Panel Q&A Summary

Delegates put a number of questions to our Panel of representatives from funding and finance institutions. Key points from this session include:

* The panel felt that woodland enterprises were not missing any important ‘tricks’ in terms of tax breaks that might be available in relation to woodland enterprises. However, in terms of investments, it was suggested that the Community Investment Tax Relief scheme might be of relevance in some cases. <https://www.gov.uk/government/publications/community-investment-tax-relief-citr/community-investment-tax-relief-citr>
* It was noted that wealthy benefactors can be a real source of funding and finance and that there are examples of investment in woodlands by this sector of society. ‘Venture philanthropy’ is an increasingly common phenomenon.
* Wealth managers are increasingly paying attention to the social impacts of their investments.
* Panel members listed a number of land-based social enterprises and projects that they’d supported, often through a combination of grants, community shares and other finance, including,
	+ **Sacred Earth**, a Community Benefit Society in Sussex <https://sacredearthland.co.uk/>
	+ **Treestation**, a wood-focused ‘hub’ in Manchester formed as a Society for the Benefit of the Community (BenCom) <https://www.treestation.co.uk/>
	+ **Sutton Community Farm**, a Community Benefit Society in London which received support for their barn and in relation to their share offer <http://suttoncommunityfarm.org.uk/about-us-sutton-community-farm/>
	+ **Whistlewood Common**, a Community Benefit Society in south Derbyshire received support related to their share offer <https://www.whistlewoodcommon.org/>
	+ **Greenslate** Community Farm, a Community Benefit Society in the North West <http://greenslatefarm.org.uk/>
	+ **The Sustainability Centre** (Earthworks Trust) in Hampshire <http://www.sustainability-centre.org/>
* Key Fund has had a mixed record with woodland related enterprises: some failures (a firewood coop, a woodland burial venture) and some successes (forest schools and urban wood recycling).
* The Community Shares Booster scheme will re-open soon (OPENED 7th December 2017), see <https://www.communitysharesbooster.org.uk/> This is an England-only scheme that matches funds raised through Community Share issues.
* The Panel advised delegates to engage with Access – the Foundation for Social Investment, see <https://access-socialinvestment.org.uk/>
* Good Finance, a partnership project aimed at improving knowledge about social investment, is a very useful source of resources and advice for charities and social enterprises, see <https://www.goodfinance.org.uk/>
* Submitting applications to more than one funder simultaneously is OK in most circumstances. The important element is to be clear and honest with the funders about other submitted applications. In some ways multiple applications are a positive indicator that the enterprise is proactive. Funders will often look at recent experience with other funders and ‘talk to each other’ about successful applicants.
* The Community Business Fund (Power to Change) will reopen in 2018 (likely in April or thereafter) and will be a source of mid-level funding for community businesses, <http://www.powertochange.org.uk/funding/grants/community-business-fund/>
* Another source of information on funding for community businesses is Locality’s MyCommunity website <https://mycommunity.org.uk/>

A small number of questions submitted to the Panel in advance of the session were not dealt with on the day. Hugh Rolo of Locality has offered some initial response to these.

1. **What funding is available for getting a woodland crafts project up and running?**

It depends where you are, what legal form you choose to adopt and what you want funding for. Development funds are the hardest to raise but there are grants and loans, and other start up support like rate relief (Start up Loan Company, Key Fund) but you do need a clear vision of the longer term and when you might reach profitability <https://www.startuploans.co.uk/> <https://thekeyfund.co.uk/>

1. **It seems like getting funding for equipment and training is much easier than getting funding for people’s time. What suggestions are there for how to fund people – especially at early stages before income starts being generated?**

Early stage finance is hard –the cliché says it comes from “friends, fools and family” – in the case of social enterprises we can add Foundations. Power to Change Bright ideas; Big Lottery Awards for All, specialist environmental grants from Landfill Operators can all be a source of early stage funding.

1. **How can we generate the match-funding we need to build a forest road?**

Check whether you are eligible for European funding—they love “match funding”. Crowdfund for donations –some crowdfunding sites have match funding available to double what you raise. If it substantially improves your income – why not borrow it?

1. **What are the options available for generating the money to purchase or build buildings (like a depot or hard-standing/storage area)?**

Fixed assets lend themselves to borrowing which effectively spreads the cost over a number of years. Expect to pay 3.5% over base rate or 5 or 6% for fixed rate. You will need to demonstrate that improved productivity resulting will either lower your costs or increase your income.

1. **How can we achieve good financial liquidity?**

Manage your cash cleverly, “borrow” from your suppliers, negotiate an overdraft, lease don’t buy outright.

1. **How can we make the most financially of our social mission? (i.e. charging more because we’re a social enterprise)**

Articulate your social benefit clearly, demonstrate soft outcomes effectively, if your work saves “society” other costs then do a cost benefit analysis and then charge accordingly.

1. **How can we check our financial plans are sustainable in the long-term?**

Benchmark against others, try to borrow against them –this analysis will be useful even if they say no, run your projections with a wide range of variables to test your financial model. Everything involves risk – it’s how you manage it. Not everything should or will last forever.

1. **What’s the best way for us to market/promote our services to secure funding?**

Be crystal clear of what you have to sell — sell “benefits” not your process. Segment your “market” – design different campaigns for each segment. Say customers (local general public), funders and stakeholders, partners and promoters. Most marketing works through little and often — try to collect feedback, refine, repeat!