

Senedd Cymru
Y Pwyllgor Newid Hinsawdd, Amgylchedd a
Materion Gwledig
Ymgynghoriad ar effaith argyfwng
Covid-19
CCERA(5) CP 08
Ymateb gan Ymddiriedolaeth Genedlaethol

Welsh Parliament
Climate Change, Environment and Rural Affairs
Committee
Consultation on the impact of the Covid-19
pandemic
CCERA(5) CP 08
Evidence from National Trust



Ymddiriedolaeth
Genedlaethol
National Trust

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The National Trust in Wales exists to care for special places in Wales so that they can be enjoyed by everyone, for ever. We place great importance on the conservation, management and enjoyment of the natural and historic environment both within and beyond our boundaries. We are the guardian of 18 of Wales' finest castles, houses, gardens and industrial sites alongside 157 miles of coastline and 46,000 hectares of land. We currently have six thousand volunteers, two-hundred thousand National Trust members live in Wales, and we welcomed 1.8 million visitors to our properties last year.

What has been the scale and impact of Covid-19 on our work and sector?

Conservation charities are experiencing a dramatic loss of income from the closure of visitor attractions, cancelled fundraising, and decreased donations and access to grants. This will have a huge and lasting impact on their ability to care for our landscape, protect our wildlife, tackle climate change and nature's decline for years to come.

Key findings from recent Wildlife and Countryside Link research with 55 environment organisations, demonstrate that:

- 27% of environmental charities (eNGOs) surveyed say they are either at high risk of becoming financially unviable in the coming months or financial reserves sufficient for four months or less
- Almost half (47%) say their financial reserves are sufficient for six months or less
- Even with the furlough and retail support schemes, collective net losses across the environmental charities were expected to exceed £20 million in April alone (figure includes National Trust estimate)

The National Trust is no exception to this. We rely on the support of our members, donors, volunteers and grant-making bodies, as well as income from commercial activities such as retail and catering, to look after the places in our care. More than 90% of our land is held inalienably, so it cannot be sold or developed without the consent of Parliament. This means we have a duty to look after these places forever, for the public to enjoy, and our financial decisions must prioritise this ongoing duty of care.

All our pay-for-entry sites in Wales, including cafes and shops have been closed since mid-March, and will remain so until the Welsh Government advice supports reopening. This means that we are experiencing a complete loss of visitor income during what would otherwise be one of our busiest periods. Beyond the immediate loss of trading income, we have also seen some membership cancellations from those who feel they can no longer afford it, or that they can't take full advantage of its benefits in the current circumstances.

We estimate these impacts together are likely to amount to a shortfall on budget of up to £200million this year across the National Trust. This is despite carrying out significant cost saving measures, including retracting pay rises, making

deep non-staff cuts in both day-to-day and project expenditure, freezing recruitment and using all Government support available, including furloughing up to 80% of Trust staff.

The impact of this reduction in income streams due to closure, combined with a slow recovery in our visitor volumes and memberships, will be significant, with longer-term repercussions for our activities; this risks affecting both our ability to care for our historic buildings and countryside on a day-to-day basis, and our longer-term conservation goals. This reduction in income will also severely restrict our ability to invest in the environmental sector as previously planned.

Last year we spent approximately £148.5m on conservation activity – on top of essential maintenance. We have already made significant cuts to our planned project spend for this year and unfortunately, it is likely that similar cuts will need to be made in future years too.

As the largest private landowner in the UK, a significant part of our investment programme was directed to delivering ambitious environmental targets, including the creation of 18,000 hectares of new woodland by 2030, and the creation and restoration of 25,000 hectares of new habitats. These programmes will however be seriously compromised by long-term financial loss as a result of the current pandemic.

The National Trust has been around for 125 years this year, and its leadership is clear that it can and will take critical steps to ensure it will continue to meet its charitable aims long into the future. For the Trust, the immediate response has primarily been about limiting unrecoverable costs over the coming months while our trading and membership income is heavily reduced. However, for the wider sectors and partners with whom we work, urgent issues of liquidity and cash flow are still a significant concern. Jobs are still at risk across the sectors we work with – many charitable activities include essential functions that cannot simply be mothballed and the cost of continuing vital conservation work has been challenging when significant proportions of income have been lost, as outlined in the Environment Link report.

How Welsh Government action to date has helped to combat the impact of the pandemic

As an organisation that works across England, Wales and Northern Ireland, we have engaged with Governments at both Westminster and Cardiff in combating the impact of the pandemic. We were pleased that the UK Government has made some additional support available to charities providing front-line services, but it's worth noting that this funding will do little to support charities in our sectors.

