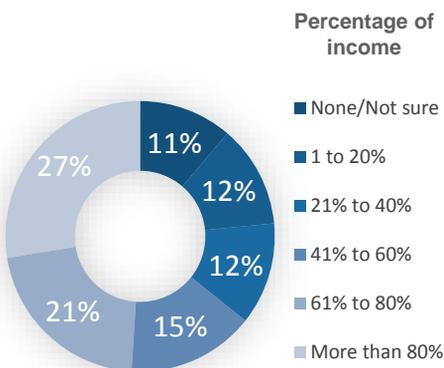


3rd Sector Index Q4 2016

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

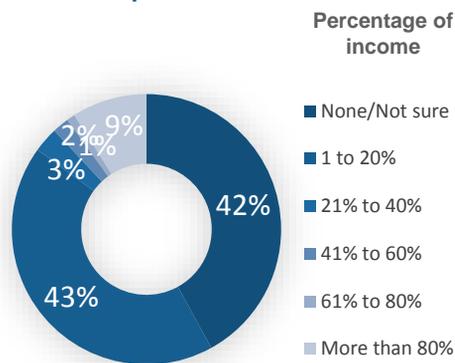
...from Government



The majority of third sector organisations are in receipt of funding from government sources to some extent (87%).

For two thirds (66%) this level of funding has not changed compared to the previous quarter. However, in the same time period, 24% have experienced a decrease in government funding, with 12% securing an increase.

...from public donations

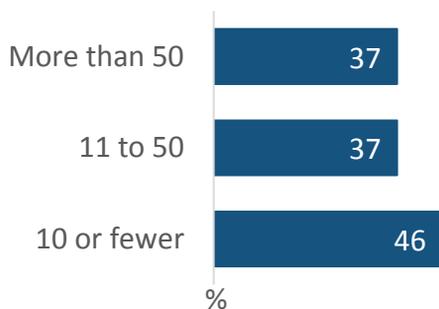


Forty two percent of third sector organisations have no income from public donations.

While funding from this source has remained constant for most, 22% have secured an increase in the last quarter, up from 15% in Q3. However, it should be noted that 23% have seen a decrease in donations from the public; down from 18% in Q3.

Employment levels

Number of employees



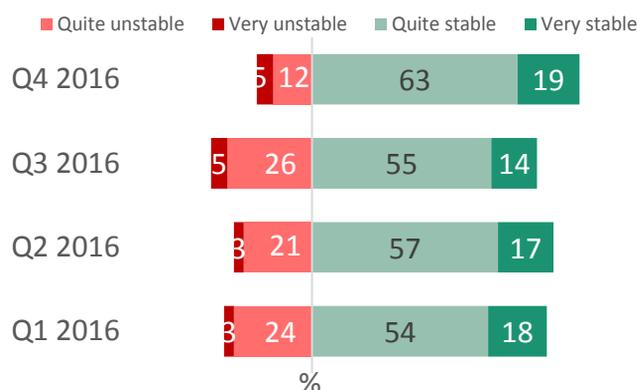
The number of employees in the sector has remained constant for most third sector organisations over the past quarter (61%). However, 26% have increased their headcount while 13% experienced a reduction in employee numbers.

This comes at a time when **67%** of third sector organisations report an increase in demand for their services.

Cash flow

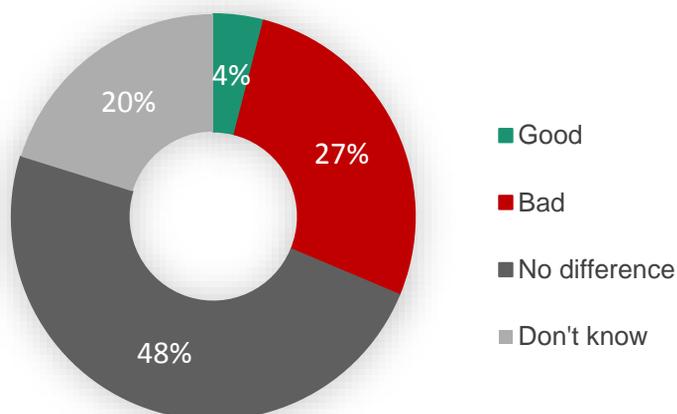
The majority (82%) described their cash flow situation as stable, up from 69% in Q3. The percentage who are vulnerable to cash flow issues at this current time has decreased from 31% in Q3 to 17% in Q4.

Current situation



Autumn statement

The impact of the Autumn Statement 2016 on the Third Sector

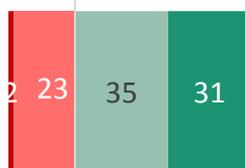


Just 4% considered the Autumn Statement 2016 to be good for the third sector in Northern Ireland. While almost half (48%) believed it would make no difference, 27% felt the statement would have a negative impact on the sector. One in five were unsure as to what the impact would be.

