Ownership & Tenure in the Making Local Woods Work cohort

A report by Shared Assets and Wild Resources
Ownership and Tenure in the Making Local Woods Work Cohort

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Shared Assets
www.sharedassets.org.uk

hello@sharedassets.org.uk
@shared_assets

Written by: Kate Swade and Jenny Wong
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1. Executive summary

This report sets out some reflections and initial conclusions on the link between woodland enterprise type and tenure. In essence, this survey of the Making Local Woods Work (MLWW) cohort shows that freehold ownership is not similarly important for all types of woodland enterprise. However, tenure, sufficient to allow enterprises to access woodland, is highly significant and there is considerable variation and innovation across the cohort. We have followed the Random Forest Research Ltd Evaluation Team’s distinction between Social Businesses, Social Enterprises and Community Enterprises. This is further discussed below.

For Social Businesses, freehold ownership (freehold) is not generally a concern and enterprises obtain access to woodland through agreements and leases which are often short-term. However, the security of an ‘anchor’ or ‘home’ site is important to many, especially those trading in wood products.

Community Enterprises are most often based on long-term tenure by a distinct community of place. It is within this group that freehold ownership is most often found though there are successful community enterprises with long term leasehold and contractual agreements. For Community Enterprises, there appears to be a clear development trajectory: from a woodland group that starts trading, to the establishment of a subsidiary or associated company to provide income to support the group’s objectives. A key result of this trajectory is the separation of the trading activity from the ownership of the woodland. Particularly in Scotland, the desire for self-sufficiency from an early stage can mean this development trajectory is planned from the beginning.
**Social Enterprises** are developed in support of a community venture most often, but not always predicated on a long-term community-woodland tenurial arrangement including freehold. They also follow a diversification trajectory often driven by the needs of the business, such as the need to diversify activities or opportunities to create new business lines.

A key part of this work has been abstracting and anonymising the tenurial relations of each of the MLWW groups and drawing broad conclusions from this abstraction. This is an alternative approach from our original proposal to develop case studies, and we believe it offers some interesting conclusions and prompts for further work. However, we recognise that it necessarily ignores the political considerations often involved in community and social enterprise land ownership.

**About the authors**
Kate Swade is an executive director of Shared Assets, a think and do tank with a mission to make land work for everyone. It works to support people and organisations using land for the common good, and to create a world in which they can flourish. Shared Assets was a partner in the Making Local Woods Work programme.

Jenny Wong is a director of Wild Resources Ltd., and was a member of Making Local Woods Work Evaluation Team led by Random Forest Research Ltd. (RFRL).

**Acknowledgements**
Thanks to the RFRL MLWW Evaluation Team and specifically Anna Lawrence, Star Molento, Diane Campbell and Jenny Wong for making available their notes on woodland tenure arising from the interviews conducted for the MLWW evaluation research.

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**Box 1: Non-exhaustive glossary of key terms**

**Asset lock**: a legal clause that prevents the assets of an organisation being used for private gain

**Legal structure**: the legal form that an organisation has. Common legal forms in the Woodland Social Enterprise world include:
- CBS = Community Benefit Society
- CIC = Community Interest Company
CIO = Charitable Incorporated Organisation  
CLG = Company limited by guarantee  
CLS = Company limited by shares  
IPS = Industrial and Provident Society  
SCIO = Scottish Charitable Incorporated Organisation

**Tenure:** the conditions under which land is held or occupied (in this case by an organisation). This can range from full, ‘freehold’ ownership in perpetuity, through to leaseholds of varying lengths, to contracts or management agreements. Tenure involves securing one or more rights over land; this is discussed later in the report.
2. Context

Making Local Woods Work
Making Local Woods Work (MLWW) was a pilot project working to help support and grow Woodland Social Enterprises across the UK. The project was funded by the National Lottery through the Big Lottery Fund. Delivery was led by the Plunkett Foundation and involved a range of partners. MLWW was a three year programme which started in September 2015 and worked with over 50 Woodland Social Enterprises across the UK. It provided a range of support tailored to their individual needs, including business planning, establishing appropriate governance structures, woodland management, or resource assessment. MLWW also organised training events, workshops and webinars that were open to those beyond the programme.

