

# Written evidence submitted by Wildlife and Countryside Link

## Impact of Covid-19 on DCMS sectors

### Introduction

1. Environmental charities are essential delivery partners in the UK's response to the climate and ecological emergencies. Charities are delivery bodies for access to nature, carbon sequestration, water quality, habitat creation, species conservation and many other environmental benefits. Wildlife & Countryside Link members manage 750,000 hectares of land and 800 miles of coastline. The financial impacts of Covid-19 on environmental charities are so severe and long-lasting that delivery of these crucial functions is at risk. Without additional action by Government, this could have serious consequences for the decline of the natural environment, including risk of failure to deliver key 25 Year Environment Plan goals and climate change mitigation targets.<sup>1</sup>
2. We are grateful to the Government for the measures it has taken to ease the social and economic effects of **coronavirus**. Our initial analysis of the sector suggested that a fifth of organisations faced existential financial risks, but the furlough scheme has reduced the immediate risk of collapse for most organisations.
3. Nevertheless, the environment sector is facing severe short-term losses as a result of the crisis, these losses are expected to continue long after immediate lockdown restrictions are lifted, and the Government's relief package leaves a number of major gaps in its support for environmental charities.
4. **During lockdown, environmental charities face collective gross losses in excess of £35 million per calendar month. Even with the furlough and retail support schemes, collective net losses are expected to exceed £20 million in April.** For the environment sector, this is a hugely significant sum of money resulting from loss of retail revenues, visitors' fees, charitable giving and a precipitous fall in membership income.
5. After lockdown, in some ways the situation could worsen. **So far, the Government has made no provision for financial support after the furlough scheme has ended, yet ongoing losses from reduced membership income alone are expected to exceed £100million this year and next year.** Because civil society is a delivery partner in many environmental programmes, this "long tail" of losses could lead to failure to meet key targets such as tree-planting, peatland restoration, wildlife protection and climate change mitigation.
6. As a result, a number of environmental NGOs still face the risk of collapse in the months ahead. Perhaps more seriously still, there will be a pervasive loss of capacity to deliver environmental protection and improvement across the entire environment sector for months and even years ahead.
7. Together, Wildlife & Countryside Link members employ thousands of people and are responsible for frontline delivery of many of the environmental actions that will be essential to deliver the Government's environmental aspirations. **Our members manage over 750,000 hectares of land and 800 miles of coastline. The sites our members manage receive over 55 million visits a year from the public** and lockdown has demonstrated more than ever how much people depend on greenspaces for their mental and physical wellbeing. Our ability to preserve and enhance these places, protect their wildlife, and open them up for the public to enjoy is at stake. It is no exaggeration to say that the

---

<sup>1</sup> This evidence is submitted by Wildlife and Countryside Link and Greener UK on behalf of the following organisations: A Rocha UK, Bat Conservation Trust, Buglife, Butterfly Conservation Trust, CPRE, Greenpeace UK, League Against Cruel Sports, The National Trust, Naturewatch Foundation, ORCA, RSPB, The Wildlife Trusts, The Wildfowl and Wetlands Trust (WWT), WWF UK, Whales & Dolphin Conservation, Salmon & Trout Conservation, Shark Trust, Plantlife, People's Trust for Endangered Species

coronavirus puts delivery of the Government's entire environmental programme at risk, including aspirations to achieve greenhouse gas emissions reductions and to reverse the decline of wildlife.

8. We recognise, of course, that the Government is facing unprecedented demand for support from every quarter in this difficult time. The environment sector supports society and the economy, providing substantial public services and benefits, including world-leading science, conservation and public access to nature and heritage. For many people, visiting wildlife sites and being part of environmental organisations is a vital part of the social fabric of their communities and daily lives.
9. The threat to our sector is unprecedented. Without swift and sustained support, the shape of this country's wonderful civil society, scientific community, natural heritage and the state of our natural environment could be harmed forever. We hope Government can provide the support that will sustain us through this period and that we can continue to work together for the benefit of society and environment.
10. In this submission, we demonstrate the unprecedented scale of losses; identify the gaps in Government support; and propose several simple, affordable mechanisms that the Government could introduce to ensure that environmental charities can continue their vital work to protect our natural world and people's enjoyment of nature, with all the benefits it provides for health and social and economic resilience. We propose a **"back to work programme"** as an effective way to help charities in the short-term and a **"programme partnership arrangement"** to procure environmental delivery services from charities and support environmental action as part of a long-term green stimulus for our economy and society.

