

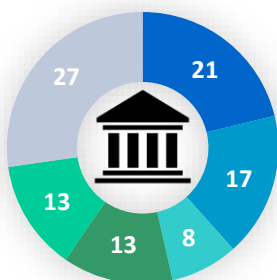
CO3 surveys its membership of third sector leaders every quarter to understand their current economic position, and issues affecting the third sector

£ Sources of funding

From government

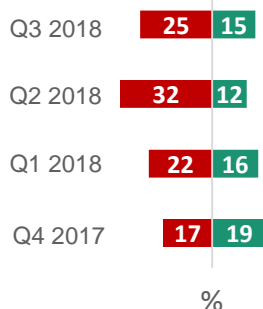
Percentage of income (%)

- None/Not sure
- 1 to 20%
- 21% to 40%
- 41% to 60%
- 61% to 80%
- More than 80%



Change from previous quarter

- Decreased
- Increased



Currently, the majority of third sector organisations are in receipt of funding from government sources (79%).

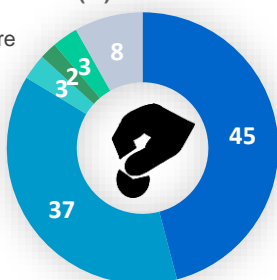
51% indicated they receive grant funding, and 56% receive funding as part of a contract to deliver services. Just less than one third (32%) have received EU funding in the last three years

For over half (59%), their level of government funding has not changed in the last quarter. However, 25% have experienced a decrease in government funding, and 15% have secured an increase.

From public donations

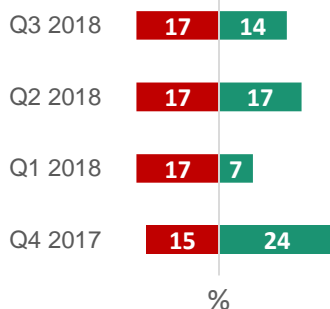
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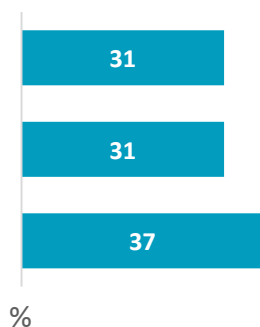
Over half (55%) of organisations reported that they receive some income from public donations.

While funding from this source has remained constant for 63%, 14% have secured an increase in the last quarter; this is down from 17% in Q2 2018.

Employment levels

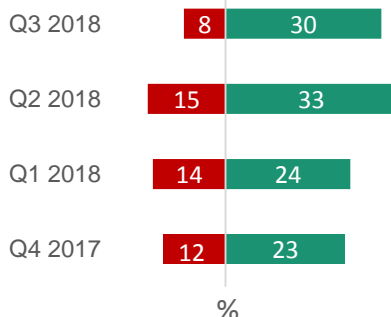
Number of employees

- More than 50
- 11 to 50
- 10 or fewer



Change from previous quarter

- Decreased
- Increased

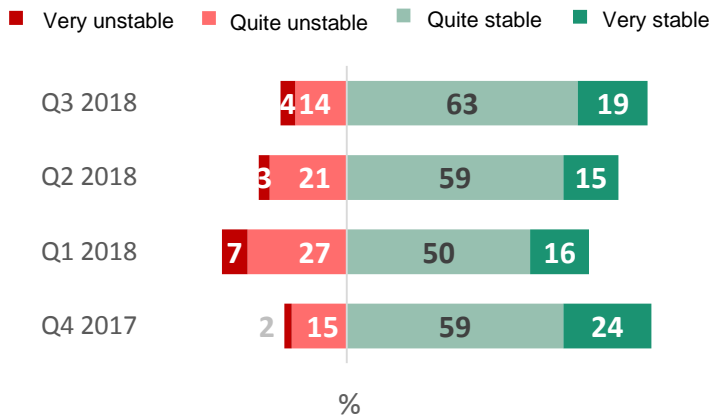


Over the past quarter, the number of employees in the sector has remained constant for 60% of third sector organisations. While 30% have increased their headcount, 8% experienced a reduction in employee numbers.

