

The economics of community woodlands in Wales



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Abbreviations

BWW	Better Woodlands for Wales
CWG	community woodland group
EOI	expression of interest
EWA	Environment (Wales) Act
LA	Local authority
LlyG	Llais y Goedwig
NRW	Natural Resources Wales
WFGA	Well-being and Future Generations Act

1. Introduction

In September 2016 Llais y Goedwig (LlyG) commissioned a small-scale study of the economic status of community woodland groups (CWGs) in Wales. The purpose of the study was as laid out in Box 1. The study was envisaged as drawing on two sources: a review of past and present CWG support within the UK and a detailed questionnaire and qualitative interviews of a sample of CWGs across Wales. As the study proceeded it became apparent that the diversity of the financial support used by groups went beyond the scope of formal support mechanisms and the focus of the study turned more towards increasing the number of CWGs in the sample and the elucidation of 'business models' for different types of CWGs. Nevertheless, a comprehensive review of relevant Welsh grant schemes and CWG baseline studies was undertaken. Unfortunately, there is no previous work on the same target group (the full range of Llais y Goedwig members) to serve as a baseline for the present study.

Box 1: Purpose of the economic study

Purpose - the overall purpose of this research is to bring about a greater understanding by policy makers and major land holders (e.g. NRW) of the economic viability of CWGs – specifically an understanding of the costs incurred by CWGs and how they are currently being met. While WG and others (e.g. NRW and LAs) are often keen to encourage the establishment of community woodlands, particularly for their role in generating Well-being and Future Generation benefits, there has to date been little attempt to understand the nature of the challenge CWGs face in terms of covering their costs. How do different groups cover their costs (by volunteer time, grants, fund raising, sale of produce etc.), are they managing with ease or struggling, how precarious or viable are they? Do groups on local authority land where local authorities bear some of the costs fare better? Secondly, alongside the costs, what wider benefits (in terms of Well-being and Future Generations) are CWGs generating? Thirdly – recommendations- is there more policy makers and landholders could do to help and support groups or is the current situation fine?

Resources for the study were gleaned from several sources with each used to extend the number of CWGs interviewed. During the period December 2016 to April 2017 a total of 15 CWGs were visited by the author and interviewed with reference to a standard set of questions (see Appendix 1). The CWGs were purposefully selected by LlyG¹ from its members to represent groups with different relationship to the land (freehold; leases or management agreement on public and private land and 'friends of' groups) and to give a wide geographical spread (see Table 1). The interview questions repeated several of those posed in the Wavehill (2010) survey to facilitate monitoring with additional questions more focussed on financial accounts.

¹ Without discussion with the consultant.

Table 1: Distribution of surveyed CWGs

Land access arrangements	Region within Wales			Sub-total
	North	Mid	South	
Own / lease woodland	2	1	2	5
Welsh government forest estate (NRW)	2	1	1	4
Local authority land	2	1	1	4
Agreement with private landowner		2		2
Totals	6	5	4	15

As described above, the groups were purposefully selected and the sample size is small. The results are therefore not a statistically valid representation of Welsh CWGs and should be understood as a qualitative description of LlyG members in early 2016.

2. Community woodland groups in Wales

There were various studies done which characterize CWGs up to 2010 though each focuses on a subset of LlyG members and so are not directly comparable with the present study. Owen *et al* (2008) describe recipients of Cydcoed² project funding which included many which went on to become LlyG members but at least half of the projects were undertaken by schools and local authorities which did not self-identify as CWGs. Wilmot & Harris (2009) presented a good overview of the development of community woodland activity in Wales and a description of the status of groups in the late 2000's based on interviews with 14 CWGs several of which are included in the present study. At the same time Forestry Commission Wales commissioned a baseline review of CWG activity in Wales which was reported by Owen *et al* (2010). This study reviewed the Cydcoed project list and identified 138 active CWGs in Wales and based the report on interviews with 125 groups.

Figure 1 illustrates the recruitment of the 15 groups in the present study. Drawing from previous studies and interviews with the groups we identify three distinct phases to CWG establishment in Figure 1.

² An ERDF project administered by Forestry Commission Wales which distributed £16 million to 160 community woodlands between 2001 and 2008.

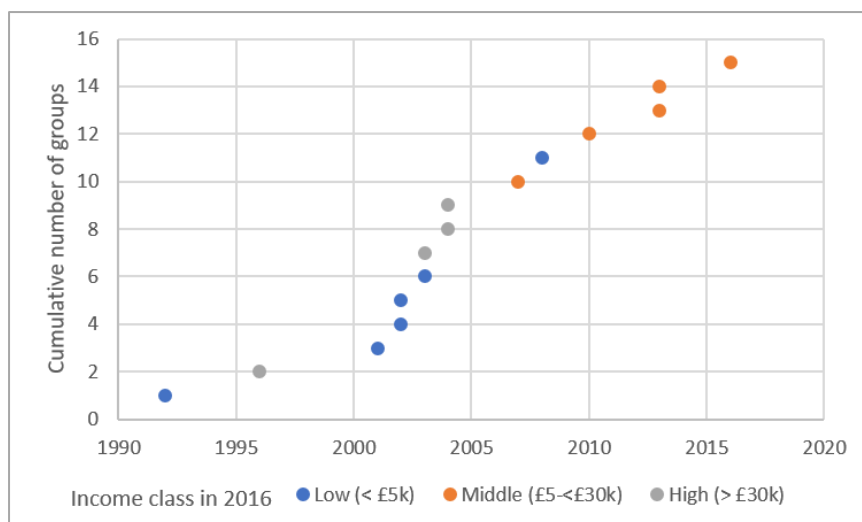


Figure 1: Establishment of surveyed groups

Prior to 2000, many of the groups originated as groups of residents coming together and volunteering to take up some degree of responsibility for their local environment – with or without a specific focus on a single woodland. These groups defined membership as ‘all residents’ of a village or town, they are generally unincorporated associations which work closely with local authorities and generally had no aspirations to own land or evolve into social enterprises.

2000 to 2005 saw a rapid expansion in the number of CWGs, in part attributable to specific support programmes for community forestry such as Cydcoed. These CWGs were more focussed on taking on full management responsibility for a specific woodland and many went on to own, lease or negotiate management agreements with forest owners. To facilitate formal land holding these groups generally took the form of companies limited by guarantee without shareholding with clearly defined membership and a wide range of objectives which included economic use of woodland. Llais y Goedwig itself was founded in 2008 by members of the cohort of groups which benefited from the Cydcoed project.

Since 2005, interest in forming CWGs remained steady although the rate of accumulation of new groups fell, with the youngest group surveyed being established in 2016. These newer groups are perhaps somewhat more focussed on use of the woodlands for specific activities including enterprise development than the preservation or creation of public amenity than earlier groups.

Figure 1 indicates the income level of the groups in 2016. Interestingly, many of the early groups have incomes below £5,000 in 2016, with higher incomes for more recently formed groups.

Legal forms and tenure

Figure 2 illustrates the proportions of legal forms adopted by the surveyed CWGs. Four of the groups are formally constituted as charities with four of the companies limited by guarantee also being registered charities. Thus, half of the surveyed groups are registered charities which has implications in terms of the nature of economic activity allowed, distribution of profits, a requirement for an asset lock and tax relief. There are fewer restrictions on companies limited by guarantee though the specific legal form used (without shares) means they are unable to distribute profits to individuals and effectively are ‘not-for-profit’. There are no restrictions on unincorporated associations, they

can hold bank accounts, have formal constitutions and can receive grants but the lack of registration with Companies House or the Charities Commission mean their options for grants and formal revenue generation are limited.

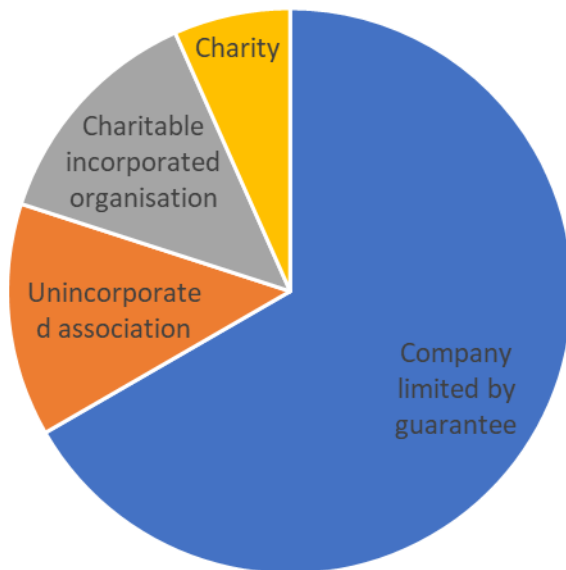


Figure 2: Legal forms represented in the surveyed groups

Comparisons between the proportions of CWGs using different legal forms with previous studies are complicated by differences in the way the groups were categorised and also by the recent introduction of new forms e.g. the Charitable Incorporated Organisation. Nevertheless, putting our figures alongside those of Wavehill (2010) it appears that there has been little substantial change in the legal forms used by CWGs and the straightforward Company limited by guarantee remains the most popular (~60% of CWGs) and Unincorporated associations persist at around 10% of CWGs.

Figure 3 shows the range of relationships between CWGs and their woodland. Most rely on agreements with landowners – some of these are formal, time-limited and backed with detailed management plans (e.g. as required by NRW) while others do not have time limits nor include management obligations (e.g. “Friends of” relationships with Local Authorities) and can be with public or private bodies. Four (27%) of groups own their woodland and 2 (13%) lease woodland from public or private landlords. The proportions of these different tenurial arrangements are much the same as reported for 2010 (Wavehill 2010). Then 25% of woodlands were owned by groups, 24% were leased, 28% had formal agreements and 21% other (presumed informal) agreements. The present sample is too small to determine whether the apparent reduction in leases is significant.

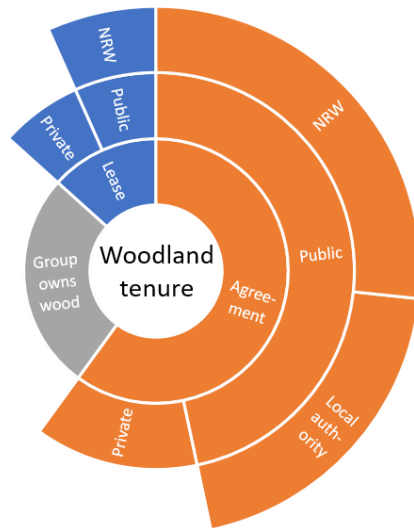


Figure 3: Tenure of woodland used by surveyed groups

Objectives

Woodlands and communities are diverse, each CWG is unique so generalisations are problematic. Nevertheless, the surveyed groups have common aspirations for their woodlands as shown in a word cloud³ of responses to the question *What was your group set up to achieve?* (Figure 4).