Views on the rating of charity shops

Disagree Strongly disagree Agree Strongly agree

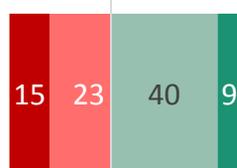
...in Northern Ireland should continue to receive full rates relief



The Finance Minister recently announced his proposals that 'everyone in the High Street should pay something' towards rates, suggesting that support for charity shops could reduce from 100 per cent to 90 per cent.

When asked their view, two thirds (66%) of third sector organisations agreed that charity shops in Northern Ireland should receive full rates relief, while one quarter (25%) disagreed. Almost one in ten were unsure if this approach should be taken.

...should pay a contribution towards rates but the revenue raised would directly support entrepreneurship in the charity sector

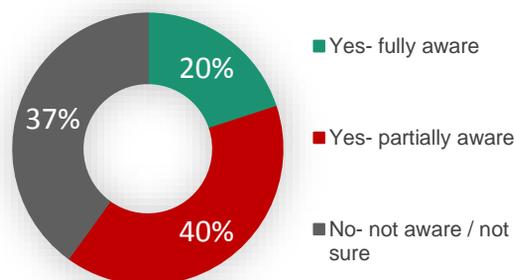


Just under a half (49%) agreed that charity shops should pay a contribution towards rates if the revenue raised directly supported entrepreneurship in the charity sector; 38% disagreed with this approach.

Fundraising regulation

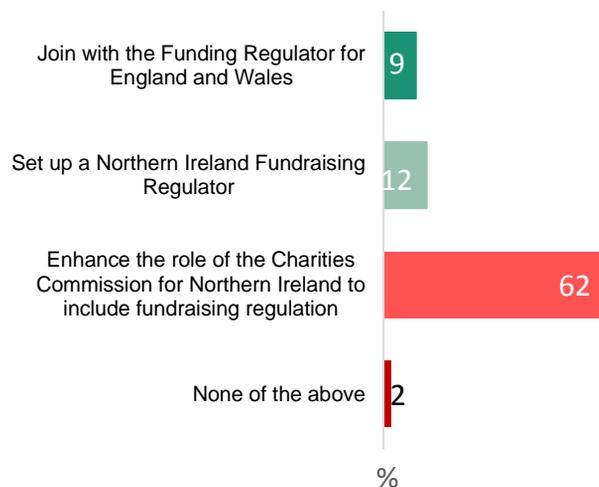
Awareness of proposed changes to fundraising regulation in Northern Ireland

One fifth (20%) were fully aware of the proposed changes to the regulation of fundraising in Northern Ireland, while two fifths (40%) were partially aware. A total of 40% were not aware or unsure of the proposed changes.



Views on the most apt approach for fundraising regulation in Northern Ireland?

When questioned on the approach that should be taken to fundraising regulation, the majority (62%) confirmed their support for enhancing the role of the Charities Commission for Northern Ireland as the most apt approach to take, while 12% recommended setting up a Northern Ireland Fundraising Regulator. Just 9% suggested joining with the Funding Regulator for England and Wales.



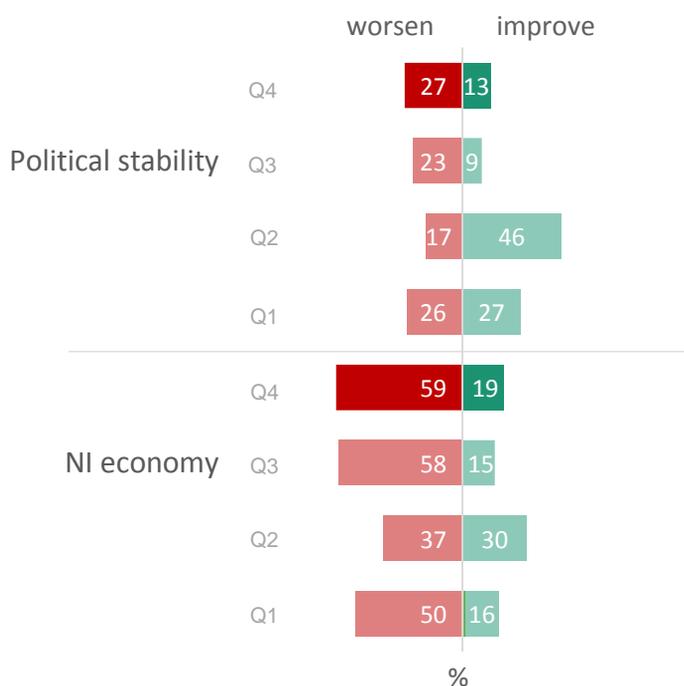
Looking ahead

The survey was undertaken prior to the highly publicised issues of the Renewable Heat Initiative at the Assembly. At that time 13% believed that political stability in Northern Ireland will improve over the next year, and 27% expected it to worsen.

The outlook for the Northern Ireland economy among third sector organisations for the next twelve months continues to be pessimistic, since the result of the Brexit referendum.

On balance, expectations for the NI economy are similar to Q3 with 59% anticipating that it will worsen. Just under one fifth (19%) 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 500 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.

The survey is administered, collated and analysed by the independent market research company, Perceptive Insight Market Research Ltd, 028 9073 7090 www.perceptiveinsight.com

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