



## LINK Covid-19 member survey results: Autumn 2020

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### Introduction

In October and November 2020, Scottish Environment LINK members took part in a follow up online survey assessing the impact of the current Covid-19 crisis on their organisations, six months into the pandemic, to assess current and future challenges. The aim of this survey was to help members, the Scottish Government, NatureScot and grant funders assess the ongoing and near future financial difficulties caused by the coronavirus crisis for environmental and conservation charities, and what support and assistance would help the sector survive and contribute to Scotland's green recovery.

LINK has 39 members in November 2020, 53% of whom responded to this survey. These members employ more than 1,500 FTE staff; work with more than 5,500 volunteers and have memberships in 2020 of more than 550,000. Between those who responded, they provide more than 1,000 days of training to staff and volunteers per month. They own and manage 100,494 ha of land in Scotland, own a further 45,000 ha that is managed by others and directly manage over 18,000 ha of land on behalf of others. They provide direct management advice on 154,225 ha in Scotland and many provide advice to influence management across all land in Scotland.

### Key findings

The findings of this updated survey are very clear. While the Covid-19 outbreak continues to impact on front line functions in conservation, access and sustainable living, the biggest change since April is the switch organisations are making in business planning and the massive drops in revenue generated by events, activities and visitors. Memberships and retail revenue have plummeted during



the pandemic. This, and the uncertainties around Brexit, are impacting on household budgets, and memberships and donations are now being modelled in decline across the longer term.

The short term, 6 month viability of the sector has been managed through a high uptake of the furlough schemes, some uptake in emergency funding from different sources and sharp reductions in costs where possible. Looking forward, organisations are now planning for costs to rise again and revenue generation to remain very low. The pandemic is going to have a long tail of impact: lower levels of confidence and higher vulnerability to risk will have a long term impact on the sector and on Scotland's ability to meet climate and biodiversity targets. Larger member bodies are less likely to take the lead in large-scale projects or attract EU and London based funding, because of risks and lack of resources. Smaller bodies are less likely to join partnerships without 100% funding, because they are unable to guarantee capacity to deliver in future.

While all organisations who completed the survey continue to be affected by the pandemic, 45% of them are now eating into financial reserves. The sector has become less resilient. Organisations are, however, looking at adapting their business model: larger organisations are looking at alternative funding mechanisms, including loans, debt financing and conservation financing initiatives. Smaller organisations without access to this type of funding are more reliant than ever on saving costs and on finding project funding, which is becoming even harder to source. Project pipelines are now blocked so long term planning is precarious and fewer volunteers are supported as a result. An example of the scale of the issue is that reported income losses of more than £10 million in membership and the same on retail are not atypical in 2020. This is funding that is no longer available for conservation, education and access work. The estimated £40 million income loss estimated in April is already here.

Members are now at the crunch point, anticipated in April 2020, when current support schemes such as furloughing are coming to an end and after the end of the main income generation seasons of spring and summer. Options being explored include redundancy: at least two of the larger LINK members are proceeding down this route, while others are simply not replacing vacancies.

55% of respondents stressed the need for replacement funding, with targeted funding for nature and climate crises; access to nature, investment in green jobs and green recovery specified as areas for investment. The scale of the rhetoric in Scotland in relation to the climate and nature emergency has not yet been matched by funding. This is particularly noticeable when the Green Challenge Funding announced in other UK countries is taken into account: the lack of a similar level of funding support in Scotland is significant and disappointing and will have ramifications on the sector's ability to contribute to a green recovery. Conservation cannot simply be mothballed: for example once work on invasive non native species stops, habitat conditions revert into decline. Despite the high value of Scotland's biodiversity and landscapes, funding to support their restoration is simply not keeping up.

The need for Scotland as whole to come together and deliver for nature and climate has never been greater. But it is not yet happening. The scale of government and funder support for the environment in Scotland is far too low to meet Scotland's climate and nature targets. Meeting them without a vibrant and innovative environmental NGO sector will be extremely difficult.

100%	of those surveyed are impacted by the crisis
55%	have 6 months or less financial reserves
45%	are eating into financial reserves.
55%	are at moderate risk of long term viability: <i>we would be able to continue to operate but will need to mitigate the impact</i>



Loss of revenue	Is the main driver of financial loss, affecting 100% of members
Biggest detrimental impact now	Lack of access to funding, postponed events / activities and lack of ability to engage with members
65%	Of those surveyed accessed or partially accessed the UK Government furlough scheme. 40% welcomed the extension.
Future steps on activities, project roll out, volunteer retention	55% of members have postponed / cancelled events. Top 3 other steps were reduced members / visitors; delaying projects or fieldwork and reducing the numbers of active volunteers.
60%	have refocussed business plans to diversify funding sources; 45% have invested in IT / home working
2020 – 2021 major income sources	are: charitable trusts and foundations; memberships; donations and investment income. Minor sources include government / public agency grants and earned income
55%	Of respondents identify a need for replacement project funding and 45% flexibility with deadlines from funders
70%	Want to see policy and funding to promote access to nature. 60% want to see boosts to gift aid to increase value of donations. 55% want to see government maintain momentum on policy and legislation.
63%	Are accessing government or funder support schemes, down from 68% in April. Of those who are not, lack of capacity or not meeting the criteria are still the 2 main reasons why.
80%	Are meeting staff home working needs, up from 61% in April. Challenges to those still working on it include costs of new equipment and knowledge of suitable systems.
40%	are moving all activities online, including AGM and board meetings, activities for members and supporters online for the foreseeable future; 45% are moving as many meetings online as possible but are planning to run face to face activities with supporters from Spring next year. None are planning to return to face to face meetings.
Medium and longer term priorities for funders	Targeted funding for nature and climate crises; access to nature, investment in green jobs and green recovery Unrestricted core funding to increase flexibility and swift response to emerging needs
Key concerns	With massive drops in revenue generated, unrestricted funding, members bodies are much less likely to commit to or lead large scale projects. The loss of confidence in future secure funding and the diminished opportunities for funding from EU, NLHF and Scottish Government make project planning and delivery extremely challenging.

