject to company law – and with an asset lock so that in the event of the enterprise arm not succeeding, its assets would revert back to BBCW as the parent body
- The group wanted to retain the Blaen Bran identity yet recognise the separate trading nature of the social enterprise so decided on Blaen Bran Woodland Services (BBWS). This is now a registered Community Interest Company approved by the Community Interest Regulator (of being of benefit to the community) and started operating in September 2011, with six voluntary Directors. Three of these were also Directors of BBCW, one was formerly a Director of BBCW who resigned to be solely a director in the enterprise, and two were people who had worked regularly in the wood as volunteers.

Other Key Drivers for a Social Enterprise

- Current Risks with potential larch disease – need to take forward felling and find a use for the thinned timber
- Being proactive, less reactive – as we had just reviewed our management plan. The enterprise means we can now deliver a plan and measure outcomes
- Outreach – follow up on opportunities for training, education, event activities that haven't been possible working with volunteers only
- Skills training – a chance to tap into other funding/support through promoting outcomes & benefits



The enterprise logo

The first year – what has been done?

The process of setting up the enterprise did take some time. An initial application to the CEDP panel in August 2011 was referred back as they felt that there was scope to look at a range of services rather than just an emphasis on wood fuel logs. There was also the decision to pursue the CIC option and seek registration at Companies House, which was achieved by September 2011. The subsequent revised grant application – which was the joint first in Torfaen to be accepted – was submitted in October 2011.

Some key milestones have included:

- Advertising and interview for p/t Woodland Manager post – through local job centre – completed in mid November, with member of CEDP team as an observer on the interview panel.
- Training taken forward for both woodland manager and three volunteers to get chainsaw certificate, with insurance completed in November 2011.
- Halo thinning taken forward in 30 acre section of larch plantation in the woodland – this was planted in the 1970's and had never been thinned. Some 800 + trees felled under felling license.
- Removal of previously thinned trees to trackside and cut to 10 foot sections.
- Preparation of a firewood processing area – with entrance track in lower section of the wood, under mature larch.
- Preparation of sample barrow bags of firewood - 50 bags distributed to potential customers.
- Exchange of equipment on mutual loan arrangement with Llangattock community woodland – they borrowed a hydraulic log splitter from BBCW and we borrowed a small firewood processer from them
- 100 x cubic metre bags of firewood logs prepared for sale



Chainsaw training Photo: BB

- Track repairs and new tracks created for BBCW
- Two courses run in conjunction with Usk College and with Western Power to teach basic chainsaw skills
- Creation of service track and felled tree storage areas in top larch section
- Tendered to undertake work for BBCW who successfully applied to Environment Wales for some Biodiversity project funding. This involves creation of two ponds and some access tracks, totally approximately £7000 of work, to complete by March 2013.
- Expansion of volunteer activity to week days under woodland manager supervision – some seven new volunteers working different days, including some referred by local Cwmbran job club.
- Sale of thinned larch trees at £4/tree to local building company for their own wood fuel preparation - £900 of sales to date.
- Meeting match funding target – in terms of income and volunteer hours – for the first year.

and the wood provided a venue with a charge for use and had some logs neatly sectioned as an output.

- BBCW took advantage of being a member of Llais y Goedwig (LlyG) to take up the offer to member groups to attend the stand that LlyG had at the Royal Welsh Show. Two sample benches were prepared and taken up so it was an opportunity to get feedback on what might sell and what prices were reasonable.
- BBWS have been engaged by Blaen Bran Community Woodland (BBCW) to undertake work to create two new ponds plus additional tracks to take forward a project bid made by BBCW to the Environment Wales Biodiversity grant scheme
- BBWS have met with the TCBC Countryside section who made a bid for grant funding to improve access, signage and route ways on TCBC land adjoining Blaen Bran woodland. The bid was successful, and they will work with BBCW/BBWS on orientation signage and for provision of benches using BBWS as provider of materials and hopefully some finished products.

Learning and moving forward

- The recommendation from the CEDP grants panel was that BBWS outline a business case for a diverse range of activities whilst the advice from Wales co-op was to focus on one thing – so presenting a range of ideas is useful and appropriate.
- There has been preparation of firewood but it takes time to season and prepare – despite some efforts at marketing in the summer (with sample bags for people to take) no sales have got underway until the autumn, when people actually want firewood to burn directly.
- There have also been some courses run in the woodland – Western Power were looking for a venue for chainsaw training,



Log storage Photo: BB

Summary and Conclusions



New pond creation Photo: BB

So is a social enterprise route something to be considered? Each group has its own particular needs and aspirations, but here are some of our conclusions:

- The route that BBCW have taken has been assisted by both threat and opportunity. The threat was the risk of phytophthora spread in South Wales affecting significant stands of larch – around one third of the community woodland. The opportunity was being in a part of Wales where Community Enterprise funding from the EU has been available.
- It has not been an easy route – the relationship between BBCW as the parent body, and the social enterprise arm of BBWS has been one that has evolved - with some reminders needed at times that we do all have the same overall objectives!
- There have been some false starts and dead ends – moving trees from one part of the wood to another to cut into logs has taken up considerable person power, and the resultant fuel logs are labour intensive to produce. In hindsight we under-estimated just how much work this would be.

- Getting in touch with others to set up and run courses has also been time consuming – as has been the whole process of making contacts and following them up – some proving very useful, such as our link with Llangattock community woodland.
- We did look to do some market research on firewood for example – but in practice it has really only been as winter approaches that there has been interest and sales starting.
- There are also areas we need to research – for example on funding for work placements – that we did not consider at the outset.

In many ways it is the experience that teaches – until something is tried, you don't know if it will work. Taking a social enterprise route has given us the chance to follow up ideas and put them into practice.

Starting up the enterprise has given us the opportunity to see if it is possible to develop different income streams – and having to do this as funding tapers away is a powerful incentive to try things out.

It may not be for everyone, and it does take time and a lot of work – but certainly it was an important and sensible step for us, and we are happy to share with others who may be thinking of a similar route.



Larch felling stored in situ. Photo: BB

Useful resources and reading

Visit www.llaisygoedwig.org.uk for other community woodland group case studies that examine different topics, as well a variety of other resources including advisory notes about different areas of work, and briefing notes about the work of Llais y Goedwig.

This Case study has been prepared for Llais y Goedwig by David Williams, a member of the Blaen Bran Community Woodland Group.

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Llais y Goedwig is a voluntary association of community woodland groups that formed in November 2009 to provide a voice for community woodlands. We want to share experiences, support each other and enhance local woodlands to benefit the people of Wales. This resource is part of a growing series that we hope will be useful to our members, and others interested in community woodlands in Wales.

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