Figure 4: What was your group set up to achieve?

The aims and objectives for the groups are formulated in many different forms, some as short statements outlining aspirations, others as bullet lists of priority actions. The objectives provided on the questionnaires were tallied under a range of headings and the proportion of groups indicating each heading is given in Figure 5. Most groups indicate a mix of environmental and social objectives

³ A word cloud sizes words to represent the frequency they appear in a list. In this case the list is significant words, one mention per group in the answer given on the questionnaire.

though one group only listed social objectives, while two groups had objectives which were mainly environmental. The most popular objectives were: management (of woodland or local environment); biodiversity (enhancement or conservation) and recreation. Other objectives such as education, training, fuelwood production etc. were mentioned by relatively few groups which underlines the difficulty of generalising CWGs. Bearing in mind that sample sizes are small there appears to be trend over time towards a greater variety of objectives with somewhat more emphasis on social benefits with the inclusion of items such as carbon which were not present in the late 1990's.

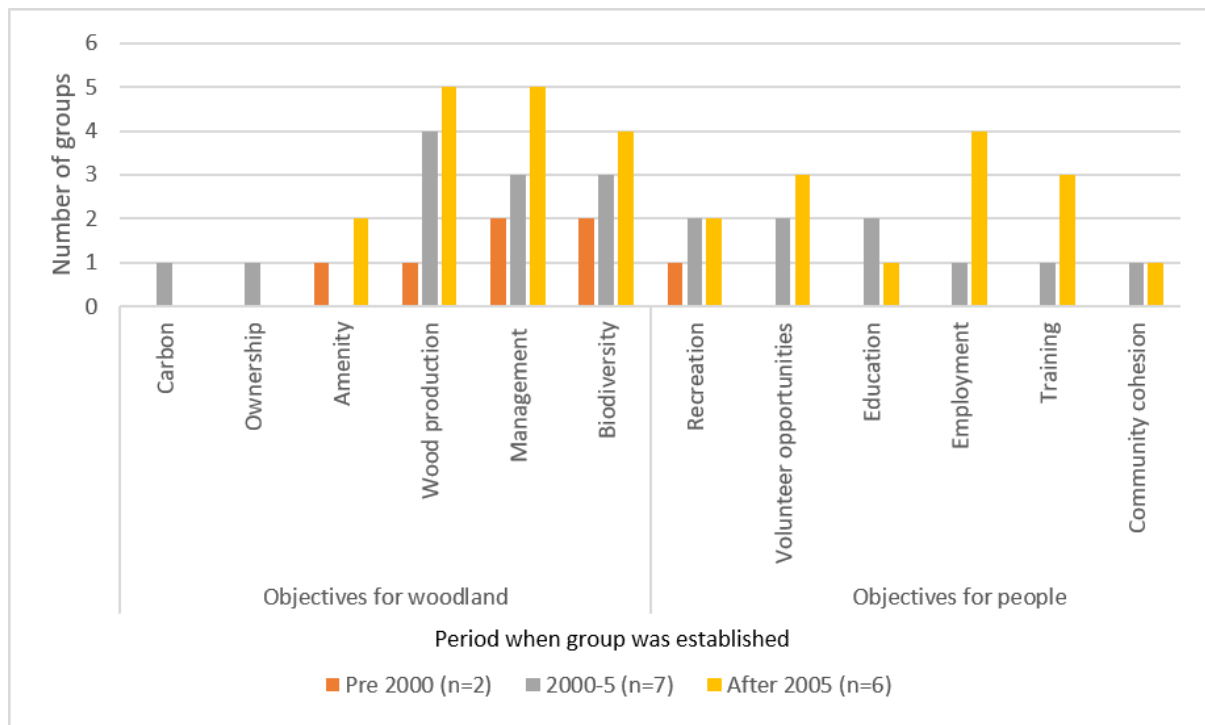


Figure 5: Stated objectives of surveyed groups

When asked about changes over time, nine of the groups (60%) said that there had been some changes. Most of these being accommodation of changing external circumstances or reflective learning as the group matures. Six groups (40%) said there had been no substantive changes in the nature of the group over time. An interesting trend is that several groups reported a drift in emphasis from securing the woodland and biodiversity conservation towards social engagement in the form of awareness raising (especially for young people) and activities related to local issues.

Several groups reported a reduction in the availability of volunteer time both because of ageing and shrinking numbers of volunteers, loss of funding for volunteer supervisors and lower 'hit rates' on grant applications which means more time is needed to prepare multiple applications to secure funding. In response to these difficulties several groups had recently reduced the scale of their work either by focusing on one of several sites or only undertaking less demanding activities.

3. Current economic status

This section looks in detail at inputs in terms of cash and volunteer time and outputs over the 'last' year for which the group provided annual accounts which was either 2015 or 2016. Most groups provided full income and expenditure accounts though for a few only the abbreviated accounts were available. Estimates of volunteer and staff time were provided by the groups in more or less detail depending on whether they had to provide volunteer time sheets for specific funded projects or not. Outputs for multi-faceted woodland and social activities are notoriously difficult to monitor and record. The approach taken in this study was to simply ask the groups to list the benefits they see arising from their work at two scales: the local area and wider community.

Cash income

The average cash income for the surveyed CWGs for their last financial year was £ 29,040. However, as shown in Figure 6 there is a wide range from just under £ 1,000 to just over £ 150,000. Unsurprisingly, groups with higher incomes are those which supported employment. From our small sample, it appears CWGs can be grouped according to their income levels into Low income (less than £5,000), Middle income (£10,000 to less than £30,000) and High income (greater than £30,000) classes. Low income groups are solely volunteers, Middle income groups may have some employment while High income groups all employ some staff (though this can be anything from a few hours to full-time positions). These income classes are useful in disaggregating the causes of the changing fortunes of CWGs.

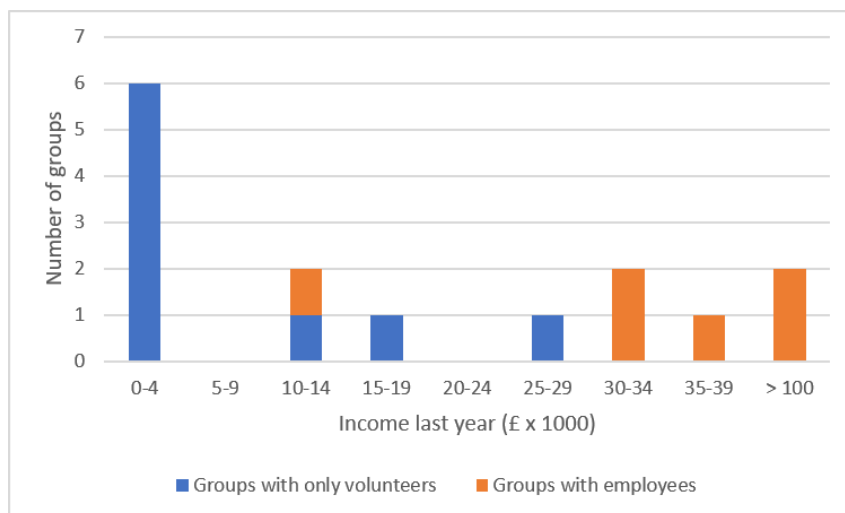


Figure 6: Cash income reported in the last annual accounts

Figure 7 shows the sources for the pooled income for 'last year' for all groups in the survey. This clearly shows the level of dependency on grants from local or national programmes with a modest contribution from enterprise activity in the form of produce sales, provision of services (e.g. health activities) and event or venue fees and small amounts from local fundraising and donations.

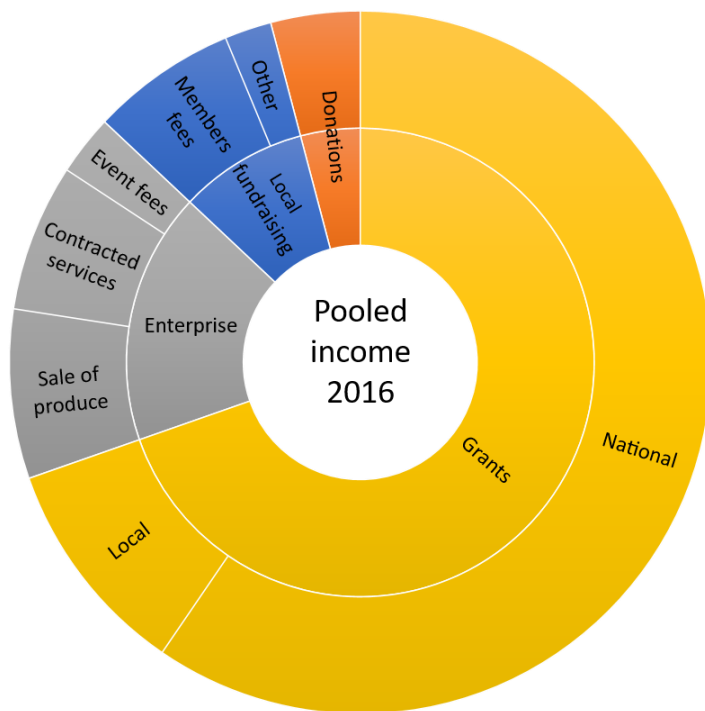


Figure 7: Sources of income for 14 CWGs in the last financial year

The mix of income sources used by the groups is very variable - six groups took grants for more than 80% of their total income while three groups took their income from donations, local fundraising and enterprise activity. Despite each group having a unique funding profile Figure 8 shows there is some congruence in funding sources within the Low, Middle and High income classes. All of the High income groups are in receipt of national grants and engage in commerce (sales and fees) which suggests they are aspiring social enterprises. Middle income groups use a mix of local fundraising (membership fees etc.) and grants, while Low income groups rely more on fees and donations.