## Responses received

53% of LINK's 39 members in 2020 responded to this Autumn survey. This compares to a 72% response rate in April. Respondents covered the range of LINK membership: responses are from large and small organisations and for all areas of interests from nature and landscape conservation, species conservation, marine issues, access and heritage.



### Members who responded:

Scottish Wild Beaver Group, Froglife, RSPB Scotland; Bumblebee Conservation Trust, Nourish, Ramblers Scotland, FIDRA, John Muir Trust, Scottish Countryside Rangers Association, Scottish Wildlife Trust, Hebridean Whale and Dolphin Trust, Scottish Campaign for National Parks, APRS, Trees for Life, Woodland Trust Scotland, Plantlife Scotland, Scottish Badgers, Scottish Farming and Wildlife Advisers' Group Scottish Wild Land Group, Soil Association Scotland.

All members have responded to this survey as organisations operating in Scotland.

A full list of LINK members can be found [here](#).

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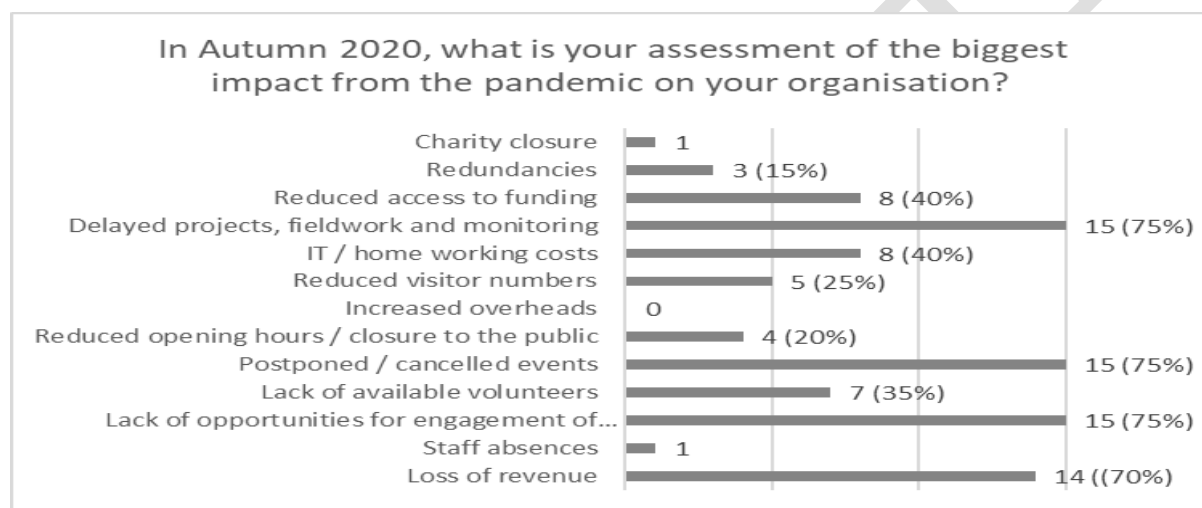
## Analyses of responses:

### Section 1: impact of the Covid-19 crisis on eNGOs in Scotland during & since lockdown in March 2020

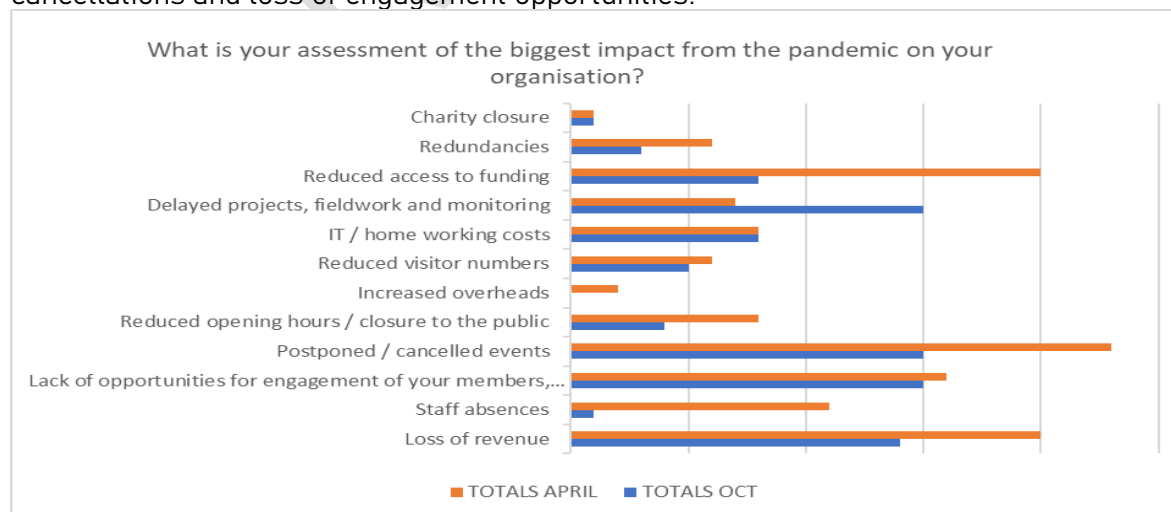
#### 1.1 The current situation

All respondents to the survey have been impacted by the Covid-19 crisis.

The biggest impact, affecting 70% or more of respondents in Autumn 2020, is the impact of postponed or cancelled events, which is limiting the opportunity to engage with supporters and members and results in lost revenue. Income not generated over Spring and Summer 2020 means that organisations are now entering a traditionally low revenue generation period with much lower financial resilience.