Woodland Social Enterprises
Woodland Social Enterprise (WSE) is a portmanteau concept which represents the intersection between woodland, society and enterprise, represented here as a Venn diagram (Figure 1). The essential characteristics of this intersection derive from the definitions of social enterprise as applied to woodland-based activities.

This is not the place for a discussion about social enterprise definitions, but we should recognise that there is some debate what exactly constitutes a ‘social enterprise’, particularly relating to profit distribution and accountability.

The MLWW programme states “Social enterprises trade to tackle social problems, improve communities, people’s life chances, or the environment. They make their money from selling goods and services in the open market, but they reinvest their profits back into the business or the local community. And so when they profit,
society profits. [...] woodland social enterprise is a term we use when we talk about social enterprises which embed woodlands or woodland products into their core activity. It’s an intentionally broad term that takes into account things like the production of woodfuel and timber, right through to woodlands being used in an educational or health and well-being setting.”¹

In 2013 and 2014, Shared Assets created data baselines of Woodland Social Enterprises in England, Scotland and Wales. In the conclusion to the report on England, it stated: “What is clear from the data here is that woodland social enterprise is not a homogeneous sector: organisations within it vary in size, scale, activities, governance and business models. What unites them is an enterprising approach to engaging in woodlands, a social or environmental motivation and a reinvestment of any profits into their objectives or their community.”²

**Woodland Social Enterprise in the MLWW cohort**

MLWW commissioned an evaluation report from RFRL, which looked at the learning from the programme and had deep engagement with many of the groups in the cohort. The evaluation also noted the lack of homogeneity in the WSE sector:

“...there is an enormous diversity of resources, context and purpose [in the MLWW cohort]. Groups are located in city centres, on islands and remote peninsulas of the UK; in some areas with strong national support mechanisms and in others with no history of social forestry. Some are managing woods the size of a back garden, while others are responsible for nearly 1000 ha; some work behind locked gates while others have open public access. Groups have formed cooperatives, limited companies, charities, CICs and CBS; work with volunteers or paid staff; cut timber and firewood; offer support services for schools and mental health recovery; use their woodlands for events or for affordable housing. The income from their businesses supports local jobs, pays for a village hall, or makes it possible to conserve and manage a much-loved local woodland”.³

From this diversity, the Evaluation Team identified three ‘categories’ of organisation within the MLWW cohort, which we will be using throughout this report:

Box 2: ‘Categories’ of enterprise activity included in MLWW

**Community Enterprise:** community led, geographically defined, benefiting that community, usually with a volunteer board;

**Social Enterprise:** activity intended to generate a profit, in turn used to deliver public benefits; may be stand-alone enterprises, or trading subsidiaries of other organisations;

**Social Business:** enterprises where the income is mostly directed to provision of a livelihood for the proprietors, with the business activity delivering social benefits by trading well-being services, woodland management, training opportunities etc. There are no profits as the revenue is taken as income by the proprietors or invested in the business (e.g. infrastructure, training new staff etc.).

In Community and Social Enterprises, money flows from the woodland and the delivery of social services into the WSE or parent body, which uses the profits to achieve the higher level goals of the organisation. In Social Businesses, money flows from woodland products and services into the business, and pays salaries or circulates to grow the business.⁴

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3. **Our approach to this work**

This piece of work has been a long time brewing. Throughout the [Making Local Woods Work](#) programme, the issue of ownership, whether and how Woodland Social Enterprises (WSEs) should own land, has come up.

