

Thu 29/07/2021 13:10

Dear Colleagues

It's a slightly different catch up today. The Board of Trustees meeting has just finished and so before some people head off on a well-earned holiday it's a good opportunity to reflect on the past year and also set out our focus for the future.

Thank you for your support and hard work over the last year

A year ago the Board of Trustees met and approved the SLT's proposed roadmap to get this charity through Covid-19 and out the other side as a going concern. I'm glad that the email prepared in case it was decided that the charity was no longer viable never had to be used. I wrote then that no business can survive the loss of £13m almost overnight and carry on as before. We knew that the scale of the challenge was daunting but not hopeless, and so it has proved. It's no small achievement for FSC to still be here after many months of blanket bans covering much of our core business. I don't think any of us have come through unchanged or even unscathed. Some sadly have been deeply impacted.

What have we learned?

What I have seen are staff from across the organisation pulling together in completely new multidisciplinary teams. Some were focused on dealing with the crisis and its ramifications head on. Some delivered new business at a scale and speed never seen before. Others continued to support the charity's functions with just a skeleton team. I also saw the old fashioned "them and us" which has so hindered this organisation all but disappear in the face of the biggest challenge this charity has ever seen. The full range of skills and disciplines staff could bring were recognised and mobilised in new and innovative ways. Despite the impact of public health restrictions on our centres, digital products, adult learning and publications all kept our name out there and extended our reach through the dark days of the lock downs.

Moving Forward

Necessity being the mother of invention, Covid-19 supercharged some plans that were already in our five year strategy but it has also radically altered the way in which we must work and the business environment in which we operate. Covid-19 isn't a blip and there will be no getting back to a 'normal', the scars will remain but there is a job to be done and I know we are up for it. It's OK to feel a genuine sense of loss about what once was. We have seen good colleagues leave and we will have to say goodbye to some cherished ways of working. We can mourn, but we can't afford to wallow. The climate emergency remains and as an environmental education charity we have a significant role to play. Our five year strategy is essentially sound and remains relevant, so you will start to see a number of plans emerging from it in the near future for example the Carbon and Nature Plan, the new brand identity and a data strategy. We are also, looking further forward, developing a 10 year operational roadmap to ensure that the charity remains fit for purpose and can adapt to the changing market conditions.

Payback Time

I've always been up front with you that the consequences of borrowing to survive would mean that paying back the debt will drive what we do. It will ultimately secure our recovery and deliver our charitable objectives. We have a large debt and a short timescale in which to pay it off. Full centres,

full courses and ambitious fundraising will be a core part of that. The infographic below sets this out clearly. It will be challenging but I believe is achievable.

Diversify our offer to enhance our resilience

The above headline is straight out of the five year strategy, Covid-19 has just made it more relevant and more urgent. There are a number of ambitious direct competitors moving onto our patch. The pandemic has shaken what we thought was unshakable core business. Who could have foreseen that firmly embedded parts of the national curriculum such as mandatory fieldwork could be removed two years running after just a cursory consultation period? Alternative income played a significant role in this charity's survival when so much else was unable to take place and now is the time to grow and develop that business and spread the risk, not when the next crisis comes along. I have set the SLT on course to develop a 10 year plan which will report to trustees in December it will incorporate what we have learned from the pandemic and will strive to ensure that we are sufficiently balanced to deliver our charitable objects from a sound and resilient financial platform that is consistent with our carbon and nature recovery ambitions.

Thank you for all your support

Keep safe and stay well

Mark

FSC

Our Finances at a Glance

Why our focus has to be income generation

In the 18 months from 1st Jan 2020 to 30 June 2021 normal expected **course fee income was down £16.1m.**

We **borrowed £2.5m** from **CBILS** – the Coronavirus Business Interruption Loan Scheme.

FSC have received **£2.9m** from **Covid grants**, mainly a furlough grant of £2.5m.



But the furlough scheme didn't cover everything.
FSC topped up pay and had to **cover pension and NI costs.**



Total **payroll cost** from April 2020 to June 2021 was **£6.5m.**

We have **sold properties** to generate **£1.7m.**

Alternative uses including Stay with Us to film locations have generated **£1.1m** of cash.



We now have a **total debt** of **£4.7m**, compared to £700k before Covid.



From 2022, we will have to make **loan repayments of £780k per annum** for the next 5 years.

