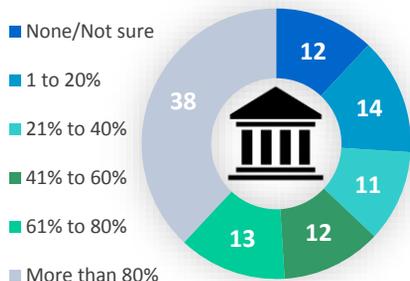


CO3 surveys its membership of third sector leaders every quarter to understand their current economic position, and issues affecting the third sector

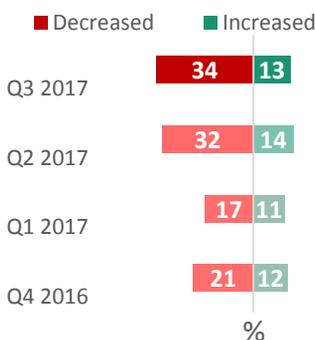
£ Sources of funding

From Government

Percentage of income (%)



Change from previous quarter

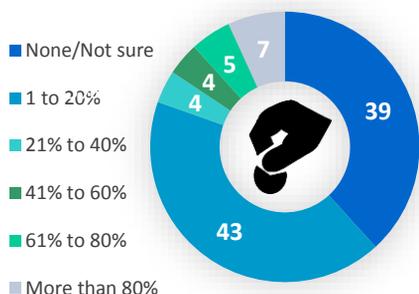


The majority of third sector organisations are in receipt of funding from government sources to some extent (88%).

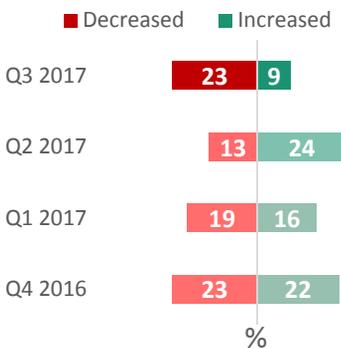
For over half (53%) this level of funding has not changed compared to the previous quarter. However, in the same time period, 34% have experienced a decrease in government funding, which has risen from 32% in Q2 2017. However 13% secured an increase, which has declined from 14% in Q2.

From public donations

Percentage of income (%)



Change from previous quarter

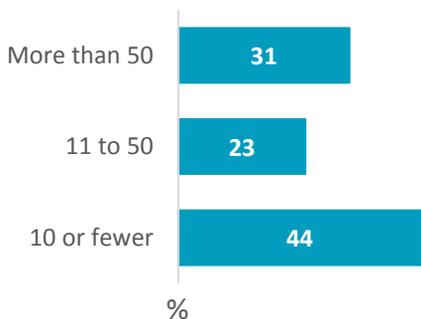


Over one third of third sector organisations have no income from public donations.

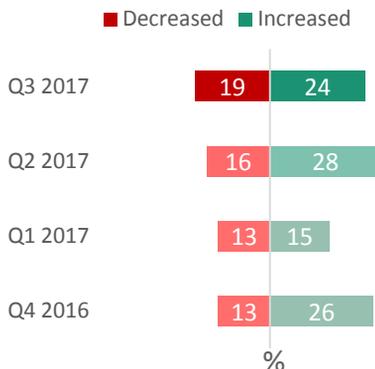
While funding from this source has remained constant for over half (56%), 9% have secured an increase in the last quarter; this is down from 24% in Q2 2017. However, it should also be noted that 23% have seen a decrease in donations from the public; up from 13% in Q2.

Employment levels

Number of employees



Change from previous quarter



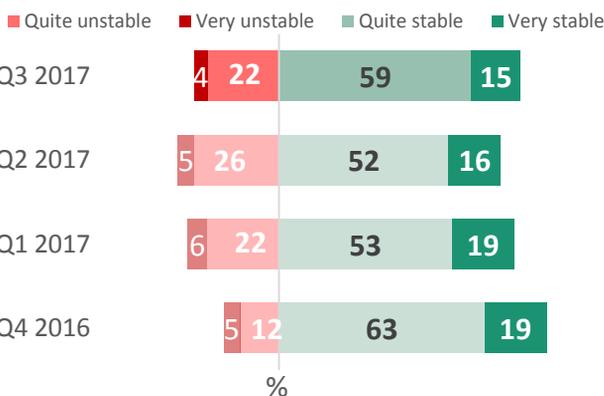
The number of employees in the sector has remained constant for over half of third sector organisations over the past quarter (56%). However, 24% have increased their headcount while 19% experienced a reduction in employee numbers.

This comes at a time when **63%** of third sector organisations report an increase in demand for their services.