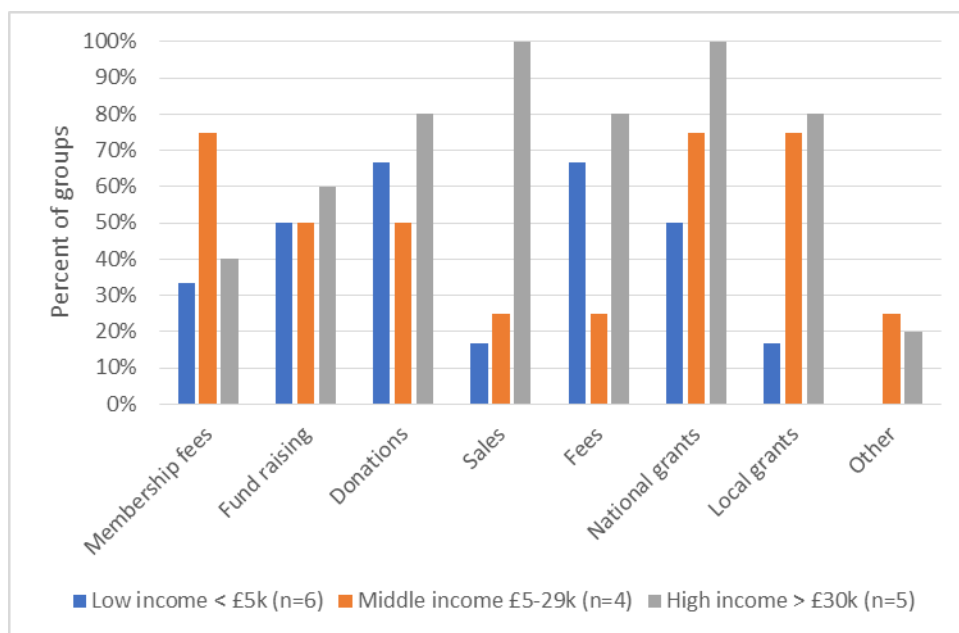


Figure 8: Sources of cash last year by group income class

Grant funding

As shown in Figure 7 grants are the main source of funds for CWGs and this deserves closer investigation. Grants are “a sum of money given for a particular purpose” (OED) and can come from a wide variety of public or private sources for a wide variety of purposes usually to generate public benefits.

The 15 surveyed groups were asked to list successful and unsuccessful grant applications from the establishment of their CWG. This proved to be too much to ask, especially of older groups so the focus shifted to listing of all larger grants and a review of smaller grants and unsuccessful applications over the past few years. In all, the survey collected information on 167 successful grants amounting to just over £2.2 million and 39 unsuccessful grant applications (see Appendix 2). Figure 9 shows how grants awarded to the surveyed CWGs from 1992 to 2016 were used.

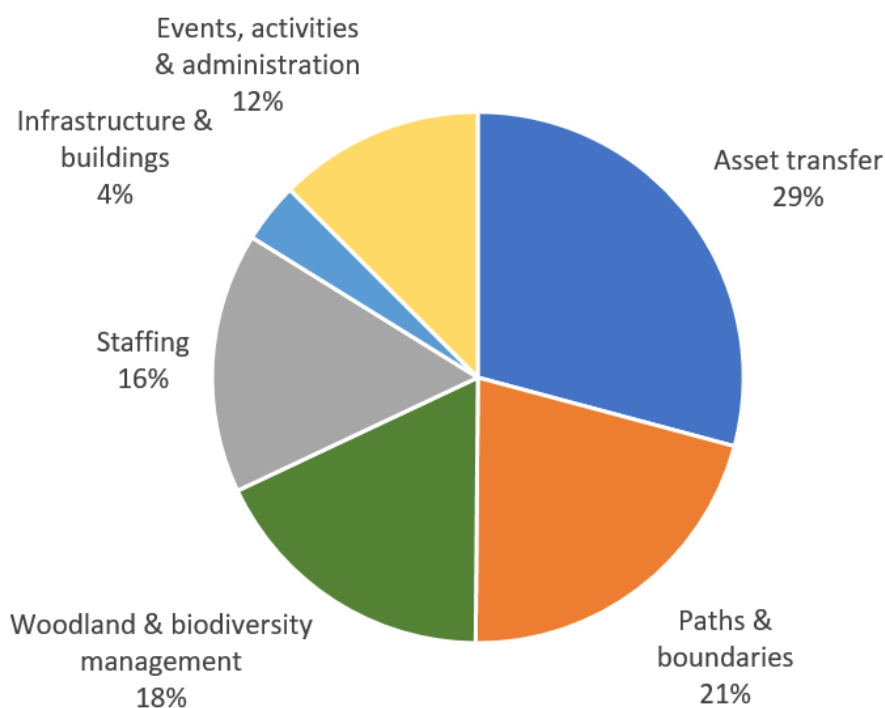


Figure 9: Use of grants (1992 to 2016)

The largest proportion of the grant income (32%) was spent on buying freehold or leases for woodland for five of the groups though most of this was spent on one group, while another needed just £1000 to cover legal expenses for land sold for a peppercorn. The next largest expense was investment in paths and boundaries which are essential for woodland which is being newly opened up for public access. This funding usually took the form of a capital investment and work on these improvements usually preoccupies the first few years of a groups’ activities. Woodland, habitat and biodiversity management come next and are an ongoing expense. Six of the groups employ staff and use grants to pay salaries. Smaller amounts are spent on the tools, training and volunteer expenses which underpin CWGs activities.

The 13 groups which obtained grant funding in the ‘last year’ (2015 and 2016) made use of 39 grants from 24 funding programmes (see Figure 10). It was apparent that these grants fell into six distinct

'types'; some public and intended to deliver government strategy, others private and philanthropic. Grants were therefore grouped into the six distinct 'types' shown in Box 2.

Box 2: Sources of grants

Public grants from local authorities, Welsh government and EU is given to further rural development, environmental and social objectives. These have traditionally been the main source of grants to CWGs in Wales.

Private grants given by NGOs (e.g. Woodland Trust) to further their objectives. These are usually very small.

Levies are charges required by law for particular environmentally damaging activities with the proceeds targeted to alleviate damage or distributed for charitable purposes. The Aggregates levy is levied against quarrying and was distributed by the Welsh Government until 2015 when it ceased. The Landfill tax is distributed by the waste management companies e.g. Biffa while the Carrier bag levy is distributed by the shops to local charities.

Charitable trusts usually distribute grants from the income generated from a philanthropic donation or bequest to a Trust.

Social responsibility funding is a voluntary contribution by businesses for charitable purposes. The monies are usually placed into a Trust and funding is linked to the location of the business and intended to benefit local communities.

The Lottery represents the distribution of profits from various lotteries to different causes and is probably the single largest source of charitable grants available in the UK.

The most significant grant provider was the Welsh Government through the Environment Wales programme which awarded seven grants from three of its funding streams (Start-up, Management and Small projects). Environment Wales also gave more grants to CWGs than other sources in 2010 (Wavehill 2010). Environment Wales closed in September 2015⁴ and the loss of this programme together with increased competition for grants is of great concern to CWGs and is further explored in Chapter 6.

⁴ See Resources for Change (2014) for evaluation of the 20 years of Environment Wales.

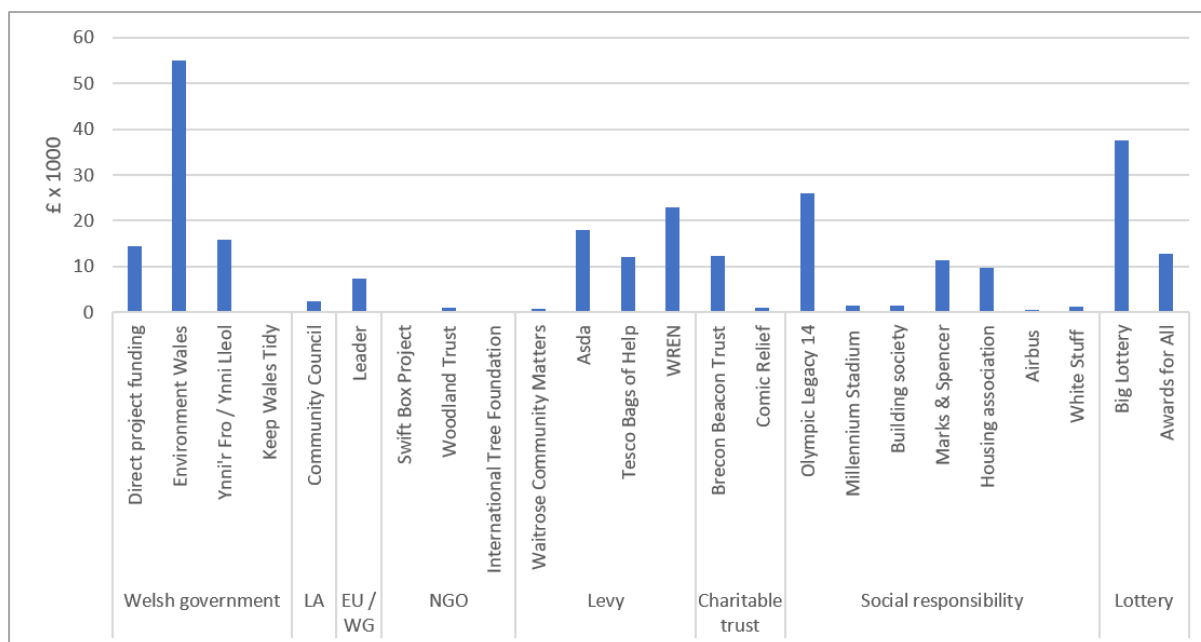


Figure 10: Grants schemes awarded to surveyed CWGs in 2015 & 2016

In-kind inputs

Besides cash, CWGs can draw on considerable in-kind resources. The most obvious of these is the time, skills and energy of the group's volunteers. An average of 2,610 volunteer hours was reported by the surveyed CWGs with a range from under 500 hours to more than 8,500 hours as shown in Figure 11. There is only a weak relationship between cash income and volunteer inputs. Generally, Low income groups commandeer fewer volunteer hours than Middle and High income groups with the annual volunteer hours being 1,479 hours for Low income groups while Middle income groups average 3,483 hours and High income groups 3,717 hours a year. This is not unexpected as groups with more income are able to purchase the tools, materials, insurance and supervisors required for volunteer work parties and can support more events. Several of the Low income groups reported that they had ceased maintenance work because they had been unable to source funding. Nevertheless, there are clearly groups which operate on very low cash income but can mobilise considerable volunteer effort.