These organisations may not be offering the emergency support to people right now that is so important, but they will be crucial to the longer-term health and wellbeing of the nation. We therefore support wider sector calls for further measures to protect charities' liquidity in order to secure the long-term future of the sector, which could include further grants aimed at promoting third sector resilience, or further targeted reliefs, such as by prepaying gift aid based on last year's levels as a cash boost and guaranteed income.

The UK Government's Coronavirus Job Retention scheme has been extremely welcome, and the Trust has been able to take advantage of it. The recent addition of flexible working whilst on furlough will be of particular benefit and we are investigating how to implement this - as whilst properties and reserves may be closed to the public, essential conservation needs to continue.

As we move towards the first stages of recovery, greater flexibility will be extremely valuable, particularly to help ensure that sites can accommodate the social distancing measures that will still need to be in place when the lockdown starts to lift, and work can be done on site in preparation for reopening and welcoming visitors back in a safe manner.

We welcome the fact that funders have responded with flexibility towards application deadlines and conditions for grants. However, we believe there is more that could be done by them to help mitigate the financial impacts of this crisis on our sectors. In particular, we would like to see the lottery funds going further in their actions to support the future of their sectors. The announced £50 million emergency support funding from the National Lottery Heritage Fund will make a significant difference for many organisations. But these funds are not sufficient to meet the needs of the sectors they serve. NLHF's funding will only be available for current grantees and one third of respondents to their survey looking for help were outside that category.

The emergency funding landscape is complex, with separate processes for the different lottery funds, central government funds and other funders. This is quite onerous and simplification or pooling of funds might potentially make a big difference to organisations having to deal with multiple application processes.

One of the specific challenges facing National Trust Wales is that while our organisation works to a delegated model, we are part of a national organisation that means we have felt that we often fall outside the eligibility criteria for Welsh Government funding mechanisms. Our properties are also remaining closed to meet Welsh Government guidelines, meaning that while our colleagues in England can start to look to the future, we are taking an even greater hit on our reserves that we will have fewer opportunities to recoup.

Re-opening our sites is likely to be a phased and cautious process, and we don't expect to return to full re-opening of all our places and full offer immediately. It's also likely that the public confidence in the safety of visiting our places will take time to restore. We will continue to face limitations on our ability to generate income when we do start to reopen our places and it will be essential that government support, including the furlough scheme, remains in force until such time as our sites can be fully operational.

We will need support to reopen our sites safely for both people and for nature when the lockdown ends. There will be challenges in making sure our places are ready. We are grateful for the ongoing partnership working with Natural Resources Wales, Cadw and Visit Wales around reopening and aligning messaging to manage visitor expectation and ensure people can enjoy our outdoor places safely and responsibly.

As lockdown eases in parts of the UK, this has created new challenges for the National Trust in Wales as different government guidance requires operational adaptations. Communicating with members, visitors and the public at large has been complex. We are already seeing beauty spots put under pressure as visitors return to Wales, not recognising that we are subject to different regulations. Again, we are grateful for the supportive relationship and collaborative approach taken in Wales which means that we have been able to reopen in a sensitive and controlled manner.

What further steps the Welsh Government should take

The current pandemic has shone a light on the precarious nature of much of the charity sector. Many organisations have been operating with little to no financial flexibility, and some of the hardest hit have been those that have put the most effort into developing income streams through visitor and trading income. Some that have worked to reduce their reliance on grant funding now find that they do not qualify for emergency support, despite having lost the vast majority of their income during this period.

Yet these are organisations looking after some of our most precious natural assets, which bring huge value to people and communities in direct and indirect ways. It is also these organisations that the Government looks to in terms of delivering on much of its ambition to drive the tourism sector which contributes nearly 10% of the UK's GDP. The public benefit generated by the charity sector is highly significant, but it can only be delivered if the charity sector has access to sufficient long-term funding that supports their organisational resilience as well as service delivery.

In the medium to long term accessing funding for ongoing conservation projects is likely to be challenging, as grant funding that would otherwise have been available to support conservation project delivery is being repurposed. For example, the National Lottery Heritage Fund emergency funding has been drawn forward and repurposed from existing money and relies on a halt in wider funding until at least October.

To address these issues and ensure that nature and community are at the heart of a future recovery, a new approach to funding might be needed. Pooling funding to create larger pots of funding and larger grants available, with a range of funders contributing – from the lottery funds to the research councils and income generating tax schemes such as those from Landfill taxes, designated funds, and even sources such as Section 106 payments, might enable a more comprehensive and coherent approach. This approach is not just about pooling money, but represents a different way of working and a different approach to supporting the sector and the innovation needed in ways of working to support this is not underestimated.