Current situation

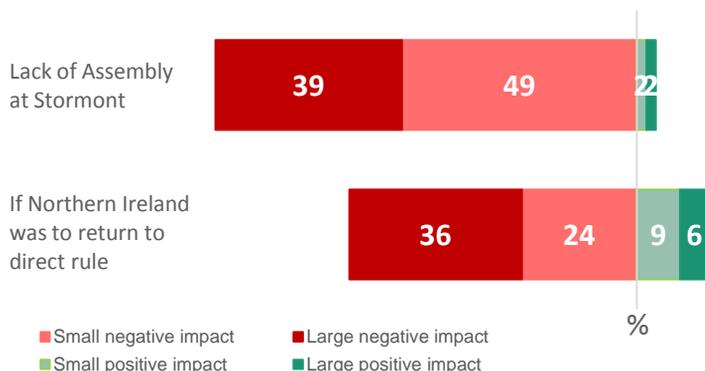


Three quarters (74%) described their cash flow situation as stable, up from 68% in Q2 2017. The percentage who are vulnerable to cash flow issues has decreased from 31% in Q2 2017 to 26% in Q3.



Views on political issues

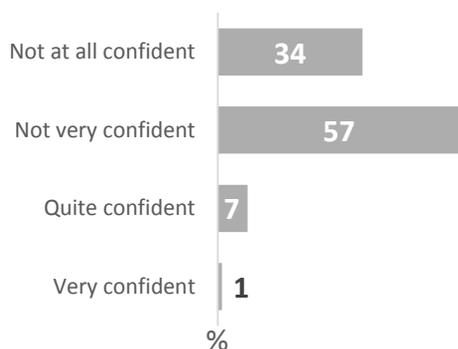
Impact on organisations due to:



The majority (88%) reported that the lack of Assembly at Stormont has had a negative impact on their organisation, with 39% describing this as a large impact. While 8% confirmed that they had experienced no impact, 4% had positively benefited from the lack of Assembly.

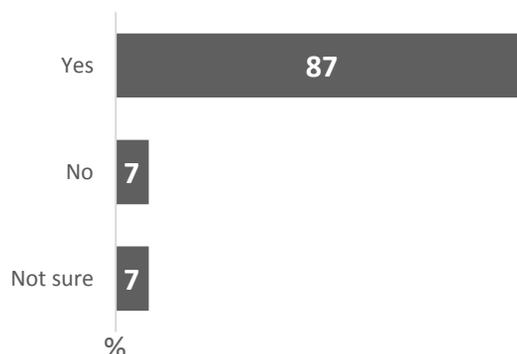
Six in ten (60%) believe that a return to direct rule will negatively impact their organisation. Just 15% believe this move will have a positive impact and 8% feel that direct rule will have no impact at all.

Confidence political institutions will be restored



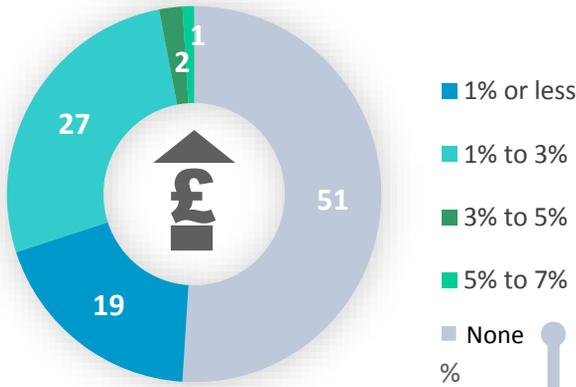
Just 8% expressed a degree of confidence that the Northern Ireland political institutions will be restored this year, while 91% were either 'not very' or 'not at all' confident.

Clarity of UK government papers on Brexit



The majority (87%) felt that the recent UK government papers on Brexit have not led to more clarity, particularly in relation to the implications of Northern Ireland. A further 7% reported that they did feel it led to more clarity.

£↑ Ability to provide pay rises

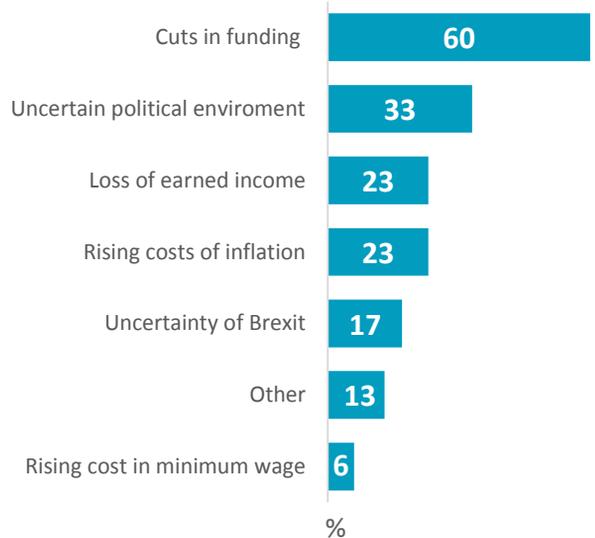


Approximately half of third sector organisations (49%) have been in a position to award pay rises this year. One in five (19%) gave their employees a rise of 1% or less, while 27% gave between 1% and 3%. Only 3% or organisations gave their employees a rise between 3% and 7%.