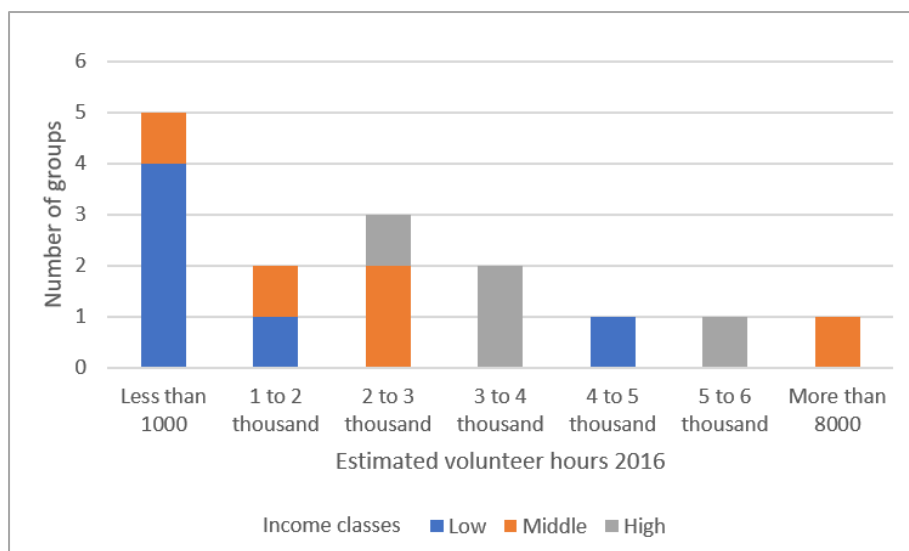


Figure 11: Volunteer hours for last year

As shown in Figure 6 groups with higher incomes have employees whose time is not included in Figure 11. In 2016, six of the groups (40%) employed 12 paid staff between them, mostly in part-time positions. In the current year two of these groups have ceased employment while another is experiencing significant difficulties maintaining sufficient income to support the paid post. All employment by groups was apparently dependent on grant funding.

In order to assess the total inputs to the group activities we can convert the volunteer staff time into in-kind contributions using the rates provided by WCVA (2014) and the National Minimum Wage⁵. On this basis volunteers, on average, contribute in-kind time valued at four times the cash income to their groups. As before, there is considerable variation, with 60% of the groups contributing more volunteer time than their cash income but with two groups mobilising volunteer time worth 16 times more than their cash income. Of the groups where cash income was more than volunteer time the lowest contribution was worth 30% of cash with most being around 60%. These figures suggest groups levered in £4 for every £1 of cash income in volunteer time. This is in line with the multiplier for the Environment Wales grant funding which was shown to be £6 per £1 of grant (Resources for Change 2014).

A deeper look at what volunteers actually spend their time doing for their group is shown in Figure 12, while the numbers of people involved in each activity is shown in Figure 13. It is interesting to note that although the greatest number of volunteer hours goes into woodland management and maintenance activities more people turn out to help with one-off 'project' activities. The former being done by the group stalwarts and the latter by people prepared to pitch in once in a while.

⁵ <https://www.gov.uk/national-minimum-wage-rates>

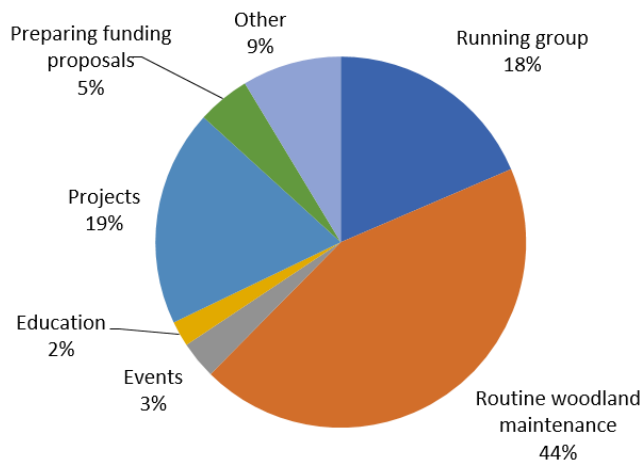


Figure 12: What volunteers do

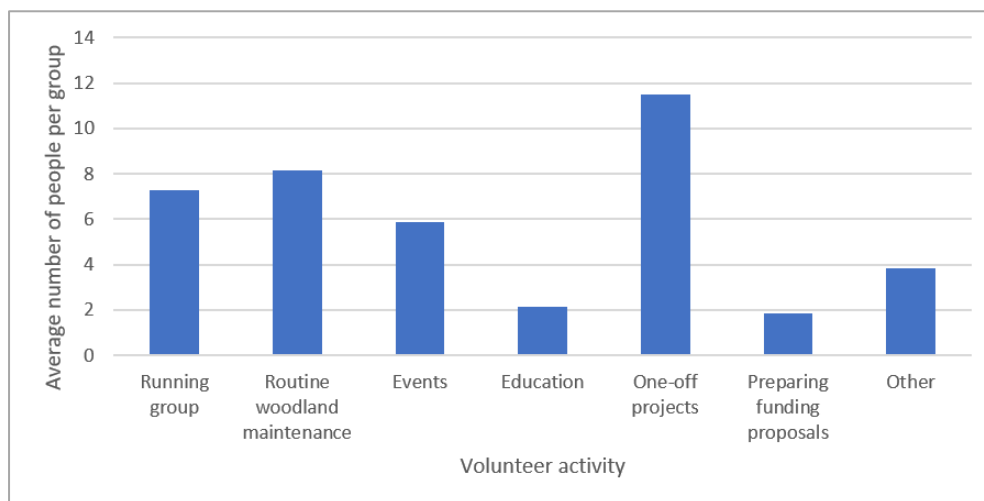


Figure 13: Numbers of volunteers by activity

There are also other forms of in-kind contributions – such as free use of equipment, free advertising etc. which can greatly ease the financial burden of day-to-day operations of a CWG, while donations of assets can provide a basis for longer-term, sustainable income streams. Pioneering schemes such as the ‘donation’ of trees on land over which a CWG holds a community management agreement with NRW opens up the potential of utilising the commercial value inherent in trees to fund CWG activities in lieu of grant support.

Delivery of environmental and social benefits

The groups were asked in two questions to record the benefits their activities provide. The responses are summarized in Figure 14 (the size of the box represents the number of groups listing each benefit). Note that these results represent the perspective of the group. Just about all CWG deliver most of these benefits but only a few were picked out as being noteworthy and these were the ones most closely related to the founding purpose of the groups (compare with Figure 4).



The size of the square is proportional to the number of groups reporting each benefit

Figure 14: Self-reported benefits arising from CWG activities

A more formal quantification of objective indicators for each of these benefits to verify and monitor them is problematic as shown in the attempt to do this for Environment Wales by Resources for Change (2014). CWGs generally only track delivery of benefits when it is required by a funder against using indicators appropriate to the funded project. This provides some detail but is insufficient to track all activities and benefit flows over time. Several groups mentioned that there is a need to be able to quantify CWG benefits to help justify their activities to funders or that government should be more aware of the nature and scale of public benefits delivered by CWGs.

An example of the scale of benefits comes from one project which installed people counters at the entrances to an urban woodland which together recorded 70,000 passes along the main path which was equated to an estimated minimum of 35,000 visits per year. This on a site that most likely would not have remained a woodland nor become a public space without the actions of the founding group. The majority of surveyed groups can take credit for creating public spaces with suitable infrastructure (paths, steps, fences and benches) in what was formerly neglected, impenetrable or inaccessible woodland. This enhances the well-being of the volunteers, visitors and neighbours of the woodland and this in turn fosters community cohesion, pride and sense of place all of which is difficult to measure but nonetheless meaningful. The provision of other social benefits depends on the type of activities the group undertakes e.g. training only arises if the group has funds to bring in a trainer or the in-house skills to provide it; arts requires an artist etc.

A distinctive feature of CWGs is that the scale of in-kind contributions and social benefits are often much more than the cash investment. For example, one group sourced £500 to purchase scythes and equipment to cut hay on a wildflower meadow and these tools were used by 200 people who scythed the whole meadow over 12 sessions. Groups can successfully deliver their objectives with incomes of just a few £1000s and their volunteers once they have had an initial capital investment in essential infrastructure (i.e. paths and boundaries). However, regular maintenance is needed and periodic repairs and replacements needing larger investments which have traditionally come from grants.

4. Financial sustainability

Financial sustainability i.e. a reliable means to meet necessary expenses is a prerequisite for the continued existence and activities of CWGs. As shown in Figure 7 the largest proportion of funding comes from grants and is therefore subject to the vagaries of the funders and is inherently unreliable from the perspective of CWG. There have been attempts to use enterprise to create independent incomes but none have yet reached a state of maturity and it remains to be seen if this can provide sufficient income to cover costs. Against this background this section examines the groups' concerns with funding in greater depth.

Money worries

The survey included the question *What is your biggest worry concerning money?* With the results shown in Figure 14. Two groups were in the fortunate position of saying they had no worries about money. Interestingly one of these avoided the need for a secure income by refusing to take over ownership of the woodland while the other was a group who actively worked to build up a cash reserve to cover contingencies. So, one avoided the need for money while the other planned ahead. In between these extremes, groups expressed significant worries over sourcing income to meet future operations and challenges.

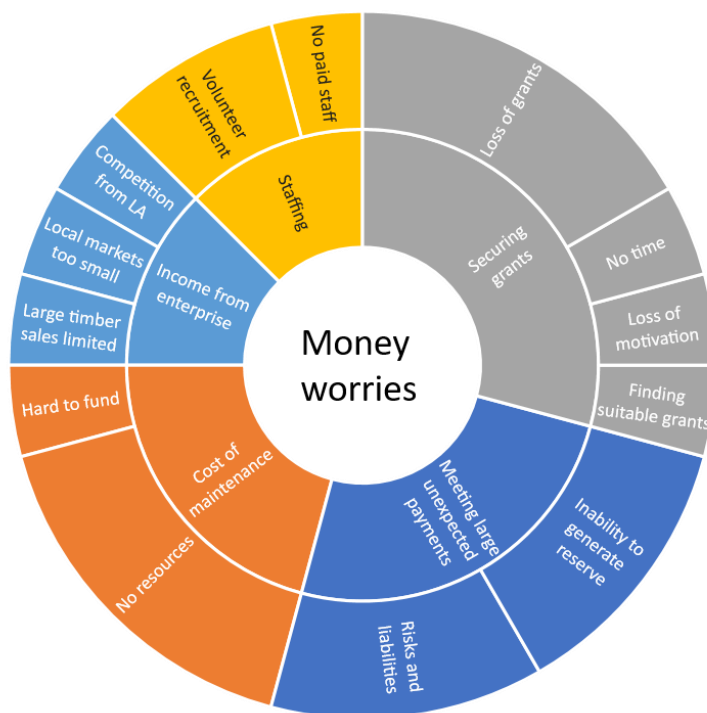


Figure 15: Money worries

Foremost in people's minds is the capacity to meet the costs of large unexpected events such as a tree falling on property, emergency repairs etc. – this being coupled with the complaint that it is very difficult for groups to build up reserves to give them the ability to meet such costs.