Current situation

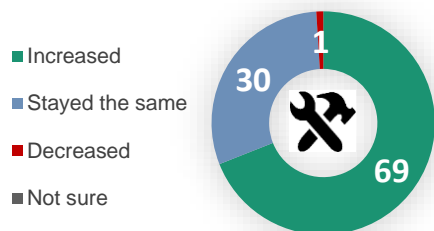


Four fifths (82%) described their cash flow situation as stable, which is an increase of 8% points from Q2 2018. The percentage of organisations that are vulnerable to cash flow issues has reduced by 6% points from 24% in Q2 2018 to 18% this quarter. The majority of third sector organisations (68%) say their cash flow situation has not changed from Q2 2018.



Demand for services

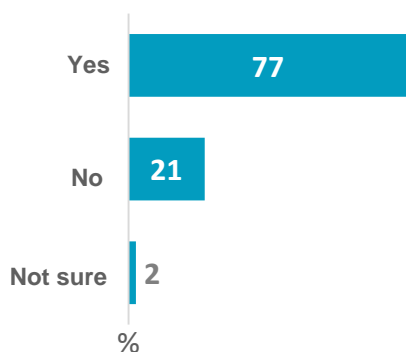
Compared to last quarter, has the demand for your services...



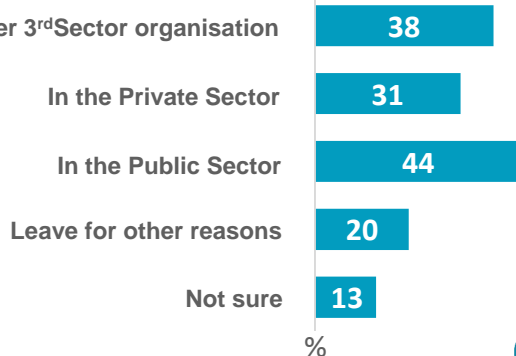
In this quarter, demand for services fell for 1% of organisations, while 69% reported an increase in demand for their services. This is similar to last quarter (Q2 2018), where 67% businesses reported an increase in demand for their services.

Skill shortages

In the last 12 months, have any paid staff left your organisation?



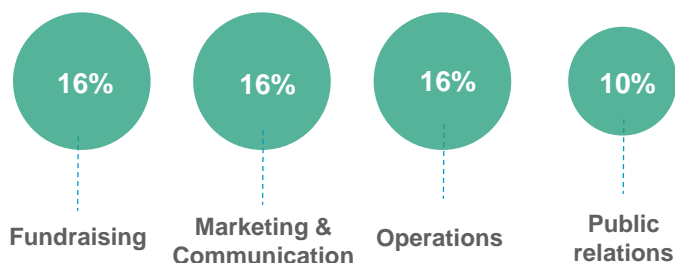
In the last 12 months, did those paid staff who left your organisation take up employment...



In the last 12 months, 77% of third sector organisations have had at least one member of paid staff leave their organisation. Reasons provided included improved terms and position in a role elsewhere (48%); insecurity regarding funding (30%); redundancy (20%) and promotion (17%).

Skill shortages

What type of skills or roles are you short of?



16% of third sector organisations reported a shortage of fundraising, marketing and communications and operation skills. Half reported no skill shortages.

Political Stability

In the absence of a functioning NI government, what do you think needs to happen next?

In the absence of a functioning NI government those who feel that 'something else' needs to happen suggested: restart party talks (3%); amendments to the petition of concern (2%); transfer decision making powers to senior civil servants/local councils (2%); and the reunification of Ireland (1%).