**Original brief**

Shared Assets was initially asked to carry out some research with the following objectives:

1. To improve understanding of the circumstances in which Community Enterprise ownership of woodland, rather than other tenure arrangements, can strongly influence the flow of benefits (goods and services) to local communities (or other target beneficiaries)
2. To highlight lessons and opportunities for knowledge transfer from social enterprise land and asset ownership in other sectors

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3. To provide evidence that enables Woodland Social Enterprise stakeholders to understand how and when taking ownership of land can be appropriate
4. To provide recommendations regarding the support required to enable community ownership in appropriate circumstances

Our initial proposal involved desk research to review the current policy situation, what guidance exists, and to what extent guidance related to other sectors can be useful for WSEs. This is summarised in this report and this open spreadsheet of guidance on ownership and tenure⁵. We have also, alongside these reports, developed a simple web based infographic that shows the different options for WSEs when thinking about their legal relationship with woodlands. This can be found here: http://www.sharedassets.org.uk/tenure-choices.

We then proposed to generate 8-10 case studies of different Woodland Social Enterprises and their tenure arrangements to illustrate the different arrangements.

Revised approach
In order to deliver this work, we worked closely with Jenny Wong, who was part of the RFRL Evaluation Team that created the frameworks quoted above and worked closely with many of the MLWW groups during the evaluation. On reflection and discussion, we agreed that case studies were perhaps not going to be the most useful way of helping people get to grips with the issues associated with the legal relationship to land. The ‘story’ and draw of the individual groups can be distracting from the bare bones of the tenure issues. Instead, we have developed a series of abstracted and anonymised relationship diagrams, to encourage focus on the relationships between different actors, rather than the story of individual enterprises.

This allowed us to create an initial grouping or categorisation of the different arrangements seen across the MLWW cohort, and show how the different ‘types’ of WSE tend to vary with their tenure arrangements. This is an initial attempt at creating an approach and we would welcome comments and feedback.

⁵ See http://www.sharedassets.org.uk/what-we-think/#research to access these reports
4. Tenure in the woodland social enterprise sector

Revisiting the definitional issue - a short discussion

Although conceptually straightforward, the domain boundaries represented in Figure 1 (on page 5 above) are diffuse - how much interaction with woodland does a paid-for wellbeing activity need to qualify as WSE? Would just walking through a woodland qualify or would it need to be a deeper engagement? Is it still a social enterprise if all income goes towards salaries and costs of provision and there are no investable profits? Although the MLWW project was focused on WSEs, it is not easy to ‘police’ boundaries especially when there are groups doing great things which are worth supporting and those who may not yet be committed to embarking on enterprise activity.

Therefore, it was not surprising that during the evaluation process, looking with a more critical eye from an external perspective, the RFRL Evaluation Team identified that MLWW had included representatives of nearby domains - particularly businesses working in woodlands. In order to better understand WSE they examined MLWW groups with regard to the extent to which they met the definition of Social Enterprise, which suggests that to be a SE the enterprise should “reinvest its profits back into the business or the local community”. ‘Profit’ is a tricky concept for most MLWW groups as most barely cover their costs. Also all businesses tend to reinvest at least part of their income back into the business so this alone is insufficient to qualify as socially motivated - we should add the caveat that reinvestment back into the ‘business’ should be “in the interests of the social mission” which can be social or environmental as set out in the governing documents.

With this in mind, the Evaluation Team categorised groups where activities were paid-for and the majority of the income was used to pay salaries of the group members as operating more as a ‘business’, even though they often involved volunteers and provided many public and social benefits. These groups were termed ‘Social Businesses’. Woodland Social Enterprises were conceived as those which were constituted to generate profits to serve as income to achieve their own or a linked organisation’s charitable objects. These objects could be the maintenance of the woodland, provision of public access, provision of free services or management of a community asset. Within WSE, there are two further groupings; those that were operated for or on behalf of a community of place which were termed ‘Community Enterprises’ and those termed ‘Social Enterprises’ which can have a range of purposes as shown in Table 1. This categorisation of the MLWW cohort was expanded by the RFRL team in the table below.
### Table 1: Characteristics of socially-orientated woodland enterprise types