## Income generation

11. The environment charity sector is diverse in size and business model, but **there has been a large and immediate fall in income for environmental charities of all stripes.**
12. **Those reliant on visitor entrance fees and retail spending have experienced a severe and immediate loss of income as a result of site closures.** The Wildfowl and Wetlands Trust (WWT) had 1,039,266 visits in 2019, attracting membership and entrance fees. During coronavirus restrictions, WWT will lose £720,000pcm from visitor fees alone, out of total unrestricted income of £1.86m pcm. Like most environmental eNGOs (eNGOs), WWT has a mixed business model and will face additional losses from membership fees, consulting and grants. It expects to lose £33,000 in programmatic work such as consulting in March. It also expects to lose £123,000 pcm from membership fees.
13. **Those reliant on grants, programmatic work, and events, are losing income from projects fees, but have already spent money in preparation.** Global Action Plan will see its earnings reduced by 52% in April because of cancelled project fees from three sources – charitable foundations, public sector contracts and corporate sponsorships. The £93k drop in income per month is roughly evenly split across those three income types. Only 1% of Global Action Plan income is unrestricted, most is based on project work which is paid for but cannot be delivered.
14. **Those reliant on membership income will face heavy short-term and ongoing losses, even after restrictions are lifted.** Membership organisations large and small are reporting significant reductions in membership recruitment and retention, including RSPB, National Trust, Greenpeace UK, ORCA, Waterwise, IFAW, WWT, Woodland Trust, Shark Trust, Butterfly Conservation, Buglife. Greenpeace UK expected losses of at least £1million loss in 2020, and large chunks of that lost again in future years.
15. Many in the sector have a mixed business model, with losses expected in a number of areas. RSPB said that "as at 24 March 2020 losses have been estimated based on 6 months of measures and total around £10 million". This includes impacts on donations, community fundraising, membership, high value partnerships and most significantly income from our reserves through retail, catering, car park charges and events.

## Membership recruitment reductions

16. There is immediate evidence of a fall in recruitment and retention in membership subscriptions. This runs counter to the prevailing trend in increasing engagement with environmental charities. For example, during 2018/19 more people than ever before joined the National Trust, increasing the number of members to 5.6m, from 5.2m the year before and 26.9 million visits were made to National Trust sites. Assuming no covid-19, this trend would be expected to continue. Evidence of immediate losses in membership subscription revenue, which can be directly attributed to the outbreak, includes:
17. RSPB: Direct debit cancellations in March are up 57% compared to March 2019 (6,200 compared to 4,000 for the same month last year). Actual recruitment of 2,500 new members in March compared with a forecast of 5,600. This is expected to lead to a loss of £3-£5 million in 12 months. Membership subscriptions and donations represent 42% of RSPB annual income.
18. WWT: expected loss of £123,000pcm from loss of membership subscriptions, 20% of monthly membership income. Membership subscriptions represent 30% of WWT's annual income.
19. Buglife: recorded a fall in membership recruitment of 27% in March compared with 2018.
20. The Wildlife Trusts: reported that 72% of new members are recruited face to face and all face to face recruitment is on hold while restrictions are in place. Spring and early summer are the peak seasons for membership growth for The Wildlife Trusts. April and May 2019 saw a growth in membership of 1158 and 3365 respectively. For March 2020, TWT have already seen a decrease in membership of 1,567 from only 20 of 46 Trusts reporting back so far.
21. ORCA: March saw a 57% increase in cancellations compared to March 2019 and a 66% decrease in new members compared with March 2019. March 2020 recruitment rates suggest a reduction in new membership income of £31,520 to £50,432 over 24 months, while increased cancellation of memberships would see £22,366 to £35,786 over the same period. Membership subscriptions represent 51% of ORCA's annual income.
22. After memberships lapse it is not straightforward for charities to reconnect with former members. New recruitments often depend on seasonal site visits. These factors mean that a simple bounce back in membership is unlikely after restrictions are lifted.