Meeting the costs of routine maintenance is also a concern and is increasingly hard to fund with the demise of grants for woodland management. The first to go was Better Woodlands for Wales which provided support for management planning, community consultation, surveys, routine maintenance

and payments for permissive footpaths. Then the successor Glastir Woodland Management which still supported maintenance but withdrew support for management planning, was dropped. Environment Wales was also much used and appreciated by groups and was able to fund management activities and this has also closed. Groups are looking to other grants but this is proving difficult and repeated failure to secure funding is wearing down morale especially for those groups which depended on small, repeat grants to provide the tools and materials to maintain infrastructure (i.e. path maintenance – work done by volunteers). Beyond problems with morale, groups also report difficulties in recruiting new volunteers and are concerned about succession while chasing grants burdens existing volunteers. These issues mirror the 5% of volunteer time that is spent on grant applications in Figure 12.

Groups who sought to generate independent income streams reported some constraints on enterprise activity. These include: competition for delivery of social services from new charities into which the local authority transfer staff, to realisation that local markets in remote rural areas are not able to provide sufficient income to support small woodlands while even timber-orientated enterprises are finding that conventional timber sales offer limited returns and value-addition is probably required. Despite various experiments with social enterprise none of the surveyed groups are even close to being self-sufficient.

The bottom line

The most fundamental measure of financial sustainability is whether the groups can meet the basic costs of running the group. Each group provided an estimate of what it costs to ‘tick over’ as shown in Figure 6. Note the axis on this chart is logarithmic to accommodate the wide range of responses. The sources of the funds to meet these costs are given in Figure 17. Very few groups obtain an income from commercial activities (indicated as fawn bars in Figure 17) which could go towards meeting basic costs, and sales are of calendars not timber or other woodland products. Only five groups have membership fees and this is most often justified to meet basic costs such as insurance, company registration and AGM expenses etc. Local fundraising takes several forms including local ‘lotteries’ such as Club 100 which is used by three groups to raise funds. Donations are essentially one-off payments which can be solicited, for example, by a ‘contributions’ box at free events but are often also unsolicited. Community and Town Councils support several groups with small, regular contributions to cover essential costs, particularly public liability insurance for the site. However, this leaves four groups, those which have employees dependent on grant income. The other two groups which had employees in 2016 have decided to downsize and have returned to volunteer-only based operations. This decision was in part because grant funding ran out but also because of the strain put on the volunteers who needed to manage the employees and provide match funding.

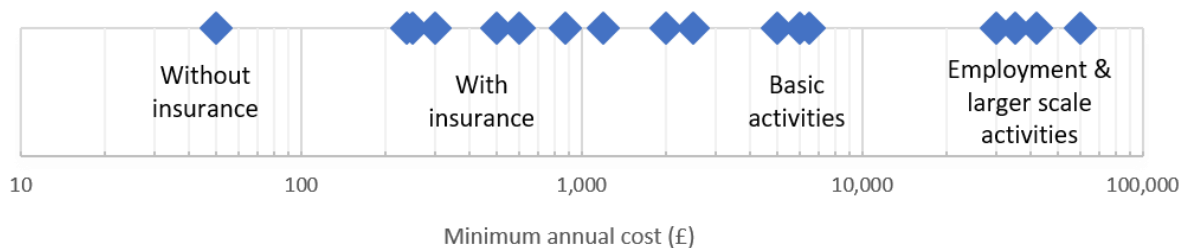


Figure 16: How much cash does it take to keep a CWG going?

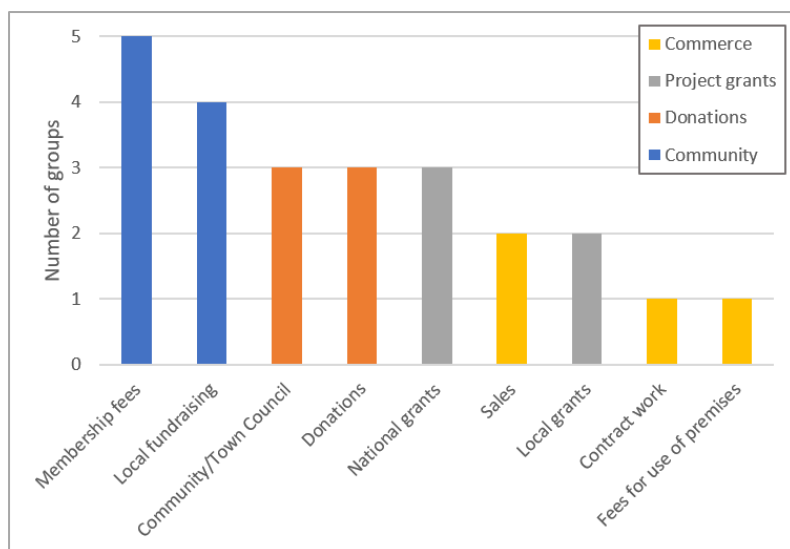


Figure 17: Where do basic running costs come from?

5. Looking to the future

This section reports on responses to questions related to *challenges* being faced by the groups. The focus on what appear to be negative perceptions of the future was intentional and intended to help identify interventions that could assist groups achieve their potential.

Barriers to group aspirations

The survey included a question *What would you like to do in the woodland which you can't do right now? What is stopping you doing this?* This was intended to explore a little further what was preventing groups from realising their aspirations. The groups said they would like to pro-actively manage their woodland asset, acquire new woodland, learn new skills and offer new activities. Figure 18 lists the barriers to achieving these aspirations. 20% of groups said nothing stopped them achieving what they set out to do with 80% listing a range of barriers. The most prominent of these were issues with landlords mentioned by 33% of groups which only relates to groups who lease or have management agreements (73% of groups) taking this into account 45% of groups who don't own land are restricted in what they can do by their landlords. Lack of available funds was mentioned by 33% of groups while 27% were limited by available volunteer time. A similar question on barriers to undertaking activities was asked in 2010 (Wavehill 2010) with very similar responses – 47% cited funding as main problem, 18% lack of volunteers and 18% lack of time.



Figure 18: Barriers to group aspirations

Box 3 and Box 4 give some insights of groups' perceptions of barriers in their own words.

Box 3: Groups confident they can take on new projects

There are always jobs or projects that 'would be good' - creating some meadow areas; building a bird hide; archaeological investigations; doing charcoal making; having more volunteers to do more steps, stiles, track works - but generally we have had a go at a lot of different things - and been quite creative in finding partners and funding to do those different things.

Nothing stops us but time.

Nothing really, but it would be good to have people with wood craft skills using the wood on site, but we haven't established a suitable contact.

Box 4: Groups facing difficulties with future tasks

Context	Issue	Examples
Maintain infrastructure	No funding available for routine repairs	Improving the main path through the wood. Lack of funds prevents us from making the necessary improvements.
		Undertake more expensive maintenance activities and tree work. No income to do this without recourse to increasingly inaccessible grants.
		We would like to do a lot more improvements to the parts of the paths that get very wet and muddy. We have tackled some stretches with volunteers but there is more work to do on this than our volunteers can cope with within a reasonable timescale. So, the problem is lack of enough volunteer time and the effort of applying for grants to get this work done by contractors.
		Repair the footpaths; but this is Council's responsibility, but they claim they have no money. We cannot access funding as we do not own the site!
NRW management agreement or	Limitations on lease and scope of management	Income streams are limited as NRW soak up available access and management funds and organisation of events so no opportunities for commercial development/

Context	Issue	Examples
lease	agreement prevents	Would like to offer overnight stays/accommodation for community activities but not allowed.
Acquire more woodland	Resources available but location an issue	Buy more woodland - none available where we want it (adjacent to us!)
	Location not an issue but no resources	We'd like to take on further woodlands but currently lack the money, volunteers and equipment to do so.
Set up new enterprises	Lack of resources and skills	We would like to gain extra skills like charcoal manufacture, basket making, fencing, birch sap production etc. but we need finance to hire experts and equipment to learn to do these things and then to know how to market the finished products.

Perceptions of future income streams

The groups were asked for their perceptions of the past and future significance of different funding streams. Many of the respondents did not complete this part of the questionnaire so these results are quite speculative but do at least give an indication of what groups are prioritising – which is apparently everything. There are some apparently contradictory messages around the continued importance of local and national grants. This is because groups in the past have relied on national grants but see these disappearing – there are two reactions to this – one group who has already benefitted from these grants is looking elsewhere and aspires to financial independence while other groups who are seeking to develop larger projects or assets continue to chase national grants but appreciate this is increasingly difficult and competitive. Local grants have been lower priority for many groups as they are generally smaller in scale but these are now looking both more attractive and there are more coming online in the form of wind farm community funds and Landfill tax schemes. However, groups which have taken advantage of these grants in the past are finding they are becoming increasingly competitive. Local fund raising is something which people think was more important in the past and also more important in the future. This is a reflection of the one-off nature of opportunities such as the carrier bag levy where if you have had one you are unlikely to get another and groups are looking forward to other opportunities of this nature as well new ones such as Club 100.

6. Changing sources of funding

Figure 19 sums the incomes received by the groups in each income class since 2000. Each income class has distinctly different experiences with funding. Low income groups have seen a steady decline in funding. Middle income groups only feature from 2010 as they are the more recently established groups (see Figure 1). High income groups have highly variable incomes. Note that the data for 2015-16 is for roughly two-and-a-half years while the other entries are for five years – there is time yet for the 2015-19 to equal that of 2010-14 though this seems unlikely at least for the Low income groups.



Figure 19: Income since 2000

This section presents an analysis of the information provided by the groups of past grants and current fund-raising activities to place CWG access to examine the broader context of these trends.

Access to grants

There are a number of sources of grant funding as shown in Figure 10 and listed in Appendix 2. Grants derived from EU programmes are often only available within the 7 year RDP periods and are time-bound. Grants from Welsh Government are also subject to change with shifts in public policy or changes in administration. There is somewhat more stability in non-government funding derived from the Lottery or private trusts but even here objectives change and programmes can become more difficult to access in the face of increased competition. Figure 20 illustrates the changes in grant funding awarded to the surveyed groups since 2000.

