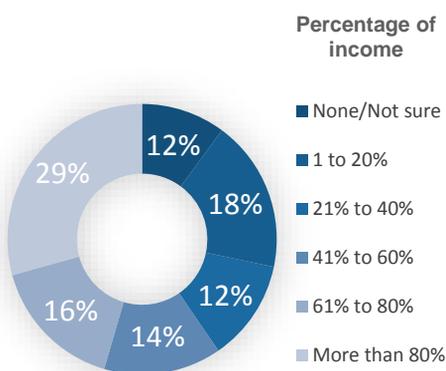


3rd Sector Index Q2 2017

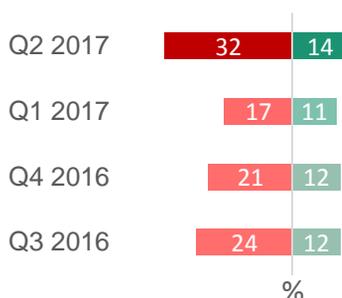
CO3 surveys its membership of third sector leaders every quarter to understand their current economic position, and issues affecting the third sector

Sources of funding

...from Government



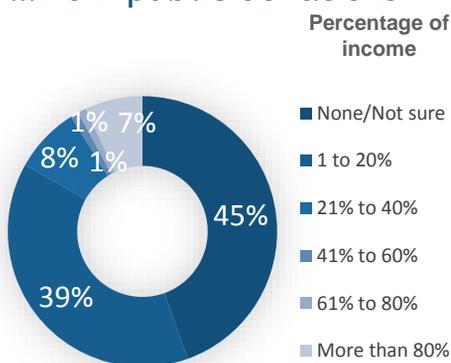
Change from previous quarter
■ Decreased ■ Increased



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

For almost half (48%) this level of funding has not changed compared to the previous quarter. However, in the same time period, 32% have experienced a decrease in government funding, which has risen considerably since from 17% in Q1 2017. However 14% secured an increase, up from 11% in Q1.

...from public donations



Change from previous quarter
■ Decreased ■ Increased

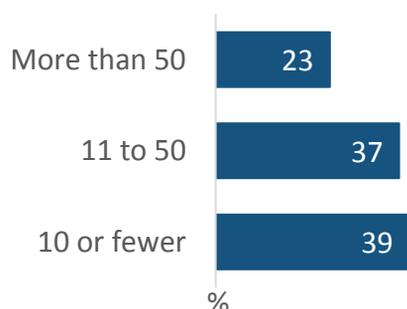


Forty five percent of third sector organisations have no income from public donations.

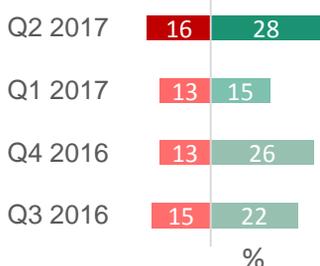
While funding from this source has remained constant for over half (55%), 24% have secured an increase in the last quarter, this is up from 16% in Q1 2017. However, it should also be noted that 13% have seen a decrease in donations from the public; down from 19% in Q1.

Employment levels

Number of employees



Change from previous quarter
■ Decreased ■ Increased



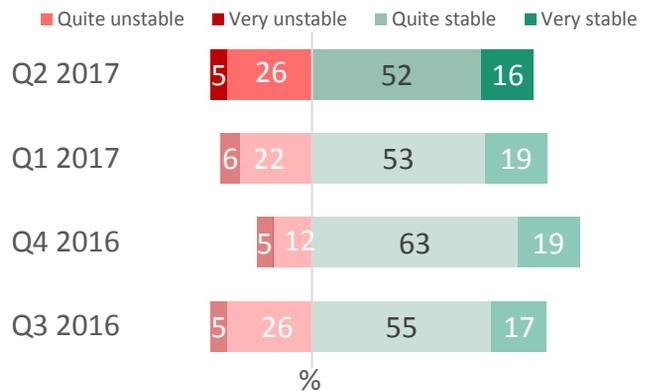
The number of employees in the sector has remained constant for over half third sector organisations over the past quarter (55%). However, 28% have increased their headcount while 16% experienced a reduction in employee numbers.