## Fixed costs remain high

23. Compared with other charities and businesses, environmental charities often have a high proportion of fixed, irreducible costs associated with land management and scientific work. This is especially high at this time of year, as the Spring period includes many seasonal essential works:
24. In March, WWT's expected costs are £1.94m. This includes a high proportion of irreducible costs, such as c. £0.5million on site maintenance and animal care, and further fixed costs for staff employed overseas. This means an expected deficit of £956,000 in March.

WWT's total annual income was £24.4million in 2018-19. £18.5million was spent on charitable activities. Substantial components are not eligible for support, such as overseas staff deployed in international conservation, wetland restoration and flyway partnerships (items 6-9 below). Domestic irreducible costs include caring for animal collections at WWT, as well as scientific and conservation work such as captive breeding programmes.
25. This RSPB spend £41.3million annually on nature reserves, which includes essential functions such as maintaining site safety, monitoring and protection of endangered species, and flood relief work.
26. A number of charities have collections of animals, conservation breeding programmes, or high numbers of livestock which need to be tended. These entail a particularly high irreducible cost. For example, the Zoological Society of London faces particularly high fixed costs. In 2017-18, 52% of its income was

spent on its zoo animal collection and conservation work. Organisations like the Wildlife Trusts have stocks of grazing cattle at a number of sites. WWT has similarly large animal collections at sites like Slimbridge and London Wetland Centre, as well as breeding programmes for endangered species like the spoon-billed sandpiper.

27. The Wildlife Trusts spend a high proportion of budget on essential conservation management. In 2017/18 BBOWT spent 72% of total expenditure on conservation activities. This included:
- Nature reserves (44%)
  - Wildlife awareness and education (36%)
  - Looking after the wider countryside (20%).

Although some of these costs are flexible, such as additional outlay on education, a significant proportion cannot be reduced.

## Potential for mitigating actions / response

28. Charities are taking mitigation actions wherever possible. For example, Global Action Plan have:

- *Furloughed or reduced hours for 1/3 of staff team.*
- *Senior management have taken a 20% pay cut = £20k*
- *Recruitment freeze = saved £20k*
- *Stopped planned pay-rises = saved £7k*
- *Cancelled all-staff conference and all staff training = saved £4k*
- *Suspended all non-essential marketing & expenses = saved £7k*

## Government support falls short

29. The package of support offered by Government is appropriate for profit-focused businesses, but less so for charitable activities. Loans are often inaccessible for charities, especially where they are tied to traded income.
30. Furlough is too inflexible where staff are required at short-notice, part-time, or for brief periods for site maintenance, animal welfare and public safety functions, such as:
- flood defence and flood mitigation
  - tree disease management, felling, safety and bio-control
  - season-sensitive monitoring and conservation activity
  - protecting nesting colonies from disturbance and predation
  - grazing control and stock management
31. Because of this kind of function, WWT is currently unable to furlough 34% of staff, serving essential functions, but even if all staff were furloughed, wages only represent 57% of outgoings, and other costs are irreducible, so WWT could still face crippling costs. There is also a balance to be struck: the more staff furloughed, the greater the reduction in environmental and scientific work.
32. In some cases, especially for organisations heavily dependent on grant and programmatic funding, furlough simply delays losses, as critical funding opportunities will be missed. Other roles that cannot easily be furloughed include essential business functions like preparing accounts for audit. RSPB said *“there are significant risks if we are not able to develop the next set of funding applications for species and habitat management as the impact of reduced income will lead to a reduction in species recovery work, and potentially direct impacts on populations of rare species like turtle dove, swift and curlew”*.