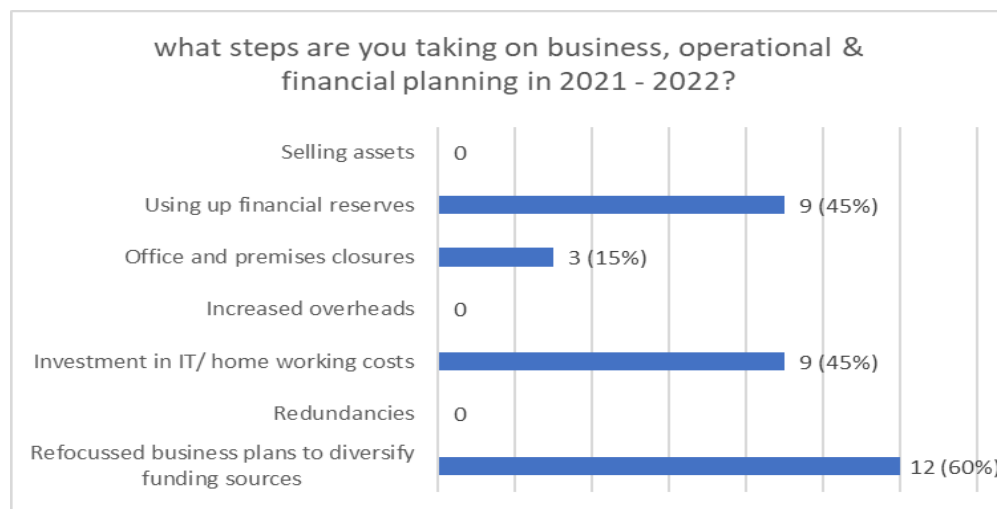


The difference in response between the Spring and Autumn survey response reflects the immediate impact of a loss of access to funding moving now towards longer term impacts of delays, cancellations and loss of engagement opportunities.





## 1.2 Responses planned in the next financial year



As a direct result of lost revenue generation in 2020, 60% of members surveyed are revisiting their business models. This is a direct result of the loss of a key earned income source that shrank overnight and which is expected to recover only slowly through 2021 and not to pre covid levels. It also means that 45% of members are now using up financial reserves. This is not sustainable but is an emergency response while alternative income sources are developed (see section 1.4).



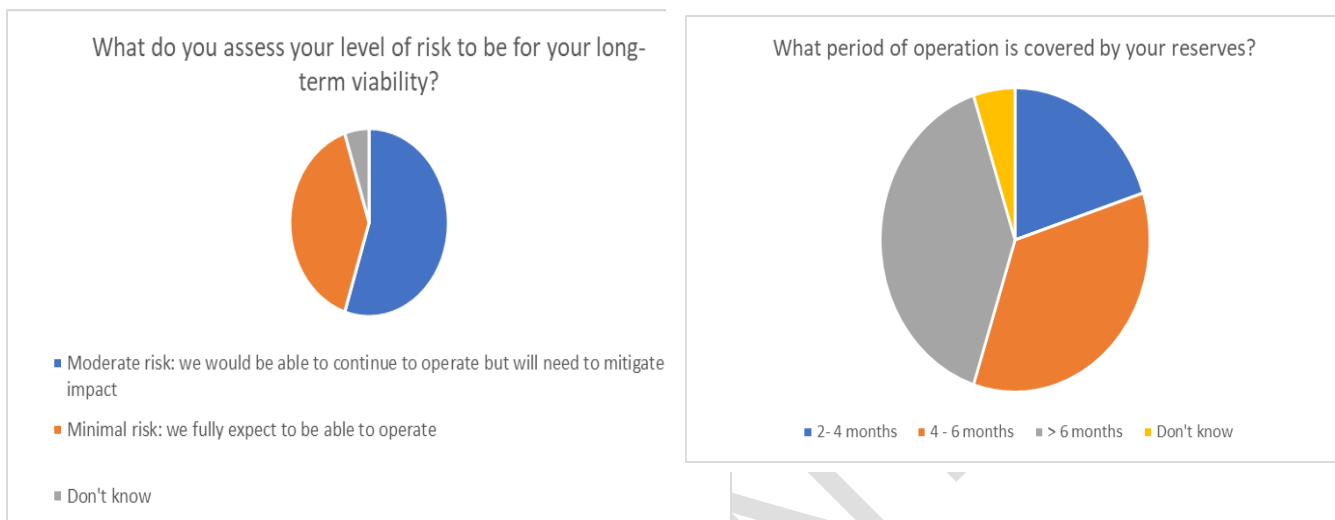
55% of members surveyed cancelled events and activities as a result of lockdown measures. Other steps taken by 35% of members included reducing the number of active volunteers and delaying projects and fieldwork. 35% were also impacted by reduced visitors and members. The impact of all these was reduced income and capacity.

## 1.3 The scale of the financial risk facing eNGOs in Scotland

Members were asked to assess the level of risk they were facing in terms of long-term viability as a result of the current crisis. No organisations in the Autumn survey reported a high level of financial

