3rd Sector Index Q2 2018

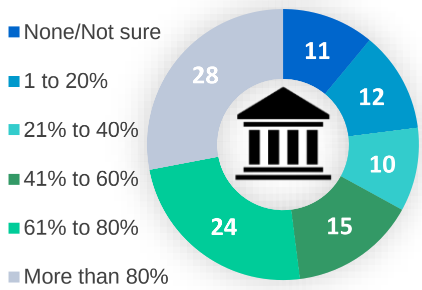
Ulster Bank | CO3 Chief Officers 3rd Sector

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

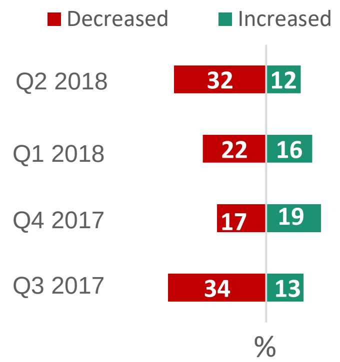
Sources of funding

From government

Percentage of income (%)



Change from previous quarter

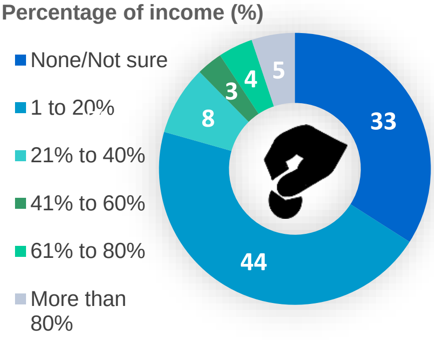


Currently, the majority of third sector organisations are in receipt of funding from government sources to some extent (89%).

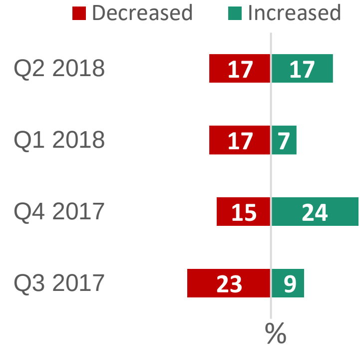
For over half (55%), this level of funding has not changed in the last quarter. However, 32% have experienced a decrease in government funding, which is a 10% point increase from Q1 2018. Only 12% of organisations secured an increase, which is 4% points fewer than those that have benefitted from increased funding in Q1 2018.

From public donations

Percentage of income (%)



Change from previous quarter

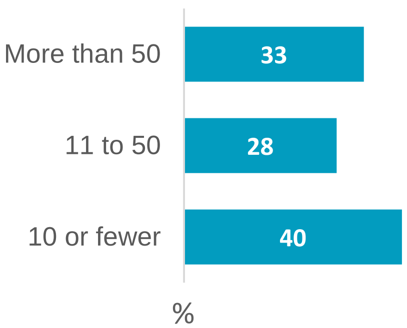


Two thirds (67%) of organisations reported that they have some income from public donations.

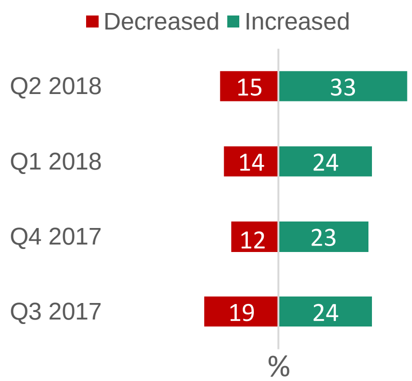
While funding from this source has remained constant for the majority of organisations (61%), 17% have secured an increase in the last quarter; this is up from 7% in Q1 2018.

Employment levels

Number of employees



Change from previous quarter



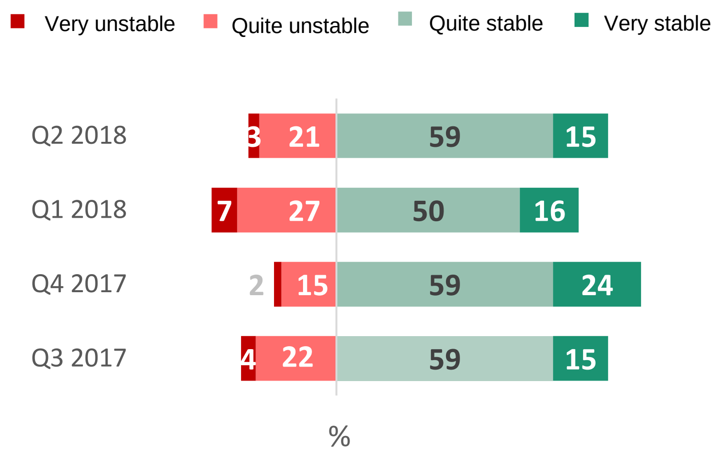
Over the past quarter, the number of employees in the sector has remained constant for just over half of third sector organisations (52%). While 33% have increased their headcount, 15% experienced a reduction in employee numbers.