33. A comparison between Wildlife and Countryside Link's survey of environmental NGOs compared with analysis of the wider heritage sector by the National Lottery Heritage Fund shows a relatively high dependence on grant funding in the environment sector. More than half (51%) of eNGOs identify reduced access to funding as a risk, compared with 21% across the wider sector.
34. While short-term financial assistance from major funders is helpful in alleviating immediate cashflow problems, it defers rather than remedies the damage. For example, the National Lottery Heritage Fund emergency funding of £50million is helpful for those that have benefited from National Lottery Heritage Fund grants before, but it relies on a halt in wider funding until at least October. These funds have been drawn forward and repurposed; they are not "new money". As a result, survival funds will replace funding for conservation programmes.
35. This is also a sector where people are desperate to work. Paying a grant to help cover staff costs and allowing people to work would increase productivity compared with paying people not to work because of financial difficulties. The furlough scheme is based on the premise that businesses cannot afford to pay workers and that there is no work for them to do while opportunities to earn income are limited. Among civil society organisations, however, work remains plentiful and productive, if charities can be supported to pay for it.
36. Other components of the support package (e.g. business grants) are not available for most charities and no provision has been made to help cover losses that continue after restrictions have been lifted. The small business grant funding of up to £10,000 in England cannot be accessed by charities, but this could be a lifeline for smaller organisations in the sector. This contrasts with the £500m Economic Resilience Fund launched by the Welsh Government, which includes £10k grants for small organisations up to 10 people, including charities, and explicitly aims to "plug the gaps in the support schemes already announced by the UK Government".<sup>2</sup>

## **Continued corona charity funding crisis after lockdown is lifted**

37. Loss of income is likely to continue long after restrictions are lifted because of membership and donation losses. With data protection and GDPR restrictions, it is more difficult now to 'reconnect' with lost members than it would have been in the past. Many membership recruitments are also associated with seasonal visits to sites, meaning that new opportunities to reach out to those members may not be forthcoming.

Conservation organisations already tend to be "lean" organisations, with relatively low salaries and operating costs. The sector is assessing options for savings and reprioritisation in the years ahead. Nevertheless significant shortfalls are likely to remain, which could threaten the sector's scientific, conservation and public engagement work, which is needed to deliver key objectives of the Government's 25 year environment plan. Therefore, longer-term support for resilience and rebuilding is needed.

38. In March, RSPB membership cancellations increased 57% on a typical year and recruitment had fallen to 40% of expected rates.
39. Based on current rate of membership losses, The Wildlife Trust expect annual membership losses of £1,500,000, leading to long term loss of £9,000,000.
40. These reductions are likely to be passed through to other organisations not directly reliant on membership, as lynchpin organisations like National Trust and RSPB may not be able to afford to sponsor work. Significant reductions in income for lynchpin organisations will "ripple out" across the sector over the next 12–24months.

---

<sup>2</sup> <https://businesswales.gov.wales/news-and-blogs/news/£500-million-economic-resilience-fund-launched-wales>

## The implications could be serious for climate and nature

41. The environment sector plays an important role in civil society, delivering health and wellbeing benefits and ecosystem services, as well as direct conservation benefits. It is a critical delivery partner for Government Agencies, such as Natural England and the Environment Agency, partnering in many frontline projects. For example, 75% of RSPB's estate is designated land (SSSI), which it helps to monitor and maintain for 18,000 species. If these partnership projects cannot be sustained, Government capacity to deliver essential frontline services like flood relief may be compromised.

The Government should view the environment sector as a critical delivery partner in its 25 Year Environment Plan and in the "green recovery" from the effects of the coronavirus crisis.