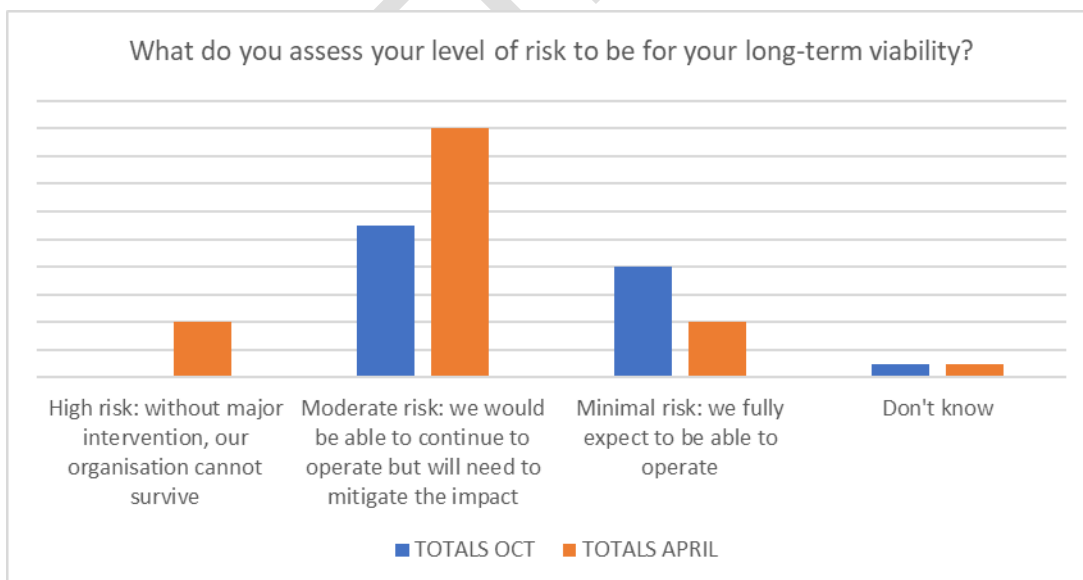


risk: this reflects the action taken to draw on alternative income sources and actions taken to cut costs, which include redundancy processes. 55% of organisations in the current survey assessed their level of risk as moderate with the need to mitigate impact. This reflects the increase in fragility of the sector and the loss of resilience going forward.

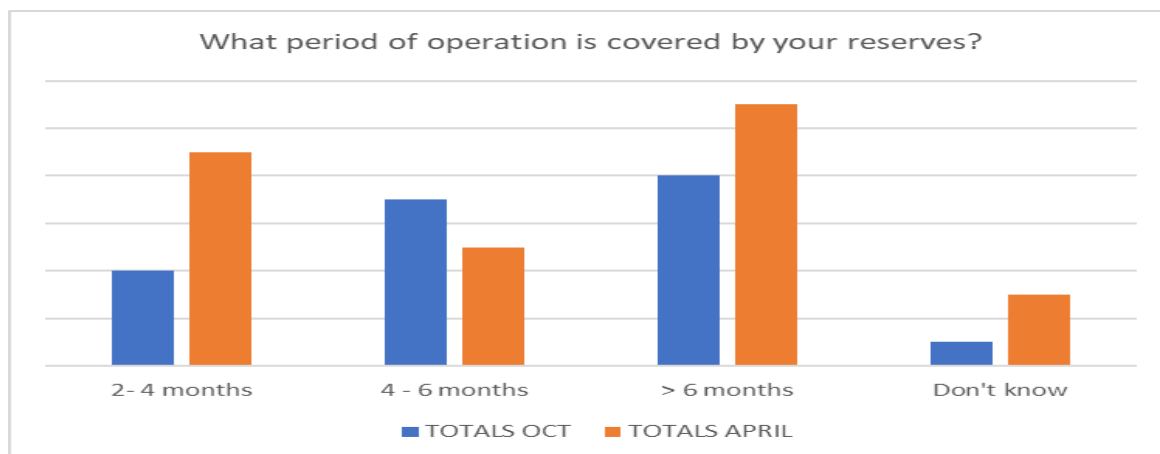


When asked how long the organisation could survive on financial reserves, 55% of members surveyed have 6 months or less financial reserves. This is down from 64% estimated in April. 3 members in October had less than 4 months financial reserves, and two of these are using up those reserves.

Comparison to the April survey results shows risk management strategies beginning to take effect, with more members shifting from high to moderate and minimal risk.



However, comparison of the Spring and Autumn surveys also shows that members are eating into financial reserves, with fewer members having more than 6 months of reserves in October 2020 than in April.



The implications of this is a significant and serious impact on the ability of members to deliver on Scotland's environmental and well being ambitions, which, in turn, will be significant for the country as eNGOs are key delivery mechanisms for action on biodiversity and access in particular. This is evidenced in LINK's [Delivering the Goods report 2008](#), currently being updated for publication in February 2021.

#### 1.4 Income sources pre Covid-19 and looking forward into 2021

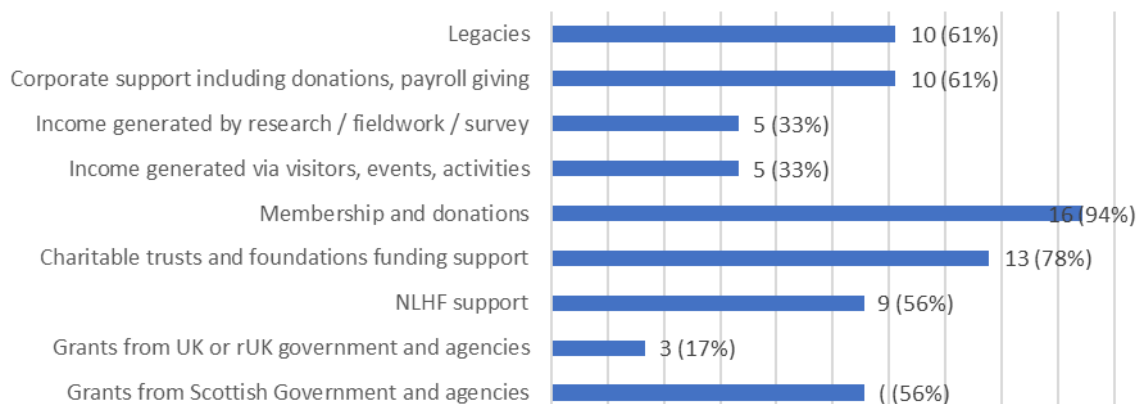
Income sources for members before the Covid-19 crisis impact began were varied. A varied income portfolio is a widely used tactic in our sector to spread financial risk. The sector does not hold large capacity reserves, but instead invests directly in action and delivery. However, income sources since April have changed and this is resulting in necessary changes in business planning by members. In April, 94% of respondents were receiving, or expecting to receive, income from membership and donations. This dropped to 55% for memberships and 45% for donations, after the impact of covid-19. By November, 25% of respondents were expecting earned income, down from 33% before covid-19, 55% were expecting to receive income from charitable trusts and donations down from 78% pre covid and grants from public sources dropped to 45%, down from 56% in April. This shows that income sources have all decreased, some have halved.

The decline in memberships, donations and earned income all reflect the impact of the pandemic on tighter household budgets and the restrictions on social activities. The drop in grant income from both charitable and government sources reflects the difficulties in applying for funding and interrupted project pipelines. This is where increased flexibility from funders is increasingly important (see section 2.2).

