

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

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 6 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; 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 which 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 refocused 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.

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. The full report is available on the LINK members pages.

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