

18 June 2020: Cabinet Secretary for Environment, Climate Change and Land Reform meeting on Member survey on impact of Covi-19:

Briefing for Chief Officer

The Cabinet Secretary has asked for a meeting to discuss the financial challenges facing the sector as highlighted in our <u>report</u>.

Key messages:

- 1. The sector is managing but only just. Real impact in 6 12 months time when ability to deliver will be severely impacted.
- 2. Impact of this for Government will be the loss of the sector's ability to provide vision, leadership on delivery plus bringing in match funding for large scale projects, vital underpinning for a proportionate response to the climate and nature crises.
- 3. Back to normal is not an option: we need a vision for the better future we want building on what is really important: nature. Access to green space, ecosystems that support us and nature now and in future.
- 4. We can help with a green recovery: projects postponed / cancelled & project in development. But we need help with financial underwriting; sponsorship of the vision from Cab Sec for healthy life supporting landscapes and ecosystems.
- 5. Fairness in recovery is central to our work: working alongside FoES and the wider coalition. LINK's focus is on where the fair AND green solutions come together for added value and increased efficiency (of investment).
- 6. LINK's strategy for next 5 years aligns very closely to Govt's Env Strategy: we can support the Cab Sec in negotiation with other Cab Secs and sectors.

Key highlights of the main findings of the report (3):

1. Members have been using the furlough scheme to save costs and there is an issue coming with the end of furlough but low incomes (see point 2)

Budget planning difficulties are compounded by:

Funders have withdrawn funding programmes with no indication of when they will go live again and what their priorities will be: raised with me NLHF and SNH. PLUS Donors have withdrawn submitted applications which means that eNGOs do not have projects in the pipeline for next year onwards and this will be further impacted when they re-open grant programmes and are inundated with applications. We know that most cannot evaluate the applications that they received prior to Covid-19 within their timescales.

2. The most significant impact will be in 6 – 12 months time, once furlough schemes have ended, when 'service' demand is back up to normal levels but after the spring / summer income generation season has passed with no / very little opportunity to generate income (affecting 82%), and when memberships, donations and investment income are all down. This is going to be crunch time for many of our members.

EXAMPLE: Some members generate more than 50% of annual income from activities, surveys, donations and membership. Remaining 50% is often from charitable grants. Costs remain for premises, collections and equipment even while staff are furloughed. Social distancing requirements will impact on member ability to run these events. For example, marine survey work is going to have to start at a much later point in phased return from lockdown in comparison to terrestrial survey work because of space on board survey vessels. This means that there may be a need to prioritise support for marine based projects to enable this type of activity to resume as soon as it safe to do so with mitigation specific to working vessels in place.

3. Members are, or will be, going into financial reserves over the next 12 – 24 months without a change in current financial circumstances. Some of these reserves are very limited 33% of respondents have less than 4 months reserves. At that point, some significant changes within the sector may well happen.



EXAMPLE: many members are anticipating the need to eat significantly into financial reserves. This will mean spend will become highly constrained – the consequences of that will depend on how quickly members are able to restore income.

However, the main impact will be the ability of larger eNGOs to initiate and support large scale conservation projects. When the financial situation changes, as above, and financial reserves are depleted, these members will be far less likely to be able to take on new projects which carry financial risk. One of the biggest challenges we face in Scotland is finding match funding for big transformation conservation projects – this is supported by the EFN report – our funding opportunities are more constrained than colleagues in England.

Green recovery:

The impact of C19 and lockdown has been to underline and emphasise the reconnection and need for nature and green space that people are experiencing. Nature really is important- in an abstract and concrete sense- this must be part of the new normal. the opportunity this meeting presents is to "sell the concept" to Roseanna and demonstrate that it's in her/the Government's/the SNP's own interests to support it – and importantly to be bold/ambitious and take on vested interests to deliver it.

Big message must be: "back to normal" should not be the aim. This was discussed in LINK's recent meeting with Cab Sec for Economy who said she wanted to build a better future for all and a new normal – well being – wellbeing for all that tackles climate and biodiversity emergencies. We offered her our support and help. Wellbeing is about what really matter to us – what really matters to us is nature and access to green space. The tragedy of C19 and its impact has reflected the need for, and appetite for change; 'normal was a crisis" – not just environmentally but also socially/economically and we now have a one-off opportunity that Scotland cannot miss. Moreover, if Scottish Govt grasp it, they can be like NZ or a small Scandi country.

This is going to be difficult: Cab Sec Economy was clear about challenge ahead but working together – across silos – as she put it – within Cabinet and out here too. That lead needs to be clear/bold about **not** seeking return to the *status quo ante.* This will mean difficult choices and standing up to oil/aviation/roads etc lobby and say "no" (or "no, without clear just transition plans") while also providing support for the "new economy" (which will include all the NGO work/projects).

Here ready to provide support and input: use us in Cabinet negotiations: we're the union for the environment! As a network, we are gearing up to this 'green recovery' and have access to a significant range and depth of expertise on how a green recovery could and should work for future generations.