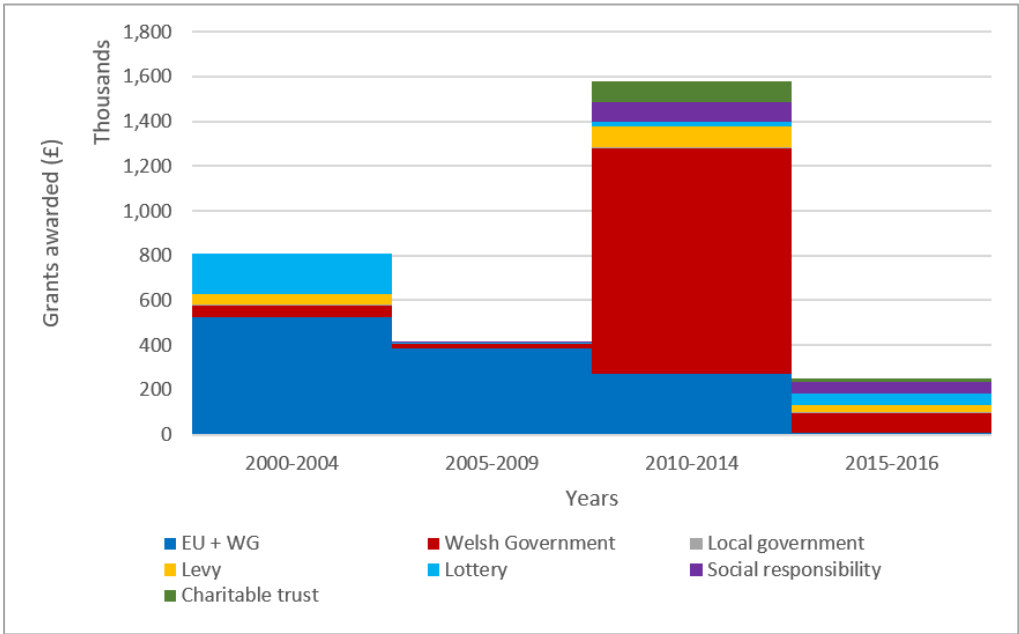


Figure 20: Changing grant funding as experienced by surveyed groups since 2000

There are three noteworthy features in Figure 20:

- A steady decline in EU funding accessible to CWGs from a high during the period of the £12 million Cydcoed project through the withdrawal of the Better Woodlands for Wales (BWW) and Glastir woodland management grants to almost nothing being available in the gap between the 2007-2013 and 2014-2020 RDP periods. Changes in the delivery of the 2014-2020 RDP programmes have made this source of funding harder for CWGs to access and Wales will no longer participate in the EU RDP post-Brexit.
- Around 2010-2014 Welsh Government made some considerable investments in CWGs in the form of asset transfer schemes and direct funding for pilot projects. Much of this was one-off funding and never intended to become routine.
- There appears to be a trend of increasing diversification of funding sources and the emergence of new directions such as social responsibility funding (Wavehill did not report funding of this type being used in 2010).

The skills and time invested in grant applications is a burden on CWGs (see Figure 12). In the past, national grants often came with advisory support (e.g. the Environment Wales Development Officers) which meant that groups had equal access to funding and with advisor support a reasonable prospect of success. The funding landscape is now quite different. Although CWGs are well used to set-backs and disappointments with grant applications the ‘hit rate’ on applications has noticeably worsened as groups have had to turn to more varied sources of funding as shown in Figure 21. From fairly reliable five-year Glastir payments and Environment Wales grants, groups are now faced with 1-in-2 or 1-in-3 chances of a one-off, small carrier bag levy.

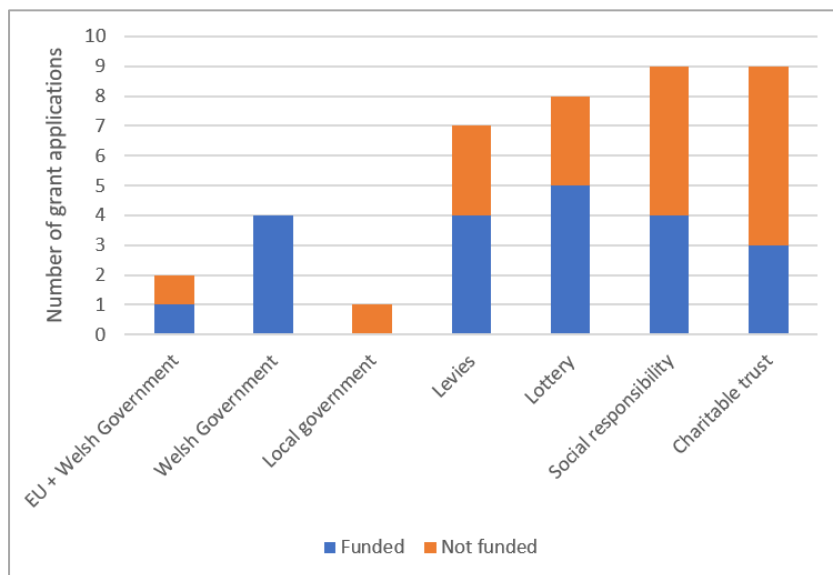


Figure 21: Success of new grant applications by 12 groups in 2016 and early 2017

Each of the sources of grant funding has its own peculiarities. Grants arising from levies on businesses are usually restricted to communities within a specified distance, specified communities or mapped area e.g. within five miles of a landfill site. For some voluntary social responsibility funding, the recipient may also need to be within the community local to the business e.g. the

Toyota Community Fund is only available close to their factories. Several, but not all the levy and social responsibility funds also apply a 'voting' system to the selection of applicants to fund. Where voting is based in a local shop (e.g. Tesco's Bags of Help) there is a reasonable chance a popular community woodland will be successful but where voting is online and at national level it can be difficult to gain sufficient votes to compete against projects in urban areas. The effort involved in canvassing for votes is also a strong disincentive for a small, already stretched board to compete for relatively small amounts of funds (most are for amounts of £1000 or up to £5000). Several of the groups in the survey were unable to identify local grants to which they could apply. It was not possible to map the distribution of restricted grants but it seems likely there are significant holes in coverage leaving some groups with few options for grants.

In addition to area restrictions, some funders (e.g. windfarm community grants) will not fund projects on local authority land which means they are not available to many 'Friends of' groups. In early 2017 none of the three 'Friends of' groups on Council land in the survey had been able to secure grant funding for the previous year - volunteer wardening had continued but other work had ceased. Often the only support for these groups was contributions from the Community Council which is all but invisible in Figure 20 but a significant feature in the essential costs shown in Figure 17. Along with the small amount of money usually provided to cover insurance costs, the moral support of the community council was highly valued by many groups. This highlights that the economics of CWGs is not just about finances but includes social capital and transactions.

There has also been a tendency for funders to be looking for fewer recipients, each taking a larger sum of money. Applications for larger grants require greater investment in the development of the proposed project which is often split into a two stage 'expression of interest' (EOI) application processes. An EOI is a short outline of the proposal; if this passes a review and scoring process the applicant is invited to submit a full proposal. In the RDP programmes, passing the EOI stage means the project is funded provided all eligibility checks are passed. The Big Lottery 'Create your space' programme (last call was £8.8 million for grants from £500,000 to £2 million) has a similar 2-stage application but funding is provided so the groups passing the first stage can purchase assistance for the second stage submission with the full proposals judged competitively with something like a 1-in-4 chance of success. Three of the surveyed groups were involved in Create your Space applications at the time of the survey and none were successful (though one LlyG member group not in the survey did receive funding). The bureaucracy of managing these larger grants is significant and often subject to public procurement and state aid rules which increases the difficulties of managing the project and can complicate the use of preferred contractors including social enterprise spin-outs. Larger grants and these more complex application processes are beyond the capacity of smaller groups – both because they do not require funding at the level being offered and also because they do not have the financial structures required to handle this amount of money, take on employees or a track record with large grants.

Both BWW/Glastir and Environment Wales funding could be used for routine woodland management and often ran over several years. BWW worked around five year management plans while there were no restrictions on multiple applications to Environment Wales so groups could obtain funding when they needed it. Two groups reported receiving 10 or more years of funding from BWW/Glastir while 13 groups received between one and six years funding from Environment Wales. Of particular relevance was the Environment Wales start-up grant of £1000 which together

with the advisor/mentor support greatly facilitated the establishment of the majority of Llais y Goedwig members. Box 5 gives a flavour of the response of the groups to the changing grant landscape. Positive comments related to grants have been collated into a profile of an idealised grant for CWGs in Appendix 3.

Box 5: Comments on grant schemes

Environment Wales Start-up grant: “Brilliant - excellent funding with minimum of fuss - wonder how groups set up now without this little bit of a boost, which also gives confidence that someone believes in you and what you are doing”

“Environment Wales had an excellent and efficient model of working, with a dedicated Development Officer with knowledge of each project able to give immediate and informed advice. Small grants (~£1.5k) enabled us to mobilise our community volunteers and make significant improvement to our woodland. The replacement Welsh Government Environment Small Grants Scheme, giving a small number (~20) of larger grants to a few favoured bodies many be administratively cheaper to run, but frankly is a waste of money and a disservice to wider needs throughout Wales of small community groups concerned about their local environment.”

“With the demise of Environment Wales there would not appear to be any consistent source of the small sums of money that enable a community group like ours to work effectively.”

“This is a big issue as not sure funding or grants will filter down to our level. There is so much in the melting pot and no one is confident of where we will be.”

“Finding ways of energising people is one way [of coping with reduced funding] but not the most sustainable. Staying small is another because it is so much easier to manage especially with volunteers. For managing bigger enterprises then a business model has to be put forward. Not easy but it can be done, not what volunteers want though.”

In combination, these barriers mean that large, well-established groups are better able to access large amounts of money, there is little availability of medium sized grants, almost nothing available for routine woodland management or maintenance and increasingly intense competition for intermittent small-scale funding which usually can often only be used on discrete projects.

Repeated failure to source funding over several years saps volunteer time and erodes morale. It seems likely groups will start to fold and woodlands degrade if this is not addressed in the near future and particularly if the situation worsens as a consequence of further erosion of rural funding. It is notable that three of the surveyed groups have been in receipt of donations arising from dispersal of residual funds from disbanding community-based environmental groups.