The survey findings are based on 123 questionnaires that were completed by third sector leaders during February/March 2018. The results may add between 99% and 101% due to rounding.

Cash flow

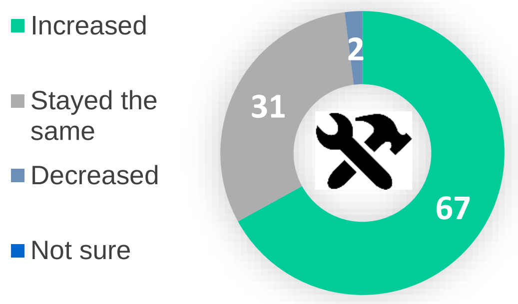
Current situation

Almost three quarters (74%) described their cash flow situation as stable, which is an increase of 8% points from Q1 2018. The percentage of organisations that are vulnerable to cash flow issues has reduced by 10% points from 34% in Q1 2018 to 24% this quarter. However, the majority of third sector organisations (62%) say their cash flow situation has not changed from Q1 2018.



Demand for services

Compared to last quarter, has the demand for your services…

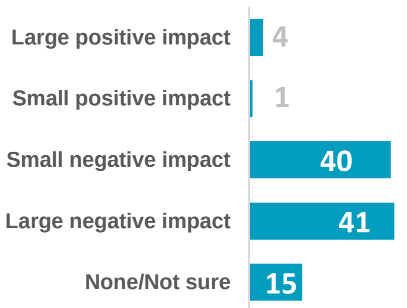


In this quarter, demand for services fell for 2% of organisations, while 67% reported an increase in demand for their services. This is similar to last quarter (Q1 2018), where 66% businesses reported an increase in demand for their services.

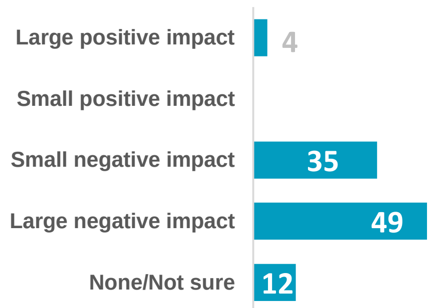
Views on political issues

Impact on organisations due to lack of Assembly…

…over this quarter



…over the last 12 months

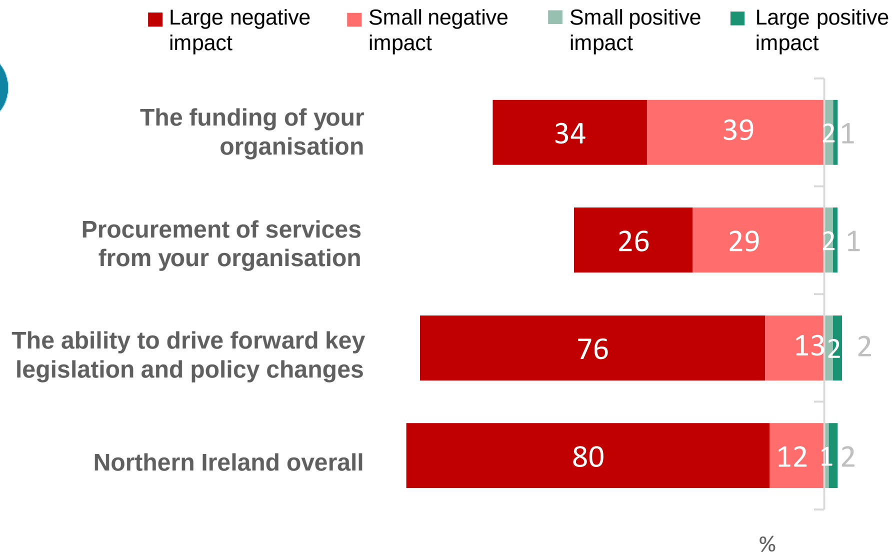


84% believe that the lack of Assembly has had a negative impact on their organisation over the last 12 months. Similarly, 81% reported negative impacts on their organisation over the last quarter. Only 4% indicated that they have positively benefited from the lack of Assembly over both the last quarter and year.