<table>
<thead>
<tr>
<th>Woodland enterprise type</th>
<th>Main driver</th>
<th>Legal structure</th>
<th>Charitable status</th>
<th>Income</th>
<th>Income flows to</th>
<th>Size of woodland</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Business</td>
<td>Supporting livelihoods through sale of social or environmental products or services</td>
<td>CIC, CLG, Co-operatives</td>
<td>No</td>
<td>Income for business owners</td>
<td>Business owners</td>
<td>Smaller woodlands, maybe multiple sites</td>
<td>Mainly short term agreements with private owners and local authorities</td>
</tr>
<tr>
<td>Social Enterprise</td>
<td>Funding charitable social/environmental objectives</td>
<td>CIC, CLG, CBS, IPS, CLS</td>
<td>May be registered as a charity, a trading subsidiary of a charity, or channel profits to linked charitable organisation</td>
<td>Profit transferred to a parent organisation which has charitable objects</td>
<td>Parent body</td>
<td>Any size - often a single woodland</td>
<td>Enterprise based on woodland owned by parent organisation</td>
</tr>
<tr>
<td>Community Enterprise</td>
<td>Management/use of community-owned woodland</td>
<td>CLG, CBS, CIC, CIO, SCIO</td>
<td>Likely to be or behave as a charity</td>
<td>Retained – often to fund maintenance of woodland or community development</td>
<td>Community</td>
<td>Any size - usually a discrete woodland</td>
<td>Community-owned or with secure rights (e.g. long lease)</td>
</tr>
</tbody>
</table>

Key to legal structures: CLS = company limited by shares; CLG = company limited by guarantee; CIC = Community Interest Company; IPS = Industrial and Provident Society; CBS = Community Benefit Society; CIO = Charitable Incorporated Organisation; SCIO = Scottish Charitable Incorporated Organisation

The evaluation report did not look specifically at tenure, and this report delves more deeply into the final column of the table above. Issues of ownership and tenure are closely tied to organisational type. By examining the MLWW cohort through the lens of these categories and the
anonymised relationship diagrams below, we can draw some interesting initial conclusions about the real role that tenure plays in these types of organisation.

Ownership and rights
Ownership of woodland by communities is a long-standing issue which, at least in Scotland, is often considered to be intrinsically linked to woodland enterprise development. However, it is clear from consideration of the MLWW groups that there are a wide range of arrangements made by groups to access woodland and woodland resources essential for their enterprises. In order to be better able to examine these arrangements we refer to the concept of tenure as comprising a “bundle of rights” - see Box 3 below.

Box 3: The “bundle of rights”\(^6\)

Access - the right of the organisation to enter the woodland or forest
Duration - how long any of these rights exist for
Exclusion - the ability to refuse another entity use of the resource\(^7\)
Management - the right to manage a site - or to limit others from exercising other rights on the land
Alienation - the right to transfer your rights to another entity (i.e. through selling the woodland) - this can be restricted by the asset lock of certain legal structures like a CIC
Withdrawal - the right to take resources (for use or for sale) from the woodland
Due process & compensation - the right to compensation in cases of compulsory purchase, and access to legal process if rights are abused\(^8\)

What is most important to the enterprise is that it has the correct rights to undertake its activities in the woodland. At the most basic level: an enterprise trading mental health services may only need Access rights, which at its simplest can be obtained through an informal agreement with a landowner. An enterprise trading wood products will require Withdrawal rights which could be obtained through a standing sales contract. The more rights a group holds, the greater their control and diversity of opportunity. Freehold confers the maximum level of rights but is still

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\(^8\) In the UK this is best understood as the formality of an arrangement - a legal document will carry rights to due process that an informal arrangement will not.
constrained by statute and other regulations, e.g. in Scotland there is no law of trespass so freeholders are not able to exclude the public from woodland, whereas in England exclusion can be enforced by any occupier of the woodland with the consent of the freeholder.

