

Dear Local Group Co-ordinator

Over the past week we have received emails and some other feedback from local groups that imply that elements of the pending change proposal have been disclosed beyond staff. We understand that this content is causing some worry amongst some local groups. We therefore thought it might be helpful to detail slightly more fully the present situation, what is happening now and when we will be able to involve you more fully in next steps.

Recap on financial position

Our financial situation is serious. We have to find savings of approximately £2.5 million a year for the next four years to stay within our anticipated income. For context, annual gross income in 2008 was approximately £10.5 million. If we don't do this we would have a steadily increasing deficit year after year. Most other NGOs and charities are also facing significant financial difficulties. However, in our case, we have to act faster and more decisively, because our low reserves give us very little financial buffer. The Friends of the Earth Board has always believed that the money raised for campaigning should be spent on campaigning as it is received - our cause is so urgent that for many years we have had an agreed policy of keeping small reserves. This means that in a tough economic climate we have to respond very quickly to changes in forecast income.

Necessary steps

The change process and the current proposal have the backing and support of the full Board. There was already a review of organisational structure and expenditure planned so that we could be in the best possible shape to deliver our new strategic plan. But given the revised financial projections and the scale of cuts required, it became obvious that this would need to be accelerated and done at the same time as the cost saving exercise, to avoid causing not just one but two periods of uncertainty and disruption.

Inevitably, this means significant cuts in operational expenditure and in staffing. This will impact across the whole of the organisation and at every level of our work – including locally. We have done everything we can to minimise redundancies. We know that you would want to see the detail of proposals and have a say in how this is done but regrettably, we are unable to do this. As the savings necessitate job cuts and affect a number of our staff directly we are legally bound to consult formally with them and their union. No other consultation is permitted. Situations like this are covered by the Involvement Framework, linked to the Partnership Agreement. The apparent sharing of elements of the proposal beyond staff only makes matters worse in giving a partial and, in our view, unhelpfully negative view of draft plans. Given this situation we're more keen than ever to share with you the full plans but it's simply not possible yet.

We have identified a number of areas where we will work 'smarter' in future, for example, managing our knowledge so that it can be widely and easily accessed by staff, local groups and others to support all our campaigns. More broadly, we are focused throughout this process on how to maximise our campaigning, activism and fundraising in ways that preserve what is most important for our future.

Please also remember that we are using the agreed strategy for 2008-13 (SP2) to guide and inform us in the difficult choices we are making, and that we are preserving as much capacity as possible to that end. We are working with the union to minimize the number of staff cuts. The normal and prudent option to take in these circumstances would be to make greater reductions now – up to 50% more posts than presently proposed and further cuts in

operational expenditure – in order to ensure a sustainable and less risky financial position. By making a smaller reduction now we aim to retain more capacity to campaign our way out of this financial position and preserve as much as possible of what makes Friends of the Earth strong.

We are sure that you appreciate the difficulty and stress this is causing staff and we know that you are concerned by this. But we would emphasise that, given the severity and immediacy of the financial situation, we have to take action swiftly and decisively to create a sustainable organisation for the future. If we do not, the situation would worsen and the eventual cuts would be even deeper.

Moving forwards

We recognize fully that this is a very uncomfortable situation for local groups. In most similar scale exercises we would want local groups to be more involved, to harness your contribution, but also to mitigate against exactly the present situation – where local group concern can build in the absence of a full understanding.

When we have a final proposal, we will take the time and attention with you to work together to find ways to make the proposal work for us all. The first stage of this will be when the final proposal is agreed. After this, Andy Atkins intends to travel to several locations to talk directly with local group audiences about the proposal and to discuss ways for you to be involved in making the changes work at a local level. This is likely to be during late June and July, times and places will be confirmed soon. The conference event in September will be a key time to come together and discuss further how to make the proposal work.

Many of you are already involved in launching the three ambitious major campaigns for 2009: Get Serious, Food Chain and Copenhagen and these will be the focus of our continuing work. The success of these is crucial not just for continuing to achieve real change in the world but also to ensure the future viability of Friends of the Earth; we need your support more than ever to succeed in 2009.

As Andy and James have said before, we would remind you that:

- It is the responsibility of the Board and Andy and James to ensure the long term stability and effectiveness of Friends of the Earth;
- While we see a need for some organisational change, this will be within the framework already set by the present strategic plan, aimed not just at cost savings but also at making the organisation as effective as possible to deliver that plan;
- The Board of Friends of the Earth, more than half of whom are local group members selected to their roles by local groups, continues to oversee this process;
- We see the absolutely central role that you play in Friends of the Earth and we fully intend to continue supporting your campaigning at every level in the future;

Yours sincerely

Andy Atkins, Simon Counsell, Mike Smyth, Dave Coleman

(Executive Director, Board Chairs and Chair of Activism Committee respectively)