Social enterprise

Starting around 2010 there has been much interest and support for the use of social enterprise models for funding CWGs (see Swade *et al* 2014). Larger income groups tend to be more engaged in enterprise activity in the form of sale of timber, firewood, woodland products, social services, contracted woodland management and training contracts. However, smaller groups also raise money from sales of annual calendars and payment for talks. One group is accessing grants to develop a community hydro in the woodland in the hope this will provide a secure income for woodland management and community development. Other commercial opportunities are service

contracts usually for delivery of social services in the form of activities for ‘volunteers’ who here segue into ‘clients’. Payments for ‘events’ is the rental of the premises by third parties for activities such as Forest school, party or perhaps outdoor fitness classes. It is interesting to note that the group with the highest proportion of commercial income generates its revenue from rental agreements with third party woodland activity providers. This model is relatively low risk and does not require employment of staff and is likely to grow in significance.

Although enterprise (sales of produce or contracted services and event fees) is part of the funding strategies for nine of the fifteen sampled groups only one, and this with a modest turnover, generates the majority of its income from enterprise activity – the others have yet to clear 30% of their income from enterprise. This is perhaps not so surprising as woodland-based social enterprises are young and still within the phase where salaries are subsidised by extended start-up support. The high degree of dependency on grant funding was also noted by Swade *et al* (2014) in their survey of woodland social enterprises for NRW. What happens at the end of the start-up grants when the enterprise should be transitioning to dependency on trading income is the real test of the resilience of the business models being applied. Two of the groups included in the present survey had used grants from various sources to initiate social enterprise activity with employees who developed products (mostly firewood) and services utilizing volunteers. Both reached the end of the grants and have not continued with employment preferring instead to downscale operations to a level which can be supported entirely on volunteer inputs. As one respondent remarked it had begun to feel as if the need to secure the employee’s salary was taking precedence over the delivery of the group’s social purpose by volunteers and they were stepping back from employment to rethink how to fund the group’s core activities.

It takes considerable commitment to establish a successful enterprise and in many cases groups are encouraged to experiment with social enterprise as a route to sustainability by funders rather than arising from the groups themselves. This is an important factor in success because in such cases enterprise may be led by people without business acumen or experience so the potential of the commercial opportunity maybe overestimated or not fully exploited. Indeed, groups may include enterprise activity in grant applications for credibility and to win points in a scoring system rather than a commitment to a rigorously researched business plan.

Local fundraising

From an external perspective membership fees might appear to be an easy source of income but it appears that this is only really used by groups who own their woodland or provide access to woodland resources e.g. firewood. For such groups fees are both a useful income and a means of verifying membership which is necessary when the group owns or distributes assets. The groups who do not charge membership fees say that they do not wish to discourage membership, or that their constitution means everyone living within a defined area is automatically a member or it is simply too onerous to collect small amounts of money. Many of the groups who don’t collect membership fees do engage in small scale local fundraising activities such as a donations box at free events, a plant sale etc.. An interesting innovation is the recent adoption of private society lotteries⁶

⁶ <http://www.gamblingcommission.gov.uk/for-the-public/Fundraising-and-promotions/Fundraising/Fundraising-with-100-200-500-clubs.aspx>

i.e. Club 100 by three groups, one of which obtains 80-85% of running costs from their Club 100. Another innovation that had not been adopted by any of the surveyed groups is crowd funding and the related community shares and community bonds.

7. Securing the future

In the past few years there have been several significant developments in Welsh government policy which should be of direct relevance to CWGs. The most far-reaching of these were the passing of the Well-being and Future Generations Act (WFGA) in 2015⁷, followed by the Environment (Wales) Act (EWA) in 2016⁸. Together these lay out intentions to sustainably manage natural resources to improve the social, economic, environmental and cultural well-being of Wales. It is proposed that the key to this is thinking in the long term, at appropriate scales and to encouraging people to connect with the places in which they live and engage with government and public bodies in achieving this vision. As shown in Figure 14 CWGs already undertake management of woodlands, create community spaces and engage with LAs which directly contributes to the WFGA and EWA. Many CWGs are established partners with LAs and NRW and co-produce sustainable natural resource management. LlyG as the representative body of CWGs in Wales is a consultee on the development of government policy.

Although WG has been very supportive of CWGs and there are several reports which describe the sector there has been no differentiation of the sector or evaluation of the success of different support schemes for different types of group. This report concludes with a tentative overview of three types of CWG and their needs.

Well-being and Future Generations

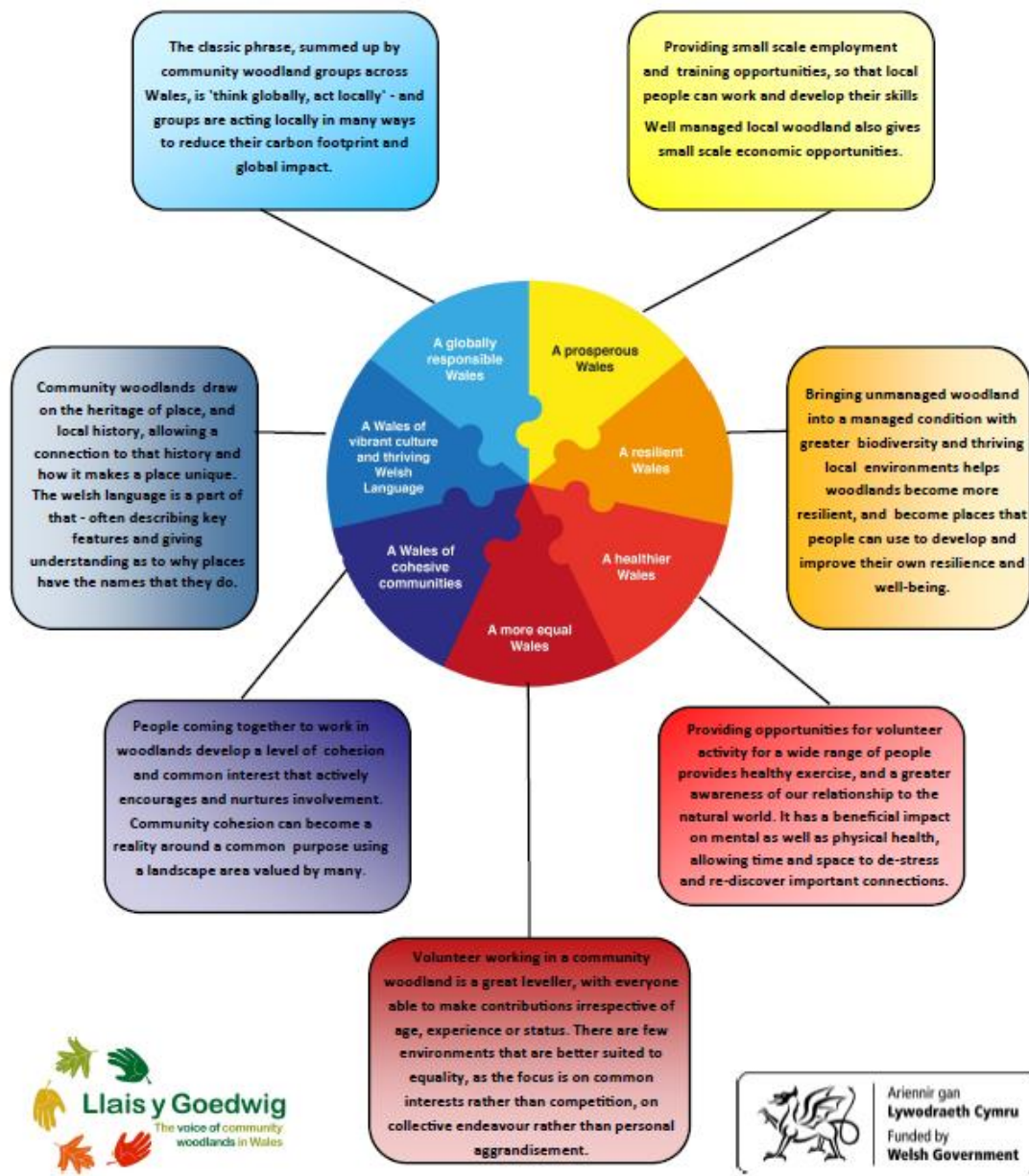
The Wellbeing and Future Generations Act (2015) requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change. The Act defines seven well-being goals and provides a framework for co-operative action to achieve these goals. An analysis of these goals by Llais y Goedwig (see Box 6) shows that CWGs contribute to them all in a very tangible way and do so in co-operation with many public bodies.

Nevertheless, the Well-being plans being developed by the LAs do not feature community-led action on woodland – or indeed other natural resources. The well-being plans available to date are quite brief so detail may emerge as the implementation of the WFGA evolves. It will be important for LAs to be aware of the potential of CWGs and to maintain access to the resources needed for effective partnership between LAs and CWGs.

⁷ <http://gov.wales/topics/people-and-communities/people/future-generations-act/?lang=en>

⁸ <http://gov.wales/topics/environmentcountryside/consmanagement/natural-resources-management/environment-act/?lang=en>

The high level wellbeing goals set out in the vision for Wales are being lived 'for real' at a local level by Community Woodland Groups across Wales



Environment (Wales) Act & Area statements

The EWA sets up a framework for evidence-based planning for sustainable management of natural resources at national and 'Area' levels. Wales-level assessment of the environment takes the form of the State of our natural resources report (SoNaRR) while there are seven Area statements to cover geographic regions. The first SoNaRR report for 2016⁹ formed the evidence base for the Natural Resources Policy¹⁰ which sets out three national priorities needed to achieve the well-being goals set out in the WFGA. These are:

- Tackle climate change, and reverse decline in biodiversity
- Build more resilient ecosystems in Wales, and
- Optimise the benefits to well-being offered by a more accessible and resilient natural environment.

The next stage is the development of Area statements which are intended to set out priorities and opportunities for management of natural resource within the six terrestrial and one marine Area. Preparation of these statements are intended to be a collaborative planning exercise and involve the Public service boards who are involved in the delivery of the WFGA. The development of Area statements will commence in early 2018 with plans to be completed by the end of 2019.

As community-led groups undertaking pro-active management of natural resources CWGs make a significant contribution to three national priorities and should be properly represented within the EWA framework. Funding to support delivery of EWA is to be channelled through NRW as commissioned work against the Natural Resources Policy priorities. In order for the work of CWGs to be able to attract government funding in the future groups will need to engage with the preparation of Area statements or at the very least be aware of these statements.