42. According to the RSPB's natural capital accounts, the total asset value of RSPB's estate in England (£1,072 m) is more than twice the cost of maintaining the asset (£528m). Even the partial value reflected by the limited set of benefits that could be measured and valued outweighs the maintenance costs by 2:1. In other words, the social value of maintaining RSPB's estate in terms of access to nature, carbon sequestration, flood alleviation and other benefits is twice the cost of maintaining those assets. In terms of immediate effects, RSPB said it would not be able to prevent disturbance of nesting birds on beaches or protect nesting colonies on reserves from predation. Furlough would also render the Society unable to contribute to planning applications and to offer farm advisory services, which promote environmental benefits and help farmers to access environmental funding schemes.<sup>3</sup>
43. Furloughing staff can lead to direct and lasting environmental effects. For example, Global Action Plan said furloughing ends projects which are reducing carbon emissions and air pollution. A 50% reduction in working capability entails a loss of half of GAP's typical annual carbon and resource savings: 18,000 tonnes CO<sub>2</sub>, 0.7 million kWh of energy use, and 1.3m cubic metres of water consumption.
44. eNGOs are at the forefront of biosecurity and plant and animal health. For example, The Wildlife Trusts are fighting ash dieback, which could kill up to 95% of ash trees across the UK, with an expected economic cost of £15billion. The UK's 46 Wildlife Trusts are already allocating between £30k-£200K every year each to deal with the issue.
45. Urban nature reserves, such as those managed by London Wildlife Trust and WWT London Wetland Centre, are particularly important providers of services for city populations. According to the Office for National Statistics, for every £1 spent on park maintenance, Londoners gain £20 in physical health benefits alone. High-activity visitors gain 24,000 quality-adjusted life year (QALYs) each year.
46. Charities offer important engagement activities, promoting physical and mental health. For example, in the next six months, The Wildlife Trusts expect 250,000 people to attend wildlife events, 200,000 people would receive visits to schools, care homes and community groups and 12,000 people would gain new skills through courses, which are at risk during and after restrictions.
47. The British public make over 55 million visits to sites managed by Wildlife and Countryside Link members each year.
48. Some charities may fail, more may be seriously hamstrung for years to come, with knock-ons for wider civil society. National Trust alone employs 14,000 staff and supports 55,000 volunteers.
49. National Trust topped YouGov's 2018 Charity Millennial Rankings which considered which not-for-profit organisations 18–34 year olds have discussed in favourable terms among family and friends. The National Trust tops the list with a score of 46%, narrowly ahead of mental health organisation Mind, which has a rating of 44%.

## Alternative support for charities

---

<sup>3</sup> Other NGOs also referenced reduced ability to offer farming advice. For example, The Wildlife Trusts movement advises 5,000 landowners each year on topics ranging from reducing pesticide use and restoring peatlands, to mitigating flooding and species reintroductions.

50. The furlough scheme has been a lifeline for charities, helping to avoid the worst of the financial effects of coronavirus. However, it has three major shortcomings for charities:

- (1) **By paying people not to work, the furlough system sacrifices the public benefits produced by charitable activities.** In general, unlike many private sector organisations, charities have furloughed staff because of a lack of funding, not because of a lack of work. This is contrary to the ethos of charitable giving – where people expect their generosity to produce charitable benefits – as well as an unnecessary loss of productivity and public benefits.
- (2) **Many charitable activities include essential functions that cannot simply be mothballed.** Seasonal conservation action, species monitoring and scientific work, animal care, public safety and other essential conservation functions mean that a significant proportion of staff cannot be furloughed. This means that the costs of conservation activity continue, even though significant proportions of income have been lost.
- (3) **Many financial losses incurred by charities will continue long after furlough has ended.** This means that on-going financial losses will hamper the ability of charities to deliver essential conservation work. Many elements of the Government’s 25 Year Environment Plan, such as tree-planting, peatland restoration, and people’s access to nature, depend on the work of charities. Many projects on the ground are partnerships between Government agencies and civil society. These contributions are at risk without on-going financial support.

51. In addition to further short-term emergency funding for those charities that are worst affected, we propose two simple policy measures to address these difficulties.

- (1) **A “Back to Work” scheme** would enable furloughed staff to return to work and provide salary support for essential frontline staff who cannot be furloughed.
- (2) **A “Programme Partnership Arrangement”** would provide government funding for essential conservation activities carried out by civil society.

We have also proposed a number of additional financial support measures to help charities to weather the crisis and to ensure that delivery of key environmental public benefits is not compromised.