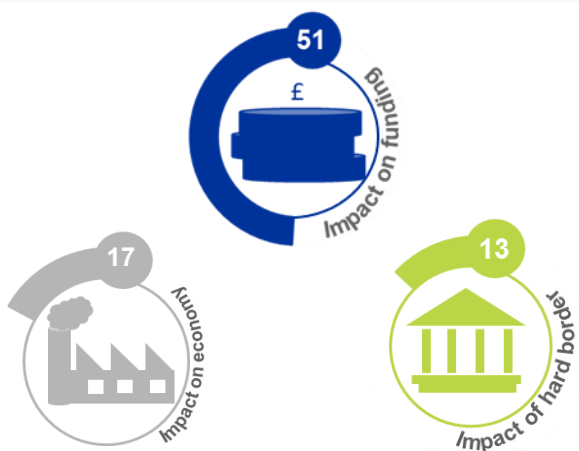


Impact of Brexit

What are potential implications of a no-deal Brexit on the Third Sector in Northern Ireland?

Three quarters of organisations feel that a no-deal Brexit will have implications on the Third Sector in Northern Ireland.

The top three potential implications cited were:



Should Northern Ireland have a different relationship with the EU than the rest of the UK?

71% of third sector organisations believe that Northern Ireland should have a different relationship with the EU than the rest of the UK.

The three most cited types of relationship were:



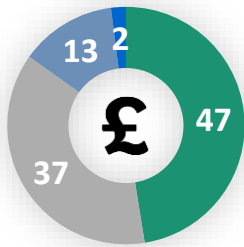
81% of third sector organisations would support a second Brexit referendum

The survey findings are based on 121 questionnaires that were completed by third sector leaders during August/September 2018. The results may add between 99% and 101% due to rounding.

Turnover expectations for the next 12 months

Expectations for turnover

- Increase
- Remain the same
- Decrease
- Not sure



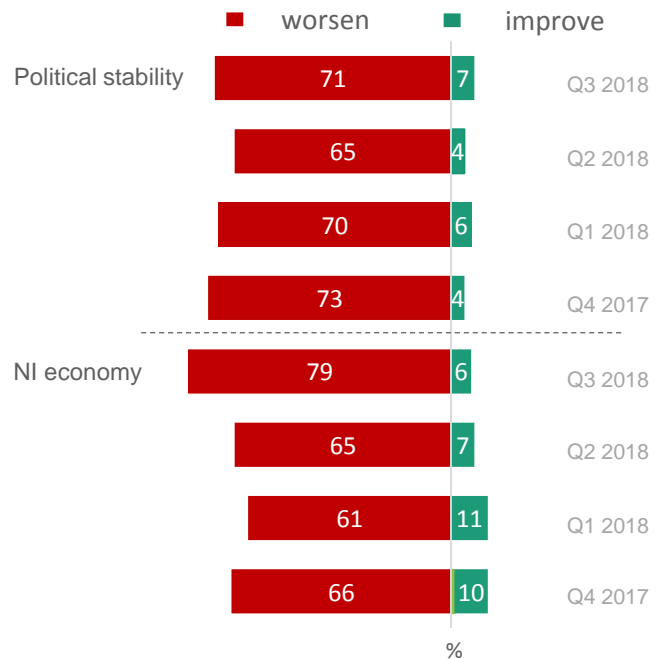
In the next 12 months, almost half (47%) expect their turnover to increase, 37% expect their turnover to remain the same, and 13% expect that their turnover will decrease.

Only 2% of organisations indicated that they were not sure what their turnover figures would look like in 12 months time.

Economic and political expectations for the next 12 months

In this quarter, we found that 7% of third sector organisations believe that political stability in Northern Ireland will improve over the next year. However, 71% expected it to worsen; this is a slightly more pessimistic outlook than at the end of Q2 2018.

The outlook for the Northern Ireland economy is more negative compared to findings of the previous quarter. Currently, 79% anticipate that the NI economy will worsen, which is 14% points more than the previous quarter. Over one tenth (14%) believe that the NI economy will stay the same, and 6% expect that it will improve.



About this 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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