Factors hindering ability to award pay rises

Of those who did not award pay rises, three out of five (60%) said this was due to cuts in funding, while a third (33%) reported that the uncertainty of the political environment was a contributing factor.

A further 23% noted that they could not award pay rises to staff due to a loss of earned income, while the same share suggested that the rising cost of inflation had an effect on their ability to award pay rises. The uncertainty of Brexit (17%) and the rising cost of minimum wage (6%) were also reported as hindering factors. Other reasons included a capping on pay, instability of the organisation and waiting on an annual review to make a decision.

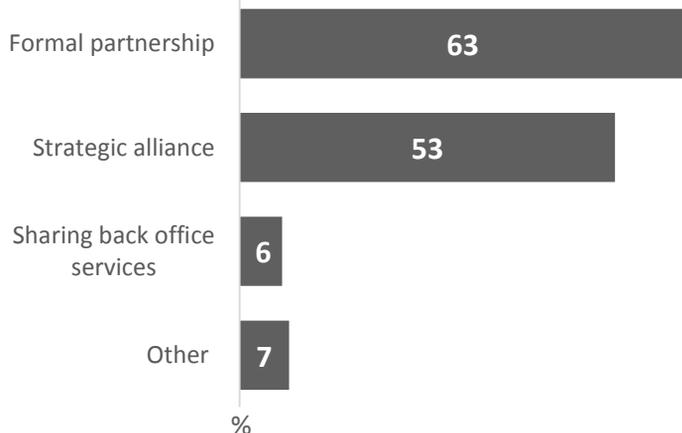


Collaboration with third sector organisations

Three quarters (**76%**) of respondents are currently involved in collaboration with a third sector organisation.

Of those working collaboratively, the majority (63%) reported that they were in a formal partnership / consortium, while over half (53%) stated that they had a strategic alliance. 6% explained they share back office services.

73% envisaged strengthening collaborative opportunities over the course of the next year.



The survey findings are based on 107 questionnaires that were completed by third sector leaders during September 2017. The results may add to between 99% and 101% due to rounding.

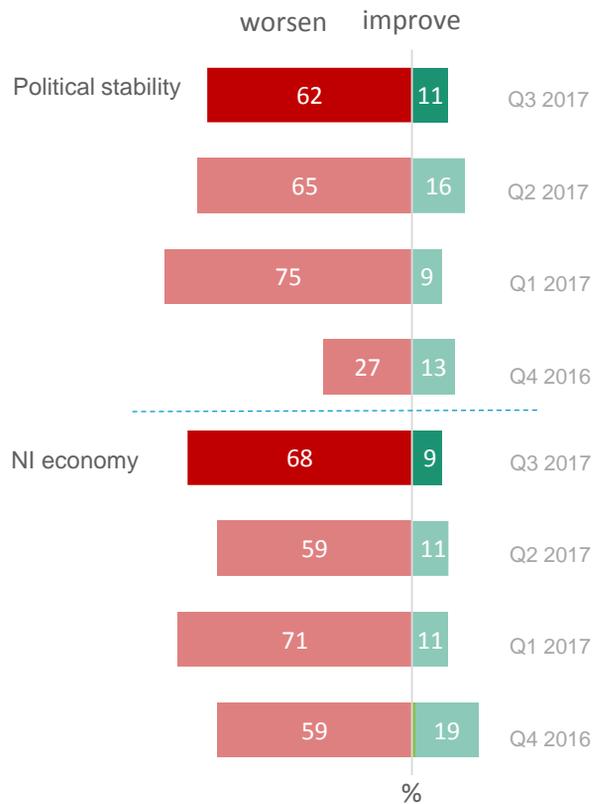
..expectations in the next 12 months



At this time 11% believe that political stability in Northern Ireland will improve over the next year, and 62% expected it to worsen. This has changed slightly since Q2 2017.

The outlook for the Northern Ireland economy among third sector organisations for the next twelve months has become less optimistic.

On balance, 68% anticipate that the NI economy will worsen, which is up from 59% in Q2. Similar to Q2, just under one tenth (9%) expect the NI economy to improve.



About the survey

The third sector is the term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations that have charitable status or are community interest companies, social enterprises, mutual and co-operatives.

CO3 has over 600 members, who are considered as third sector leaders, each with an annual income of over £100,000.

From the research conducted by the Charities Commission for Northern Ireland, charities with an income of more than £100,000 make up 90% of the sector's income.

For further information please contact:

Nora Smith
 Chief Executive, Chief Officers 3rd Sector
 34 Shaftesbury Square
 Belfast
 BT2 7DB
 07803 209590 / 028 90 245356
nora@co3.bz

Richard Ramsey,
 Ulster Bank Chief Economist, Northern Ireland
 07881 930955 / 02890 276354
richard.ramsey@ulsterbankcm.com
www.ulstereconomix.com