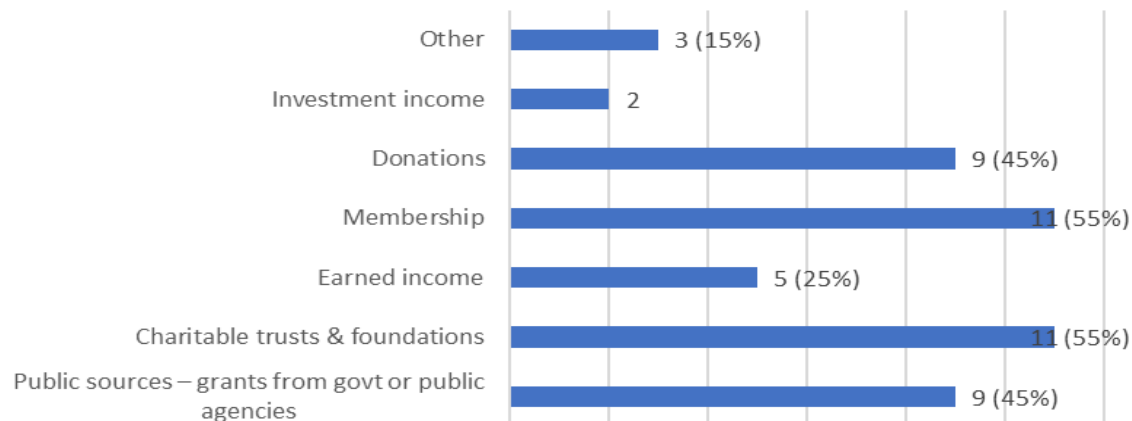




### Before the Covid-19 impact, what were your organisation's income sources?



### In 2020 - 2021, what are your anticipated organisation's income sources?



Note: These figures do not reflect proportions of income from each source; they reflect the importance of that income source.

## 1.5 Main drivers on financial planning and reorientation

LINK members have a mixed income model, often highly dependent on membership and revenue generated by activities, events and visitors (see section 1.4). Both these key income sources have been severely impacted during the pandemic and as a result, income has dropped, the range of available income sources has significantly shrunk and organisation resilience has been knocked as a result.

This, and the uncertainties around Brexit, are impacting on household budgets, and memberships and donations are now being modelled in decline across the longer term. The impact of this cannot be over emphasised: in a normal year, member bodies aim to recruit at least 10% new members to balance percentage loss as elderly members die. Whilst members may be able to start recruitment



next year at events (vaccines permitting), it is likely that memberships could only bounce back by 10%. This means the loss of 10% in 2020 resets membership income figures to a lower base.

While the short term hit remains on income generation, the long tail on memberships in particular is going to impact over the next few years. As a result, member organisations are now using up financial reserves.

## 1.6 Impact of increased reliance on digital and IT infrastructure

55% of members surveyed are now effectively engaging with members, supporters and visitors through digital means. This has increased from 39% in April and is the result of targeted investment of resources and staff time. It is the small, volunteer run members bodies who continue to struggle with digital infrastructure and roll out.



40% of respondents are moving all their member and supporter communications online for 2021 and 45% are moving as much online as possible but still hoping to be able to hold some face to face meetings in 2021. All members bodies are putting in place plans to operate online to some extent.





80% of members have been able to meet staff home working needs for digital equipment and technology. The remaining 20% are either moving towards this through continued investment or are limited by the cost of new / upgraded equipment and software.

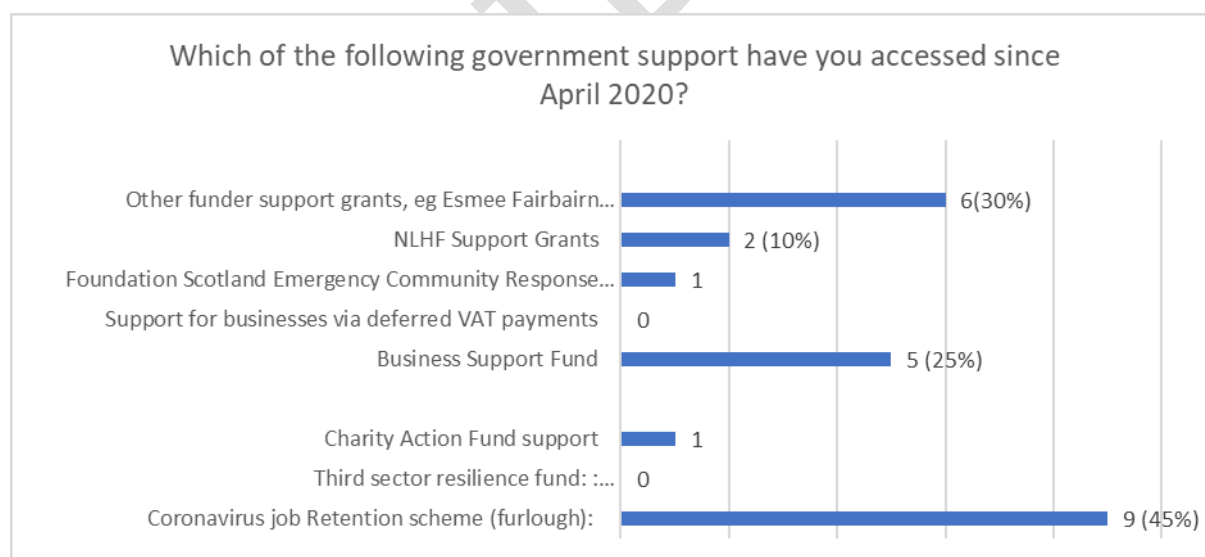
## 1.7 Recovery planning and exit strategies