Charitable status and many of the legal forms used for social enterprise e.g. CIC, CBS etc. restrict many of these tenurial rights, especially the right to Alienation in the form of an asset lock, but also the right of Withdrawal as the use of profits is restricted. The restriction on both of these rights is often central to the nature of the organisation and the motivation of those involved, specifically in terms of ensuring that the woodland can only be used for social objectives aligned to those of the original organisation. There is therefore an intersection between the legal form of a WSE and tenurial rights and also between the nature of the enterprise and the rights they need. A full analysis of which of these rights are held by different WSEs is beyond the scope of this preliminary analysis but would be very interesting.

**Methodology**

For the current analysis we will examine the differing forms of legal arrangements which provide the context for the exercise of these rights. We distinguish freehold, leasehold, contracts and agreements (both formal and informal). Among the MLWW cohort, there are clear differences in the way the different types of WSE (Community Enterprise, Social Enterprise) and Social Business relate to their woodlands. We are also proposing that there are clear differences within each of these types.

For this analysis, there was sufficient information on tenure for 34 of the MLWW cohort of woodland enterprises. Of these; five did not trade to any extent so were excluded from the analysis. For each of the remaining 29 groups we prepared a simple, anonymised, diagramatic representation of the relationship between the enterprise and the woodland/s in which it works, and the flow of profits arising from enterprise activity. The diagrams were then placed into one of the three categories of enterprise type identified by the RFRL team as described in Table 1. Using an inductive approach, within each category, similar diagrams were grouped together into sub-categories as shown in Table 2 and a generic diagram prepared to represent each sub-category.

The numbers for some of the sub-categories are very small so results should be treated as tentative and it is likely that further work will reveal a greater diversity of tenurial arrangements than represented here. However, there was a remarkable degree of conformity within some categories and more than a hint of a development trajectory for community and social enterprise.
### Table 2: Categorisation of enterprise types arising from the MLWW cohort

<table>
<thead>
<tr>
<th>1 - Social Business</th>
<th>2 - Social Enterprise</th>
<th>3 - Community Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-category</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>1A - Social and well-being services</td>
<td>9</td>
<td>2A - Trading to fund own charitable objects</td>
</tr>
<tr>
<td>1B - Woodland management and products</td>
<td>4</td>
<td>2B - Trading in support of charity</td>
</tr>
</tbody>
</table>

The following sections describe each sub-category identified in Table 2.
1 - Social Business

**Social Businesses** are enterprises where the main aim is to provide a livelihood for the proprietors of the business, while delivering social benefits; there are generally no profits as such as income is taken as salaries by the proprietors or invested in the business (e.g. infrastructure, training new staff etc.).

For Social Businesses, it appears that tenure is not particularly significant; of the 13 enterprises in this category woodland was owned by one or more members of the group in four cases and in no case was the woodland owned by the enterprise itself. It appears there is little intention (at least at inception) to create a long term legacy, and the key priority is earning enough income to sustain the business. Often initiated by an
individual or small number of like-minded people (and often as a co-operative), the growth model for these businesses is fairly conventional and proceeds by increasing the number of customers or offers and may include extending the business to more woodlands.

The 13 social businesses mainly took the form of a CIC or CLG, both of which allow Directors to take a salary from the enterprise. We further identified two sub-categories of social businesses based on the number of woodland sites over which they operate.

**1A - Social and well-being services**

There were nine businesses which traded social, well-being or health services. These business generally traded in a single, small woodland on short-term (5 years or less) lease arrangements. Access and ability to use the woods as a setting for activities are the main requirements; few of these businesses hold management or withdrawal rights. It is noteworthy that several groups work in woods with strict exclusion rights (fenced with locked gates) which is intrinsic to the use of the woodland by vulnerable clients. Such exclusion rights are most often available on privately owned woodlands and are not available in Scotland.