Welsh Government could play an invaluable and leading role in creating a platform to leverage funding schemes together to create opportunities at scale, and through supplementing existing resources with additional funds. We are appreciative of the measures taken by NRW to develop strategic funding schemes that support organisations while delivering common strategic outcomes but there is more to be done. There may also be opportunities to explore whether private sector corporate social responsibility funds could contribute to these wider pools of funding. This could go a long way in helping ensure the longer-term sustainability of our sectors, as well as putting in place a funding mechanism for organisations to undertake work to contribute towards longer term economic recovery - boosting buildings conservation activity, preserving and expanding existing jobs and skills, and helping to create the new jobs that will be required for a green economy.

Any other areas within our remit you wish to draw to our attention

The degree of fragmentation in terms of how government and funders have approached support for different sectors during this period has been particularly noticeable. The heritage, tourism, environment, museums, and arts and cultural sectors have largely been engaged with and treated separately – despite often facing similar challenges, holding similar concerns and individual organisations often cutting across multiple sectors (we are a particularly broad example of that, having an interest in all of these sectors). Greater join up both within government and across funders could enable more comprehensive and innovative ways of identifying and addressing the challenges faced by these sectors and improving support and funding responses.

The inconsistencies between the Welsh and English approaches have proved a challenge and this has exacerbated the difficulties faced by many within this sector to secure support and funding. Resolving these differences will be even more pertinent in a post-coronavirus Wales. As we begin to emerge from the coronavirus pandemic, we have a once in a lifetime opportunity to bring communities together, take advantage of new networks and partnerships and reinforce the positive behaviours that the pandemic has inadvertently fostered. Some coordination at the national level is likely to support such positive outcomes.

The coronavirus pandemic has severely impacted the economy in Wales and plans for a recovery are at an early stage. However, the extent and persistence of the coronavirus emergency is still unknown, so inbuilt flexibility will be essential. The heritage, cultural and environmental sectors have been particularly affected and the long-term prospects are still uncertain in many areas.

A rapid and resilient economic recovery from the covid-19 crisis must be based on principles of a green recovery. There is an opportunity for the Welsh Government to create a fairer and more resilient society by restoring natural capital: the natural wealth that underpins our wellbeing and our productive economy. We now have the chance to reshape our economy and our environment in a better way in the aftermath of the pandemic.

This crisis has highlighted the fact that access to green space and nature, and to culture and collections makes a real difference to people's lives. People have sought to find ways to stay active, entertained and continue learning and exploring even while locked down in their homes – and in those brief opportunities people have had to experience the outdoors during their daily exercise, having somewhere safe, beautiful and rich in nature near to their homes has been extremely valuable to those lucky enough to have it.

An exclusive poll commissioned by the National Trust has revealed how an increased relationship with nature appears to have helped people across the UK since the coronavirus pandemic outbreak in March. Similarly, findings in a YouGov poll revealed that more than two-thirds (68 per cent) of adults either agreed or strongly agreed that spending time noticing the nature around them has made them feel happy during lockdown. More than half the population (55 per cent) also agreed or strongly agreed that they plan to make a habit of spending as much time in nature once things go back to normal.

We must not forget these lessons as we plan for the long term. Covid 19 has changed the world forever, but the world still faces the same huge challenges it did before the pandemic. Threats to our world from climate change and the depletion of our nature and biodiversity remain as immediate and severe as ever. As governments consider the longer-term future, we need to make sure approaches to recovery contribute to the response not only to this pandemic, but to these wider crises.

Government policy must seek to renew as well as recover. Not everyone has been able to benefit from access to green space during this crisis. Many living in urban areas face a lack of green space on their doorsteps - often as a result of the sale of public spaces and playing fields. Budget pressures meant many local councils were already struggling to care for public parks.

Our recovery in Wales should enhance health, wellbeing and community and seek to promote growth investment in our environment, green infrastructure, and giving people better access to nature and green space, as well as regenerating the value of local places. The Welsh Government has the opportunity to invest in infrastructure that will help us reach net zero emissions and build the climate resilience of our communities and economy.

The Trust is willing and ready to work with the Welsh Government to deliver a green recovery that invests in green growth, continues the effort to level up communities and responds to what the lockdown has clearly shown: that people want and need access to nature-rich green space near where they live.

We are pleased to already be working as part of the Wales Environment Link's Green Recovery Task and Finish Group, as well as teaming up with other eNGOs for a virtual Green Recovery Wales festival taking place from 20-23 July, which the First Minister had kindly agreed to launch as a signal of our commitment to working with Welsh Government and partners to achieve our collective vision for a Green Recovery in Wales.

We need to take a devastating global experience and turn it into an unseen opportunity to change our world for the better.