The survey findings are based on 123 questionnaires that were completed by third sector leaders during May/June 2018. The results may add between 99% and 101% due to rounding.

Future impacts of lack of Assembly at Stormont

What impact, if any, do you expect the lack of Assembly at Stormont to have on…



The majority of organisations believe that the lack of Assembly at Stormont will negatively impact their organisation in some way, including: funding (73%), procurement of services (55%), the ability to drive key legislation/policy changes forward (89%) and Northern Ireland overall (92%).

> *Having no decision makers, having no decisions being made, having civil servants who are afraid to commission anything new and being stuck in contracts that are out of date, under paying us and undervaluing us is frustrating and leaving us unable to have much flexibility in responding to the needs of our groups.*

In the absence of The Executive at Stormont, who do you think should be responsible for making decisions about NI?

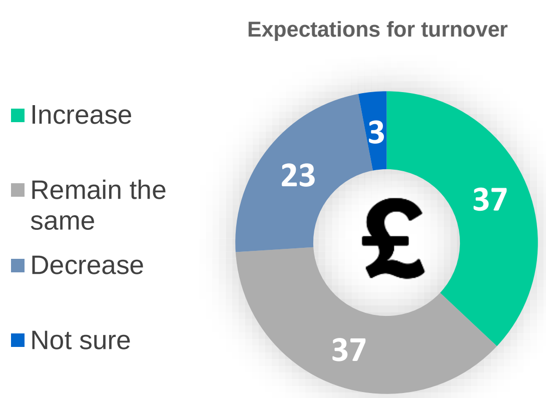
The view from organisations is mixed in regards to who should be responsible for making decisions about Northern Ireland in the absence of The Executive at Stormont. 27% believe the UK Secretary of State should be held accountable, 24% opted for Civil Servants, 25% wanted a recall of the BIGC, and 20% wanted a Citizens' Assembly.

Looking ahead

Turnover expectations for the next 12 months

Almost three quarters (74%) expect their turnover to increase or remain the same within the next twelve months, while 23% believe that their turnover will decrease.

Only 4% of organisations indicated that they were not sure what their turnover figures would look like in 12 months time.



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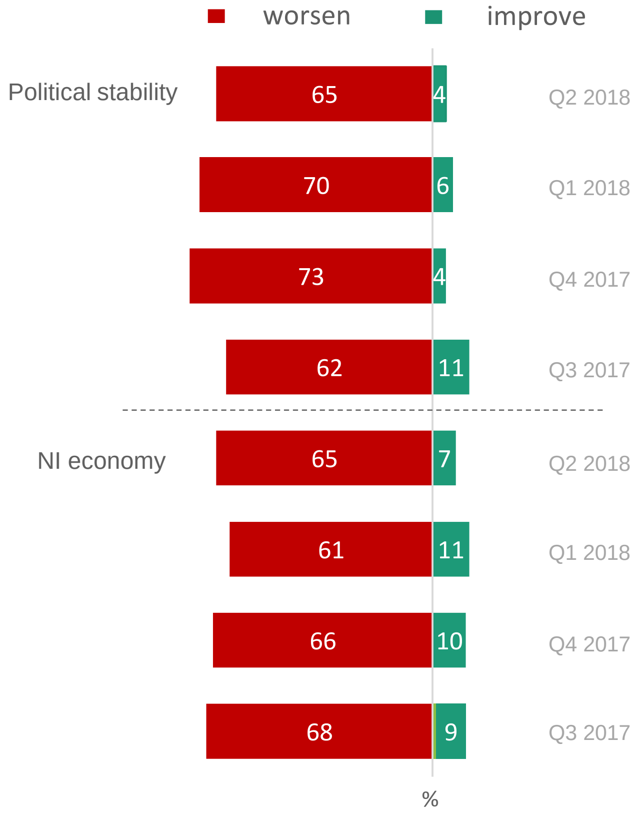
Looking ahead

Economic and political expectations for the next 12 months

In this quarter, 4% believe that political stability in Northern Ireland will improve over the next year, and 65% expected it to worsen; this is a slightly more optimistic outlook than the end of Q1 2018.

The outlook for the Northern Ireland economy is slightly more negative than in the previous quarter. Currently, 65% anticipate that the NI economy will worsen, which is more than the previous quarter, while 7% expected that the economy will improve in the next twelve months. Almost one third (31%) believe that it will stay the same.



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 800 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.

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