In three cases, one of the members of the enterprise owned the woodland which was used by the group. This type of situation can lead to instability and complexity, particularly if the relationships and associated power dynamics are not made explicit. We discuss this briefly below.
We identified four enterprises which operated on several woodlands. All of these traded in woodland products such as sawn timber, coppice, charcoal, wood crafts or firewood. These groups often had a range of tenurial arrangements over a number of woodlands. These woodlands could be on private farmland and estates, owned by third sector organisations such as housing associations or Woodland Trust, or in public ownership, for example a County Council. The relationships can be based on informal agreements to provide management services or service-level or other forms of contracts to deliver specific management actions. The rights to make management decisions are usually retained by the landowner. Rights to withdraw are negotiated as ‘arisings’ from management activities that can be freely removed, as in kind payment for
services or occasionally as formal sales (e.g. standing sales). In one case, some of the woodlands accessed by the enterprise belonged to members of the co-operative.

An interesting point for enterprises operating on multiple sites is that tenure of a ‘base’ or ‘anchor’ site for the enterprise is often significant in the resilience of the enterprise. The ideal is that the group would have secure tenure over a small premises (preferably in a woodland) from which to operate (e.g. store tools, process firewood etc.). Such sites are often secured through long lease agreements rather than freehold as these can require minimal capital and may not incur the responsibility of taking on long-term liabilities. Although in the case of co-operatives, it maybe that one of the members might own a suitable site or indeed that the woodland is owned collectively by the co-operative.

The woodland management services can be delivered wholly by the Directors of the enterprise, but most often includes an element of volunteering. The mix of social and environmental benefits delivered can vary between enterprises and reflects whether their primary motivation is the delivery of social and well-being benefits or environmental improvements. A group could involve volunteers in woodland management to provide them with physical exercise in an outdoor social setting to address mental health issues or could wish to bring an extensive woodland into productive management and need volunteers to help (sometimes rewarded in-kind with firewood etc.).

**Woodland tenure in social businesses**

Within the MLWW cohort, woodland ownership does not appear to be a prerequisite for success. Indeed, where one member of the group owns the woodland, the governance arrangements can become both informal and very complex. This in turn can lead to unequal power relations within the group which is often unstable, particularly when the woodland owner is both a Director and takes a salary from the enterprise. This is an interesting example of when ownership can be an impediment to, rather than a facilitator of, enterprise success. This is something those advising woodland enterprises should be particularly aware of. The remedy for this is to have clear and formal agreements and governance between the landowner and enterprise.

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9 Sale of trees still standing in the forest which will be felled by the purchaser.
2. **Social Enterprise**

These are enterprises which trade in order to generate profits to put towards the achievement of their own or a related organisations’ charitable objects in support of a social or environmental mission. Reflecting the many legal forms that social enterprise can take there are a number of possible configurations of enterprise, charitable/social mission and woodland tenure. However, we tentatively propose it is possible to discern two distinct configurations:

2A - Trading to support charitable objects
2B - Trading in support of a charity
This is a relatively immature set up; there is one legal entity within which the enterprise element tends to be a variable proportion of organisational income alongside grants and donations.
The relationships between the Social Enterprise and its woodland are essentially the same as for Social Businesses. They are likewise differentiated by the nature of the traded product, for example between those working in one woodland trading in well-being services, and those in multiple woodlands trading in wood products. The principal difference is that profits from enterprise activity are put towards clear charitable objectives. In all cases there is an intention to create disposable profits often arising from trading activity undertaken by volunteers - in effect generating profits from salaries foregone.

In the MLWW cohort none of these groups owned woodland.