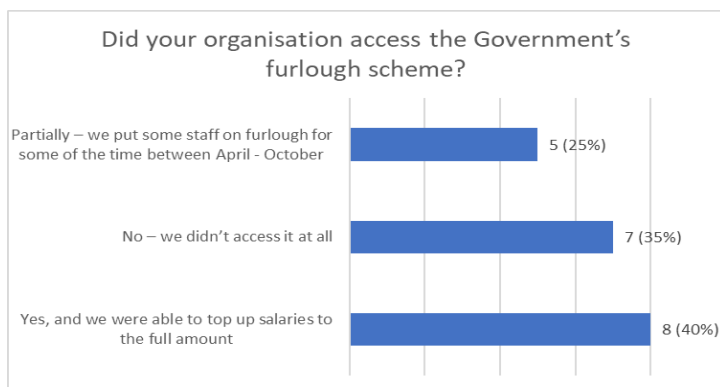
60% of members have refocused their business plans to diversify funding sources. The strategies being adopted to limit costs are redundancies or not replacing vacant posts by at least 2 member bodies and closing offices and premises by at least 3 member bodies. These strategies are being adopted by large, medium and small member bodies. 45% are now using up financial reserves.

When asked about the sort of support that would be helpful, 55% identified replacement project funding as most helpful, with 45% indicating that flexibility from funders in relation to meeting grant deadlines would be most helpful (see section 2.2). However, this change reflects the forced business focus moving away from earned income (see section 1.4). Earned income is invaluable as it is unrestricted funding, and therefore offers maximum resilience and ability for quick responses to stresses and change. Project funding, as restricted funding, is much less flexible and offers much lower resilience to future shocks. This will be an important consequence in terms of lower resilience to risk within the sector going forward. The value of core, unrestricted, funding has been noted in the [Esmee Fairbairn Foundation Insights report on core funding](#) (March 2019) and these survey results underline that value.

## Section 2: Help needed from government and funders

### 2.1 Government and funder support accessed to date



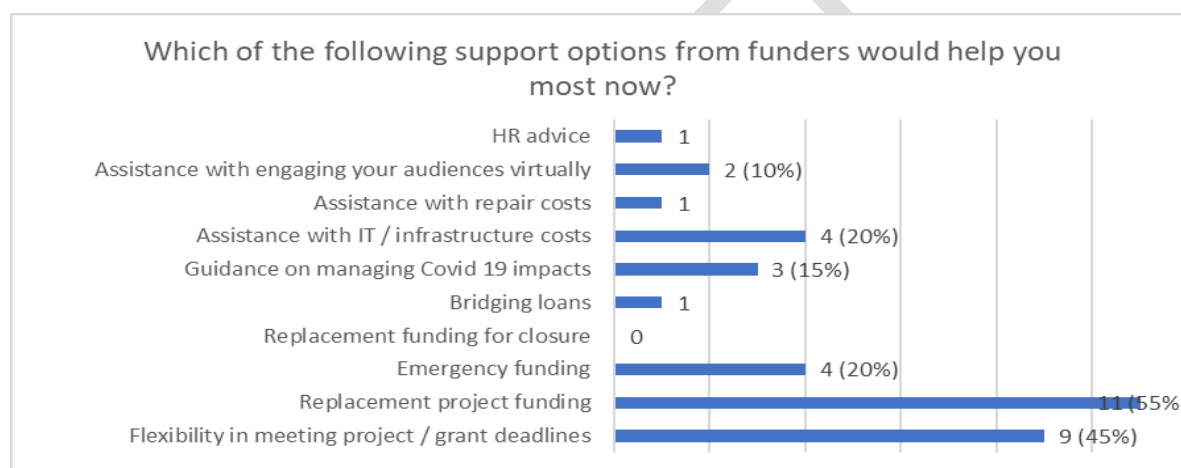


The furlough scheme has been the most widely used scheme in the eNGO sector, taken up by 65% of respondents.

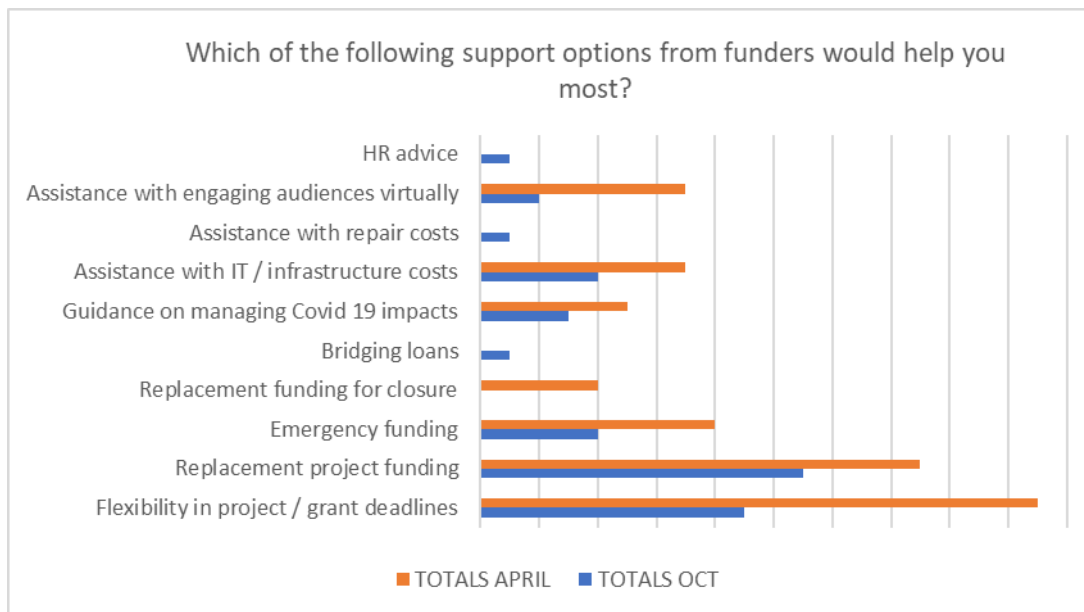
30% had received support via funder support grants and 25% had accessed the business support grants. 10% had accessed the NLHF support grants. No members in this survey had accessed the Third Sector resilience fund nor made use of the deferred VAT payment support by November.