This comes at a time when **62%** of third sector organisations report an increase in demand for their services.

Cash flow

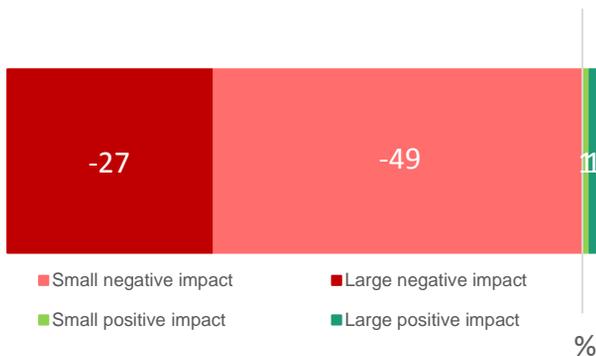
The majority (68%) described their cash flow situation as stable, down from 72% in Q1 2017. The percentage who are vulnerable to cash flow issues at this current time has increased from 28% in Q1 2017 to 31% in Q2.

Current situation



Views on political issues

Impact the lack of Assembly at Stormont has had on organisations



Only 2% reported that the the lack of Assembly at Stormont had any positive impact on their organisation. While 49% experienced a small negative impact, a further 27% reported a large negative impact. Over a fifth (22%) expressed no concern at all.

Type of negative impact the organisation has encountered

When asked to describe the type of negative impact the lack of Assembly at Stormont has had on their organisation, responses were diverse. However, most focused on delayed/reduced funding, lack of decision making, lack of progress and instability.

Instability Staff redundancy
Inability to plan **Low staff morale**

Lack of confidence No one to advocate Standstill

Delayed/reduced funding

Cash flow **Lack of decision making**

No legislative process Lack of progress

Lack of political accountability

Lack of representation Restricted leadership

Lack of support **Few tenders** Less of a skill pool

Lack of direction Uncertainty

Lack of confidence

“Lack of assembly and clear leadership breeds instability and has impact upon public perception of economy and therefore upon financial giving.”

“Progressive leadership restricted by three month rollover contracts, huge loss of confidence in the sector staff leaving for better pay & T&C's in the statutory sector. Less of a skill pool to draw from and other sectors [have] more attractive tenures of employment.”

“No legislative process - and therefore limited ability to create change.”

Data Protection Regulation

Awareness of changes to Data Protection Regulation

When questioned on their awareness of the changes being made to Data Protection Regulation which will come into force from May 2018, over three quarters (77%) were aware of the changes, in comparison to 23% who were not. Furthermore, when asked if they had taken any action to assess the impact of the new regulation on their organisation, over half (56%) had taken action, while 44% had not taken any.



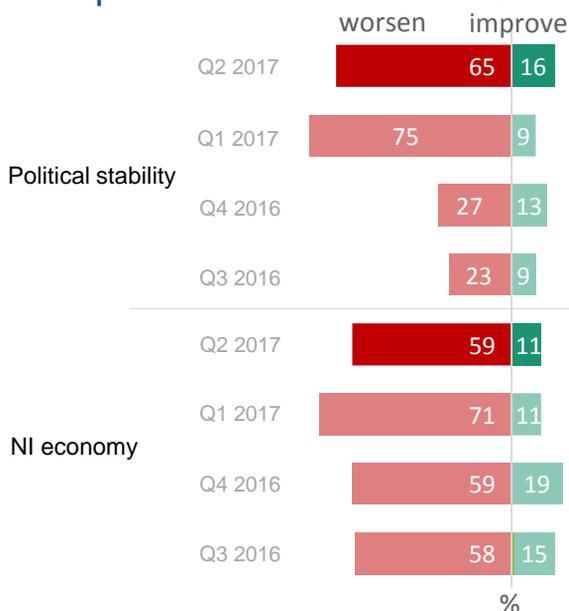
Looking ahead

At this time 16% believe that political stability in Northern Ireland will improve over the next year, and 65% expected it to worsen. This has changed slightly since Q1 2017.

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

On balance, 59% anticipate that the NI economy will worsen, which is down from 71% in Q1. Similar to Q1, just over one tenth (11%) expect the NI economy to improve.

..expectations in the next 12 months



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.

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