2B - Trading to support a charity
There are restrictions on the ability of charities to trade. For this reason charities wishing to generate most of their income through trading often establish trading subsidiaries. A classic example of this is the Woodland Trust (which is a CLG and charity) which has a wholly-owned trading subsidiary Woodland Trust (Enterprises) Limited. Although this is less common in smaller organisations we did identify two groups in the MLWW cohort which had this style of organisation. The trading subsidiaries’ activities were spread across a number of woodlands based on the usual mix of leases, agreements and contracts. The parent charities could have environmental objectives and trade wood products or social objectives and trade well-being in a woodland context to qualify as WSE. What is missing is the relationship of the parent charity to woodland. In both of the cases examined the parent charity was not primarily interested in woodland. It is however, conceivable that the parent charity would have its own relationship to a woodland. These arrangements are very similar to 3B for community enterprise.

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10 For further information, see [https://www.gov.uk/guidance/charities-and-trading](https://www.gov.uk/guidance/charities-and-trading)
generally a registered charity. Thus a stand-alone social enterprise is created to trade in woodland products or services to generate profits to be passed on to a charitable organisation to be used to further the charity’s mission. This form of relationship is often encountered in community energy enterprises where the generator often is a CBS and passes profits to a charitable body which provides grants for community development. As shown in the MLWW cohort, similar arrangements are encountered within the woodland sector.

3. Community Enterprise
This is where a community has strong tenure over a woodland (normally freehold or leasehold) and seeks to trade in woodland products and/or services to provide income to manage the woodland and provide benefits to the local community. In rural areas, the community is usually place-based (legally so in Scottish land asset transfers) and can be quite small and discrete. In urban areas, the group operating the enterprise is more often defined by interest with the intention of providing benefits for the local populace. Whether this qualifies as Community Enterprise can be problematic and may depend on the nature of governance arrangements and the degree of participation in decisions regarding the nature of the benefits provided.

At UK level we consider our Community Enterprise category as a special case of WSE where long-term, secure woodland tenure and place are of great significance. Within the MLWW cohort, many of the Community Enterprise groups held the freehold of their woodland, although some had leases while some operated under long-term agreements including service level contracts. In most cases though, even groups which had successful tenurial arrangements expressed a preference for community ownership (i.e. to acquire the freehold).

In common with Social Enterprises, we discerned a development trajectory for groups wishing to trade: an (often charitable) organisation starts by trading (3A), then the enterprise element starts to push against the limits or begin to appreciate the risks of this strategy and evolve into a parent charitable body with a set of embedded trading subsidiaries (3B). This trajectory may be more deliberate than with the Social Enterprise category, as many of these organisations, particularly in Scotland, are established to facilitate community or local economic development, and removing reliance on grants through increasing trading activity is a key part of this.
3A - Direct trading

This is the simplest form of Community Woodland Enterprise - the body which owns the woodland trades with the income going back into woodland management or the growth of the enterprise. The enterprise may extend its trading outside the community woodland and take on private or public sector contracts. There are a couple of special cases where a Community Enterprise is formed around long-term relationships with private or public woodland owners. This could be a long-term arrangement over a local park between a Council and a group looking to create a public space, or where a benefactor purchases a woodland on behalf of a community which then sets up a community woodland group and works under a lease agreement with a view to eventual purchase of the woodland. In both cases we identify these as Community Enterprises because of the strong sense of place and the aspiration of community ownership (literally or figuratively).
Many of the older Community Woodland Enterprises end up going through a period where they outgrow the strictures of charitable status, wish to take on contracts outside the community-owned woodland, establish non-woodland enterprises (renewable energy, affordable housing etc.) or do not wish to risk the woodland in the event of the failure of the enterprise. This process of adjustment usually ends up with a separation of land ownership from enterprise with the spawning of one or more subsidiary enterprises. Unlike the very similar arrangements made for Social Enterprises (2B and 2C), these enterprises are often wholly owned. This takes the form of a company limited by shares with the parent body owning the single share in the company. Although more complex forms would be possible, this rather private form is probably preferred as it keeps control firmly within the parent organisation.
5. Conclusions

This report sets out some reflections and initial conclusions on the link between woodland enterprise type and tenure. In essence, this survey of the MLWW cohort shows that freehold ownership is not similarly important for all types of woodland enterprise. Long term tenure appears to only be particularly significant for Community Enterprises. However, tenure sufficient to allow enterprises to access woodland is highly significant and exhibits considerable variation and innovation, and we are proposing that the “bundle of rights” is an interesting place to start from when exploring the appropriate form of tenure for any particular woodland enterprise.