Resilient community woodland groups

The core members of the surveyed CWGs are committed to continuing but all groups are facing practical difficulties sourcing the income they need for future work and several are also struggling with succession and securing new volunteers to take the group into the future. There is a need for groups to work together with LlyG, public bodies, funders and most importantly their communities to develop practical strategies to address these issues to increase the resilience of CWGs. In this CWGs have a distinct advantage in already being recognised within the Welsh forestry sector and through LlyG having representation in several policy arenas.

For LlyG and groups to effectively engage with the public service boards on Well-being plans and with NRW on Area statements a clear description of the nature of CWGs, what they deliver and their support needs will be essential. A sample of 15 groups is too small to be definitive, however, to initiate discussion a tentative categorisation of CWGs derived from the relationship between the group and the woodland is proposed. This categorisation recognises three basic categories or types of CWG:

⁹ <http://www.naturalresources.wales/sonarr?lang=en>

¹⁰ <http://gov.wales/docs/desh/publications/170821-natural-resources-policy-en.PDF>

- **Co-production** – the key characteristic is that groups work with an owner to achieve mutually-agreed objectives. So, the management plan and benefits are co-produced by the group and land owner. This category includes the “Friends of” style of working and groups working with LAs. This category is largely incompatible with enterprise activity.
- **Owners** – key characteristic is that the group owns their woodland or has complete control over management through a lease. Having sole responsibility for the woodland means taking on long-term commitments and statutory duties which require a reliable income and reserves. In this category the main concern is securing sufficient income to be a responsible steward of the woodland.
- **Social enterprise** – key characteristic is that the group generates an income from sale of products or services. This may generate a profit to be reinvested in the woodland or enterprise or simply cover costs. Employment is not a pre-requisite of social enterprise.

Table 2 explores a little further the differences between these. Note that an individual group may inhabit more than one category e.g. a group owning a woodland may also aspire to be a social enterprise.

Table 2: CWG sector differentiation

Category	Tenure	Activities	Goals	Income needs
Co-production	Agreements with LAs and private owners – co-production of management plans	<ul style="list-style-type: none"> • Wardening • Maintenance of public access • Woodland management • Occasional events 	Keep area accessible to public and well maintained	Low (< 10 k) Periodic capital investment in infrastructure with small annual income for maintenance (materials, insurance and management of volunteers)
Owners	Freehold or leasehold	<ul style="list-style-type: none"> • Woodland management • Maintenance of public access • Events 	Responsible stewardship supported by an independent, reliable income	Middle (< £50 k) Capital investment followed by routine management. Need to be able to accumulate reserves
Social enterprise	Mixed	<ul style="list-style-type: none"> • Provision of social services • Sale of produce • Woodland management 	Self-sustaining income and/or employment	High (up to £1 million) initial investment

There has been much talk of self-sufficiency at group level but it is clear from the findings of the present study that this is not feasible especially for co-production groups but also problematic for larger social enterprises beset by rural market failures and low margins from service-level contracts (the additional cost of providing these services in a woodland is not included in the pricing). Self-sufficiency at group level is a bridge too far for the majority of groups and there needs to be some acceptance that grants will continue to be needed at least in the short to medium term. Looking forward, CWGs need to work together in solidarity and innovate to create sustainable sources of income for the sector as a whole.

The trends in grant sources accessed by CWGs in Figure 20 suggests several emerging areas which CWGs and LlyG could perhaps develop as sources of funding independent of the vagaries of

government grant schemes. This will require advocacy for CWGs and woodlands as well as innovation. For example; might it be possible to:

- Develop a model for social enterprise which could provide a small income for many groups
- Develop a community woodland social responsibility fund to support small scale grants to CWGs (for an example see National Forest (undated))
- Partner with community energy groups to incorporate woodlands into de-carbonisation projects
- Advocate for access to public service level agreements by small scale enterprises including CWGs
- Work with NRW on payment for ecosystem services

Resilience in the CWG sector depends on secure funding that will be accessible to all groups, big and small to pay for the good stewardship which underpins all the environmental, social and economic benefits that flow from community woodlands.

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Appendix 1 – Llais y Goedwig – CWG economics study

Many thanks for agreeing to help with this study! In preparation for the visit by Jenny Wong can you please complete gather together the following documents and complete the questionnaire. Note all information provided in response to this questionnaire will be kept confidential – results for the study will be generalised.

You can either email everything directly to Jenny.wong@wildresources.co.uk or hang onto them until the visit.

Thanks again and I'm looking for to meeting you in person and visiting your woodland!

Jenny

Name of group:

(please rename this file to reflect the name of your group!)

Name & location of woodland

Please provide a copy of your:

- Constitution
- Annual accounts for 2015/16
- Annual report for 2015/16

Please provide a short account of the history of your group and what you do:

- 1) What do you see as the main benefits of your activities to your local area?
- 2) What was your group set up to achieve?
- 3) Has this changed over time?
- 4) What are your objectives for your group? List in order of importance.

FUNDING YOUR ACTIVITIES

5) Roughly how much volunteer time goes into your group?

Type of activity	People	Time
Running the group (admin, committee meetings etc.)		
Routine woodland maintenance		
Events		
Education		
Specific management activities e.g. thinning, tree planting etc.		
Preparing funding proposals		
Other...		

6) Indicate where you cash funding came from last year (approximate % of 2015 total from each source)

Activity	% funding for 2015 (should add up to 100%)	Has this changed over the past five years? How and why?	Do you see this being more or less important in the next five years?
Membership fees			
Local fund raising			
Donations			
Small local grants			
Sales of produce			
Payment for services			
Event fees			
Larger project grants			
Other			

Please give details for any "Other" income streams:

7) What is the minimum income you need just to “tick over”?’ i.e. maintain group, cover insurance etc.? Where does this come from?

8) What is your biggest worry concerning money?

9) Please list sources of project funding and support you have received since your group was founded (include unsuccessful applications)

Funding scheme	Years	Amount	Activities covered	Star rating	Comments (easy to apply for, difficult to manage etc.)
			E.g. Access (footpaths) Events Boundary Maintenance Biodiversity surveys Woodland management (tree surveys & safety work)		

10) What are the features of a good funding/support scheme?

11) How has the wider community benefited from your activities?

12) Has there been any downside to the woodland or local people of your CWG activities?

13) What would you like to do in the woodland which you can't do right now? What is stopping you doing this?

14) Is there more that policy-makers could do to help groups like yours?

Appendix 2: Successful and unsuccessful applications for grant funding

Source of funds	Successful applications			Unsuccessful applications			Notes
	N groups	N grants	Av /grant	N groups	N applications	Av /grant	
Aggregates Levy	1	1	82,000	3	3	60,000	Aggregate quarry tax distributed by Welsh Government closed 2015
AONB	2	2	1,990	1			Sustainability funding within Areas of outstanding natural beauty
Awards for All	6	7	4,340				Small community grants from Lottery
BIG Create your space	2	2	15,000	3	3	1,100,000	Large scale community & environment fund from Lottery
Big lottery	3	5	160,663	1	1	10,000	Various Big Lottery funding schemes
CADW	2	3	10,633				Project & maintenance payments for historic monuments
Carrier bag levy	5	7	5,292	3	4	3,495	Supermarket-based grants for local community projects
CCW	1	1	3,758	1	1	11,252	Biodiversity funding from CCW closed 2013
Charitable trust	8	17	8,417	3	6	1,500	Private charities e.g. Tudor Trust
Coalfields Regeneration Trust				2	2		Funding for community and employment projects in coalfields area
County Council	3	5	19,284				Economic development funds from various sources administered by Councils
CVC / WCVA	6	6	3,663	1	1		Local and national volunteer council
Cyddoed	6	6	102,667				EU Objective 1 programme funding through FCW 2006-2011
Environment Wales	13	34	7,544				Long running small scale funding scheme closed 2015
Forest management grant	3	4	57,333				Annual payments for woodland management closed 2006
Heritage lottery	1	1	180,000				Funding for heritage features which can include natural sites

Source of funds	Successful applications			Unsuccessful applications			Notes
	N groups	N grants	Av /grant	N groups	N applications	Av /grant	
Keep Wales Tidy	3	8	524	2	2	14,365	Environmental charity
Landfill tax	2	2	26,000	2	2	19,167	Community funding within specified radius of landfill operational sites e.g. Biffa Award
LEADER	4	6	50,425	1	1	1,300	EU RDP funds for economic development at Council level
Local Council	7	9	2,006	1			Town and Community Councils
National Park	1	3	3,333				Community funding within national parks
NGO	6	3	583	1			Funds from non-governmental organisations e.g. British Ecological Society
Other	4	7	967				
Postcode lottery	1	1	9,200				Small funds from Lottery
Social responsibility	6	19	9,266	3	5	1,150	Charitable funding by individual businesses
Welsh Government	4	6	40,245	4	4	63,849	Funding administered directly by WG departments

Appendix 3: What makes a good grant scheme?

Between them the groups have direct experience of more than 200 grant applications and have clear ideas of what a good grant for a CWGs should look like. What follows is a precis of their thoughts on what should be included in a grant scheme.

The grant scheme should have:

- Clear aims and outcomes/outputs
- Allow revenue and capital
- Recognise the need for woodland management and maintenance of essential infrastructure

The application process should have:

- Clear forms – so there is no ambiguity of what information is sought and why it is relevant with no repetition of questions
- Proportionate so a form for £500 should be simpler and shorter than one for £5000 etc.
- If a two stage application process is used: the EOI should be a short and simple overview (with no credit for presenting more detail than required) with cost assumptions; the full application should have clearly defined sections and targets addressing clear benefits and community links.
- Supported by good and clear application guidelines
- Supported by an advisor – ideally able to make a site visit and with some understanding of what the applicant wants to do

Evaluation and decision on funding should:

- Be quick
- Include social and environmental benefits in value for money
- Be sympathetic to synergies between different grant applications – this will require funders to be prepared to support part rather than the whole of a project
- Provide, timely, clear and informative feedback on unsuccessful applications

During the project:

- Dedicated project officer
- Sensible approach to supply of grant monies once confirmed (either quarterly payments promptly paid on receipt of proof of spend or if small, up-front)

- Group is trusted with procurement (not micro-managed or done by the funder) and it is possible to use 'preferred contractor' status to build spin-out social enterprise and establish links with local contractors and to purchase second hand
- Monitoring and reporting requirements clear and agreed at start of project
- Flexible with regards to the allocation of funds, details of activities and deadlines to accommodate changing situation on the ground.
- Does not require undue aggrandisement of the funder

At end of project:

- Timely final payments to avoid cash flow difficulties for group
- Reporting requirements which are clear and proportionate