## **Back to work payments**

52. An alternative to furlough should be introduced that offers a slightly reduced rate of financial support to enable charity employees to get back to work. It is counter-productive to pay employees not to work where there is work to be done. It is also contrary to the ethos of charities, which exist and are supported by millions of people to put their funds to work in support of public benefits. It would be much better value for money for Government to support organisations financially to keep people working.

### **Eligibility**

53. We recognise that a scheme available to all charity staff could leave the system open to abuse, with organisations claiming money for business-as-usual activity and for all staff. This could lead to excessive costs. This could be mitigated by limiting access and reducing the rates of payments.

54. The Back to Work programme should be limited to registered charities, recognising that charitable work provides positive public benefits. Within a charitable organisation, the scheme should be available to two categories of staff. To avoid gaming the system, the back to work programme should only be available to support the salaries of members of staff that have:

1. been furloughed by 1 May 2020
  2. been designated as “essential frontline workers”.
55. Essential frontline workers should be identified by the charitable organisation and include staff with core (environmental) responsibilities that cannot be deferred and, without which, there would be significant harm to charitable objects. This opt-in scheme would be an alternative to furlough.

### **The terms**

56. The Back to Work programme could pay up to £2,000 per month or up to 75% of an individual’s salary for each member of staff that had been furloughed to return to work, where there is work available for them to do.
57. It should be an option for individual charitable organisations to top up individuals’ salary to their normal income. In these circumstances, it would be open for a charity to require staff to return to work. This support should be made available for a Resilience and Recovery Period of 6 months beyond the end of the lockdown or the end of the current furlough scheme, recognising that charities faces long-term losses.

### **Costs and benefits**

58. For the duration of the furlough scheme, the costs of the Back to Work programme are likely to be roughly equivalent to the furlough scheme. Approximately 2,000 staff could be expected to be designated as “essential frontline workers” across the environment sector. This would incur an additional cost. On the other hand, the maximum payments for staff that are currently furloughed would be reduced, offsetting the additional cost.
59. There would be a significant increase in benefits. Staff who are currently furloughed produce zero public benefit. Bringing them back to work would contribute to environmental and public health. There are also likely to be additional benefits for skills and wellbeing among staff who are able to work again. Overall, the Back to Work Programme would be a significant net benefit.

## **Resilience and Recovery Funding**

60. The long-term challenges of climate change and ecological recovery remain and the coronavirus crisis has demonstrated the centrality of nature in our lives. The trajectory set by the Environment Bill, by the “public money for public goods” agricultural reform, by the Nature for Climate programme, and by the Glover Review remains right. Now, the question is how these can be delivered effectively.
61. In the longer-term, civil society organisations are essential partners in delivery of the government’s important environmental programme. The long-term economic losses associated with coronavirus are expected to be in the order of hundreds of millions of pounds over the coming years. This represents a major delivery risk to the Government’s environmental programme.
62. For example, Wildlife and Countryside Link members manage 750,000 hectares of habitat, 800 miles of coastline and welcome 55 million visitors each year. Their work sequesters millions of tonnes of carbon, critical to net zero aspirations, and their species monitoring and conservation programmes are essential for the state of nature. They work hand-in-hand with the Government’s statutory agencies, as delivery partners in projects ranging from public access, to conservation programmes, to natural flood mitigation and climate change resilience.
63. The environment sector can be part of an “economic reset” that embeds new ways of working, new greener economic patterns, and more equitable access to a high quality environment as part of a broader economic and social recovery.