Where government or funder support had not been accessed, the main reason, given by 30% of respondents, was that their organisation did not meet the criteria.

## 2.2 Government and funder support looking forward



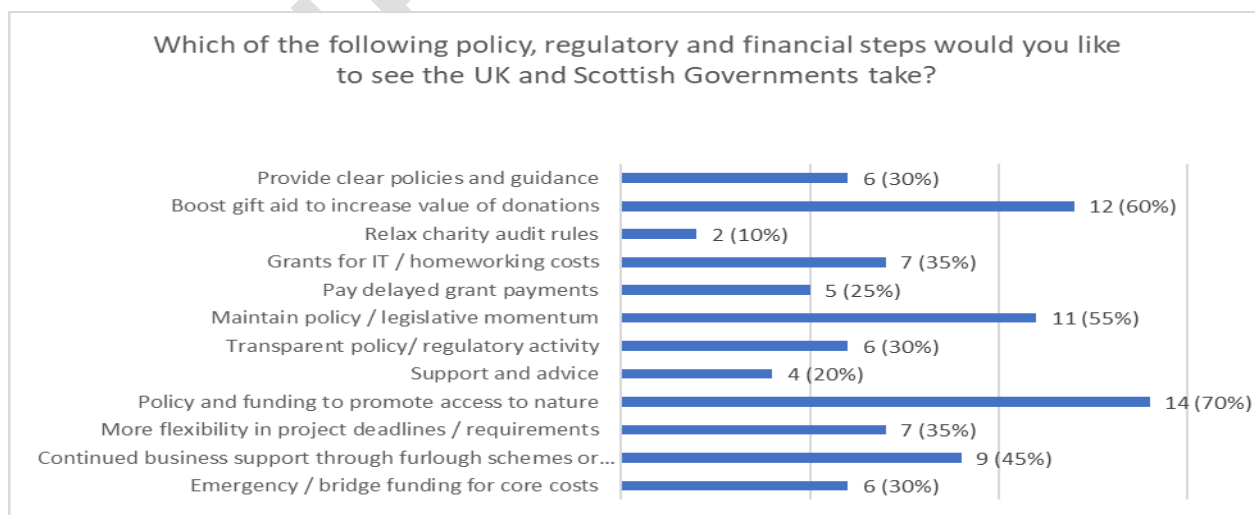
In terms of how funders could help LINK members most, 65% indicated that replacement project funding would be most helpful, increasing from April. This reflects ongoing issues with interrupted pipelines, which impact on ability to retain staff and volunteers. Flexibility from funders in meeting project deadlines was important for 45% of respondents. There were lower levels of interest in emergency funding, although interest rose from 0% in April to 30%. 20% of members, including both large and small organisations, indicated that help with investment in IT infrastructure would be most helpful.



It is worth noting that the top two requests for support from funders remain the same as they were in April:

- (a) for funders to provide flexibility in the deadlines and outcomes expected from projects and work which they are funding. Some projects may need to be deferred for a year, without penalties, to enable work to be carried out at the right time of year
- (b) for grant providers to offer replacement funding for both projects where funding has dried up and to help cover lost revenues lost through closures around the virus, plus emergency funding for organisations that are struggling.

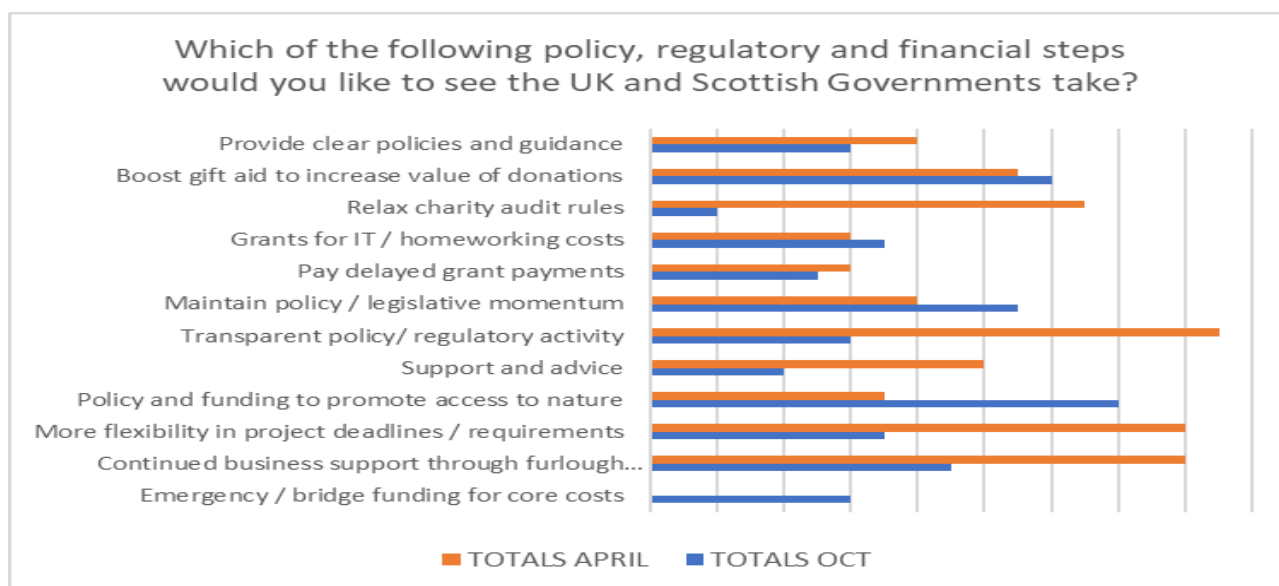
Overall, replacement funding remains the top issue where organisations feel that funders could help them in this crisis.



70% of members specified that they would like to see government deliver policy and funding to promote access to nature. This is significantly increased from 57% in April. 60% specified a boost in gift aid to increase the value of donations: up from 46% in April. More respondents wanted to see



government maintain momentum on policy and legislation than in Spring. Demand for clear policy and advice declined by 9% to 30%; relaxing charity audit rules more than halved, grants for homeworking increased from 21% to 35%, paying delayed grant payments increased from 21% to 25%, demand for emergency or briefing funding to cover core costs increased from 0% in April to 30% in October.