Key practical priorities:

We are curating a list of projects postponed/ cancelled because of C19 (example here and sent to Economic Recovery Group as part of response) plus the list of projects in development. Some of these hold the key for the future: landscape scale projects that if implemented would deliver resilience against climate change, ecosystem resilience though addressing the loss of nature plus rural community resilience in terms of a healthy local environment, business opportunities built on that, local skills and training relating to these projects.

EXAMPLES: recent NLHF briefing here.

Healthy and life supporting ecosystem and landscapes: Peatlands; woodland restoration in the right place; deer management; INNS. Apprenticeships.



EXAMPLE: the single biggest impact the government could have for conservation delivery, the sector and green recovery would be to provide more financial support for project delivery in order to match those big funders like lottery and enable us to take advantage of the last gasp of LIFE.

eNGO role:

The role for eNGOS in this, in the past has been the vision and then delivering this. This capacity to delivery is now in doubt – a point from the larger eNGOS. We would therefore be looking for 2 things from ScotGov:

- 1. **Financial underwriting**; the sector is not now in a strong enough positions to be able to do this
- 2. Sponsorship / promotion and support from Cab Sec for the concept of healthy and life supporting ecosystem and landscapes with access to nature for all: a key tool in this is a Nature Network green and blue infrastructure projects. Great start with short term peat restoration projects for instance but real impact and success comes at scale through coordination to achieve a fully functioning whole. Not just bits here and there, hich are all important but are also tweaking / partial solutions.

What can she do: get behind the vision and scale needed to ensure a green recovery delivers for nature and climate too. Invest in catchment scale projects that restore ecosystems, protect the environment and landscape so it continues to drive sustainable tourism, bring skills, training, investment and business opportunities across Scotland and enable people across Scotland to access nature on a daily basis. In get behind a Nature Network as a cornerstone of a green recovery.

EXAMPLES:

By highlighting the need for, and value that people place on, accessible green space, the current lockdown has made what should be an overwhelming argument for greater investment in the management of these close-to-city resources (and very possibly the creation of more). So if you can plug the case for all protected landscapes to play their part in tackling the challenges of both economic recovery (especially the National Parks and – potentially – the NSAs) and the climate, biodiversity and health emergencies (all but in some respects particularly the Regional Parks) we would be most grateful. As with the LINK agenda more generally, expenditure on the management of these areas should be seen as an investment, with a huge and diverse payback, not as a deadweight cost to the public purse. Again, there is a strong and crucial link here to the way that land use support funding is deployed in future

Skills/ training/ business development: urban areas / green space growing: getting young people into work (who might otherwise have been getting their first job in catering or tourism or retail) would make sense imo. As well as sending young people off into the wilds to block up drains it could put resources into urban greenspace/growing projects

EXAMPLE:

The long term underinvestment in public transport, facilities, personnel and public education to facilitate responsible access to the outdoors has significantly exacerbated pressure on a small number of well known 'hotspots' and means members of the public not routinely involved in organised outdoor activities are poorly informed about their rights and responsibilities. Urgent investment in these areas now will be particularly important to remote and rural communities to allow them to enjoy the economic benefits of the expected surge in domestic tourism without suffering unnecessarily when existing facilities to manage visitors are quickly overwhelmed (as now happens routinely even in 'normal' years). Exacerbated by for example, that ranger numbers are likely to be decimated with many local authority rangers on furlough and facing redundancy instead of returning to work. NTS who are cutting ranger posts.

Fairness in recovery:



A healthy environment – our biodiversity and climate – remain our priorities irrespective of Covid, and the takeaway has to be that neither of these two big crises have gone away just because of a new crisis in public health has come along and overshadowed them in the eyes of the policy makers.

EXAMPLE: These are almost touched upon in the FoES coalition letter but if referred to (it wasn't), expand the FoES points to link with our 11 points that aren't really covered in that letter. The aim is to highlight where the fair AND green solutions come together for added value and increased efficiency (of investment). An example is the value of High Nature Value farming, without which the quality of local environments drops. This is the public goods for public money issue plus building resilience against climate change and ecosystem decline.

LINK's new strategy: how does <u>our strategy</u> deliver towards the vision and objectives of the ScotGov Environment Strategy?

Vision is the same: but a key difference between our LINK strategy and the SG's environmental strategy is the way in which we focus on connecting nature and on a landscape scale. The SG strategy doesn't seem to have anything about integrating land uses or a more joined up and holistic approach (other than at a policy level).

What we do agree on though would seem to be the wellbeing and community side of things.

Environment strategy outcomes can be delivered through specific approaches:

Outcome: Scotland's nature is protected and restored with flourishing biodiversity and clean and healthy air, water, seas and soils Nature networks

Outcome: We play our full role in tackling the global climate emergency and limiting temperature rise to 1.5°C Nature based solutions

Outcome: We use and re-use resources wisely and have ended the throw-away culture Circular economy

Outcome: Our thriving, sustainable economy conserves and grows our natural assets Nature networks; healthy landscapes and ecosystems; circular economy; efficient land and sea use

Outcome: Our healthy environment supports a fairer, healthier, more inclusive society wellbeing and access to a clean and healthy environment, access to healthy locally produced food

Sources: email input from members of Green Recovery, Governance, Economics and Wildlife Groups.

DL 17 June 2020