To recap:

For Social Businesses, ownership (freehold) is not generally an overriding concern and enterprises may obtain access to woodland through agreements, contracts and leases which are often short-term. However, the security of an ‘anchor’ or ‘home’ site is important to many, especially those trading in wood products.

Social Enterprises are often developed to provide profits to support the charitable social or environmental objectives of the enterprise itself, a parent charity or in support of another charity. Such enterprises exhibit a wide range of relationships with associated charities and woodland tenure. Most often access to woodland is through leases, contracts and agreements.

Community Enterprises are most often based on long-term tenure by a distinct community of place. It is within this group that freehold ownership is most often found, though there are successful Community Enterprises with long term leasehold and contractual agreements. For Community Enterprises, there appears to be a clear development trajectory from a woodland group that starts trading to the establishment of a subsidiary or associated company to provide income to support the group’s objectives. A key result of this trajectory is the separation of the trading activity from the ownership of the woodland. Particularly in Scotland, the desire for self-sufficiency from an early stage can mean this development trajectory is planned from the beginning.

By abstracting and anonymising the relationships between woodland enterprises and their land, this report has tried to understand the ways in which different types of enterprise interact with their woodlands. One result of this abstraction is that we have not delved into the motivations or stories of the individual organisations, or the specific differences between the four UK countries involved in the MLWW cohort. This report is therefore by necessity de-politicised, and does not take into account the political contexts and motivations of the different actors involved.
Lessons for advisors
This work highlights some learning that should be valuable for those advising Woodland Social Enterprises, in particular that pursuing ownership may not always be appropriate or needed to establish a successful WSE. Clarity over the motivations of the group - is this about providing a livelihood for key individuals, providing an income stream for another organisation, or for supporting local economic development? - will be crucial in providing appropriate advice. There is particular need for care when one individual within a group is the owner of the woodland to clarify internal relationships, expectations and ways of working.

Working with the woodland enterprise to identify which of the ‘bundle’ of rights they need to support their business model is perhaps a useful way to establish clarity around the appropriate form of tenure.

Further work needed
- Development of an infographic similar to this one on organisational activity and tenure, but focused on which of the bundles of rights WSEs need could prove useful
- Bundle of rights analysis - to further explore the range of rights that the leases and agreements WSEs hold. For instance, some leases will allow management, alienation and withdrawal, and some won’t. Exploring how and whether this affects the businesses and their longevity could be both interesting and offer useful advice to WSEs as they seek to negotiate new agreements
- Management contracts and how they can support Woodland Social Enterprise activity on land that is not owned by the enterprise - looking further into the most impactful models for providing Woodland Social Enterprise activity in, for example, National Parks, on local authority land, and on the National Trust and similar estates.
- An examination of the different rights offered by the public forestry owners in England, Scotland, Wales, and Northern Ireland, including the reasons behind the differences and the impacts these might have on the scale, ambition and success of Woodland Social Enterprise development
- There are a range of other drivers with respect to tenure than just the business and money focused ones referred to here. This includes the need for a sense of empowerment and self determination. A further piece of work that explores how those involved in the enterprise or community feel about tenure, and how different forms of tenure invoke different feelings in people, would be an interesting and worthwhile accompaniment to this research.
- Additionally, certain grant funders will only fund organisations with a certain type of tenure - typically a medium to long term leasehold, and will disregard the security offered by long term contracts. An exploration of why this is, and what alternative methods of offering security might exist, would be very interesting.