## 2.3 Priorities for medium to longer term funding programmes

When asked what the medium to longer term funding programme priorities should be, members gave a range of answers:

Outcome focus	Detail
a green recovery and actions to deliver positive, impactful outcomes for jobs, people’s health, climate and nature	driven by best practice principles actively engaging key stakeholders with sufficient funding and support to ensure effective implementation
Nature connectedness and health/wellbeing	helping to achieving wider public engagement perhaps, by funding NGOs to hold educational field events and activities
Green economy programmes	Habitat, landscape scale restoration with multiple benefits such as flood risk reduction, carbon storage and biodiversity.
Ecological resilience to address climate change and biodiversity decline	nature crisis, climate emergency, education for sustainable development, access to the countryside/visitor management, protected landscapes
Marine conservation and policy work. Investment in long-term species or habitat monitoring and citizen science projects.	Marine projects are proving more difficult to restart in line with physical distancing restrictions due to the limited options for accessing the marine environment.
Nature rich green space in urban areas (facilitating communities)	Enhancing universal access to nature for children and young people in urban areas, including Outdoor Education Centre support and strategic support for that sector; support for rural businesses providing access to nature and outdoor experiences for urban based children.



Impact focus	Detail
Support for core costs and overheads	This is required if we are to do any more than tick over on the basis of voluntary effort. This involves recognising the value of bodies that are primarily commentators, researchers and policy advocates as well as deliverers of concrete action on the ground. Also required to enable organisations plan and re plan delivery options as the restrictions, government guidance continually change. Continuing to support full cost recovery is seen as more important than ever, as it takes into account the 'true' cost of delivery.
Digital capacity building in the eNGO sector to assist with data sharing to support community action	digital engagement and education projects which connect people to nature and green/blue spaces.
Skills and training initiatives leading to employment with a focus on young people	Youth education and employability within the green economy (EDI employability in particular)

The need for impact focussed funding is very clear, aimed at building capacity and ability to drive change on the ground and in communities. Linked to the green recovery, members are keen to see investment in nature and climate solutions, and to see these investments deliver for employment and skills training at the same time. Equally access to nature, particularly for urban communities and children was highted as a priority.



### Section 3: message from LINK

The pandemic is having a significant and potentially long lasting impact on the eNGO sector in Scotland. It is resulting in a loss of capacity and confidence in the sector, which could have a significant and lasting impact on Scotland's ability to deliver for biodiversity, access and sustainable living.

Immediate financial difficulties in the sector since April have been managed through severe cutting of costs, uptake of the furlough scheme and other emergency support where available. Since April, members have refocused business plans to reflect the severe downturn in earned income from events, activities and visitor activities in the spring and summer, alongside declining memberships. However, alternative funding sources are not proving easy to find: large organisations have taken on loans where they have capital to borrow against and some are looking into debt financing. Smaller organisations have cut costs but are now highly reliant on project funding. The interrupted project funding pipeline is having a significant impact on their ability to retain staff, support volunteers and plan future engagement in projects.

Confidence in the sector has fallen as organisations have started to eat into financial reserves but have not yet found replacement funding for the earned income they have lost in 2020.

However, this sector is important for Scotland. More than half a million people support LINK members. The reason they give their support is because they believe in member visions to conserve nature, increase access to the outdoors, enable sustainable living and help develop government policy to make everyone's life in Scotland greener, fairer and more enjoyable through access to healthy natural heritage. The resilience of the sector is much lower than it was at the start of the crisis. Going into the UN's Decade of Ecosystem Restoration, with the eyes of the world on Scotland through the Edinburgh Declaration at the Nature CoP15 plus the climate CoP26 in Glasgow, now is not the time for Scotland to lose its vibrant and innovative environmental voluntary sector. Members bodies are doing everything they can to shore up organisational resilience through cutting costs and identifying new sources of income, but the way forward is not clear or guaranteed.

While 2020 was meant to be a super year for the environment across the world and in Scotland in particular, the pandemic has changed that. Instead we are now looking to 2021, when Scotland will host a key international event on climate and provide political leadership on climate and nature ambitions. 2021 has become the year for ramping up action towards the climate emergency and nature crisis, as called for by the IPCC, IPBES, the President of the EU and Scotland's First Minister.

We all now know and have experienced how nature provides comfort and builds our physical and mental health. Covid-19 has also underlined very clearly how underinvestment in protection of nature and reversing climate change leaves us increasingly vulnerable to pandemics and catastrophic environmental events. We cannot afford to lose momentum on this: the Scottish Government, its environment agencies and the environmental NGOs must be at full strength to bring this work back on track with ambition and speed.

Just as we need nature more than ever, nature needs us more than ever. Without the ongoing work of LINK member organisations continuing to protect Scotland's nature, land and seascapes, the fight against the nature crisis will be lost. The drive and ambition to tackle the climate emergency and nature crisis has not gone away, despite the pandemic. The Scottish Government's Statement of Intent





on Biodiversity and the Climate Action Plan update will help us all work together. It is imperative, that all sectors are resilient enough to be able to do their bit so that action towards these global issues is maintained and renewed.

As we go into 2021, LINK and our members will continue to work together to help each other through the crisis, to keep policy and practical action for climate and nature on track and to motivate others to experience nature and benefit from that connection and work with us to conserve it for future generations. Working in partnership brings many more resources, and where underpinned by commitment and effective financial support from Government and funders, we can maintain the vital momentum and progress we were making together towards solving the nature and climate emergencies.

A green recovery for Scotland from the pandemic that works to tackle the climate and nature emergencies is vital. We are ready to play our part: we have produced and are sharing this report because we know that nature and our members have a vital role in that recovery. This pandemic is a short-term emergency that must not exacerbate the long-term climate and nature crises and recovery from be a nature rich, more resilient world.

We hope these findings are helpful.

#### Contact details

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