64. To plan how this can be done, Defra's new work programme on a green recovery should lead government in considering some fundamental questions:
- How can the value of nature be fully represented in future investment plans?
  - How adequate is current funding for delivering the 25 Year Environment Plan?
  - What is the right division of labour between Government, Agencies and civil society?
  - Is the right workforce capability available in civil society to deliver these ambitions?
65. From the outset, it is clear that if Government to deliver the benefits offered by environmental recovery, the scientific expertise, practical on-the-ground conservation capability, and the wider movement of volunteers and citizen scientists managed by environmental NGOs will be needed to contribute to delivery. Following the financial effects of coronavirus, this will need to be funded.
66. This could follow the model of partnership funding arrangements previously managed by Defra through Natural England, or adopt the format of Programme Partnership Arrangements pioneered by the Department for International Development.
67. As part of a "green recovery", Government should provide funding for Defra to procure services from environmental NGOs in the delivery of its 25 Year Environment Plan. For example, many charities can offer cost-effective delivery of services such as site and species monitoring, or habitat creation, where Government faces great delivery challenges. This will help to avoid an environmental delivery shortfall as a result of reduced capacity in the environment sector, enabling Government to deliver the environmental, social and economic benefits of the 25 Year Plan in a cost-effective manner.
68. The forthcoming Spending Review should allocate a specific funding stream for NGO partners to deliver services such as sustainable farming advice (benefiting nature and food supply chains), habitat creation and enhancement, planning, surveying and monitoring, with education and access (benefiting people's health and well-being) and improving natural capital (contributing to economic and social resilience).
69. Of course, the environment sector must remain rigorously independent of government so that it can continue to hold decision-makers to account. With this in mind, future delivery funds should be administered outside core Defra. For example, funding could be managed through Natural England or by an independent panel. Such a panel could consider applications and distribute funds on a competitive basis, based on criteria to help ensure diverse support across the sector and maximum environmental returns. Precedents include the Nature Improvement Area fund.
70. This should also be a time-limited fund to ensure that NGOs do not become dependent on state funding or beholden to Government. For example, funding could be allocated for the duration of the next Spending Review to help cover the on-going delivery risks posed by coronavirus and to ensure that action to deliver the 25 Year Environment Plan receives a front-loaded kickstart of environmental action.

### **Additional measures**

71. Although the Government's £750million support package is welcome, very little of this money is expected to be available for environmental organisations. NCVO's calculations suggest that a fund of almost £4bn is necessary to support the wider charity sector, based on lost income. Emergency support money should be targeted to help those otherwise-viable organisations that could be lost because of coronavirus.

#### **Funding flexibility**

72. The terms of established funds should be temporarily varied to allow payment of overheads for project partners, such as staffing costs.

73. For example, Defra's Darwin Plus funding is an extremely valuable resource for overseas conservation, but delivery often depends on capacity among partner NGOs. Giving extra flexibility for this kind of fund to partially support partners' core costs for a limited period would enable the sector to recover and continue to play this essential role.
74. Additional money could be reallocated from Defra budgets that cannot be spent as planned in this financial year. For example, budgets may have been allocated for the UK's participation in international negotiations which will not be taking place this year.

#### **Long-term pooled funding**

75. Charities' loss of income is expected to last for a number of years. Government should provide a core of long-term financial support, tapering off over a 24 month period, to enable charities to keep delivering essential conservation functions. This funding could be used to leverage further funding from philanthropic funds and from the private sector – for example where some businesses have received a windfall from coronavirus activities, such as parts of the retail sector – pooling resources to support charities facing shortfalls.

#### **Gift aid**

76. Gift aid is an important source of income for some charities. Government could consider a 12 month extension of Gift Aid at 20% to apply to corporate and private donations to charities above £500k. Existing tax advantages of giving would also still apply. This could help to incentivise high net worth giving, at scale, for the crisis period.
77. Gift aid could also be pre-paid, based on 2019-20 levels, to help charities that are experiencing a shortfall in giving.

#### **State aid**

78. The State Aid limit of €800,000 should be lifted for charities for all COVID-19 related relief, including grants.
79. The RHLGF is given as aid under the Temporary Framework for State aid measures to support the economy in the current Covid-19 outbreak published on 19 March 2020.
80. Organisations can only receive up to €800,000 under the Temporary Framework and must also confirm that they were not an undertaking in distress on 31 December 2019. This is problematic for those premises that are part of a large chain, such as the National Trust, where the cumulative total of grant funding received could otherwise exceed these thresholds.