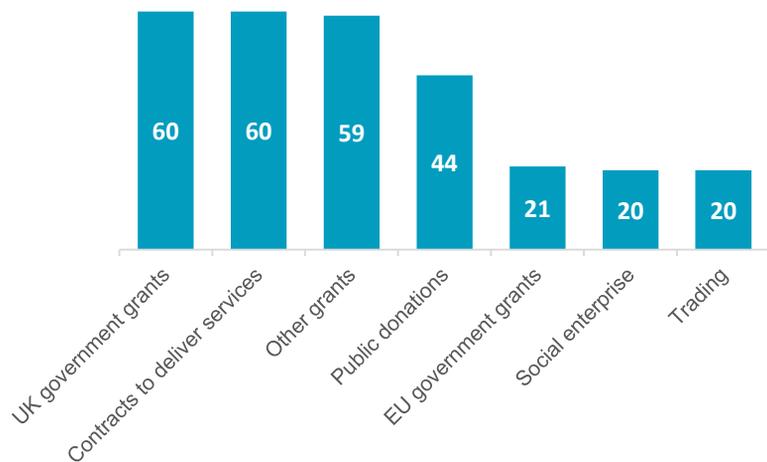


CO3 surveys its membership of third sector leaders every season to understand their current economic position, and issues affecting the third sector

£ Sources of funding

Percentage of income (%)



In the last 12 months, the majority of third sector organisations have received funding from UK government grants (60%), contracts to deliver services (60%) and other grant funding (59%). Over one in five (31%) have received EU grant funding.

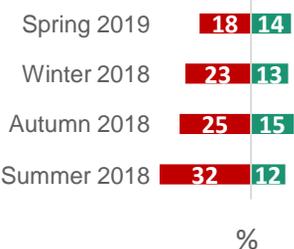
44% of organisations reported receipt of income or funding from public donations, compared to 20% from both trading and social enterprise.

25% of firms reported an increase in the amount of income received from all sources over the past quarter.

From government

Change from previous quarter

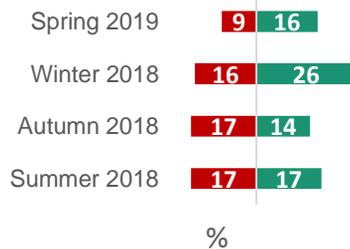
■ Decreased ■ Increased



From public donations

Change from previous quarter

■ Decreased ■ Increased

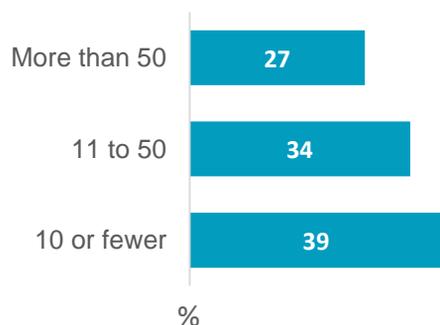


14% of organisations reported an increase in funding from government sources in the last quarter, while 18% reported a decrease; this is similar to 13% in Winter 2018.

Income received from public donations in the last quarter has decreased from 26% in Winter 2018 to 16% in Spring 2019.

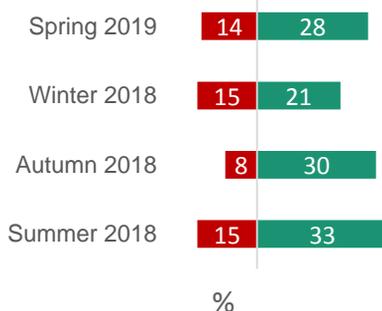
Employment levels

Number of employees



Change from previous quarter

■ Decreased ■ Increased

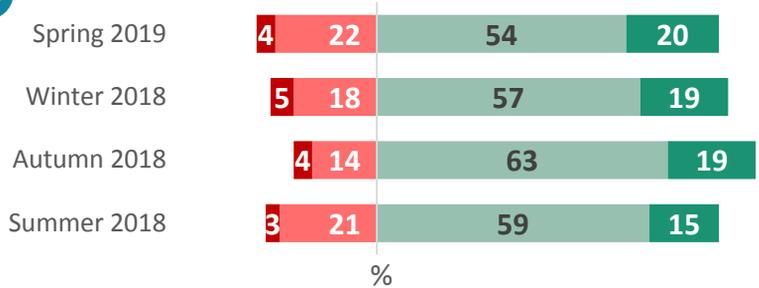


Over the past quarter, the number of employees has remained constant for 57% of third sector organisations. While over one quarter (28%) have increased their headcount, 14% experienced a reduction in employee numbers.

Current situation

Three quarters (74%) described their cash flow situation as stable, which is a decrease of 2% points from Winter 2018. The percentage of organisations that are vulnerable to cash flow issues has increased by 3% points from 23% in Winter 2018 to 26% this quarter.

Very unstable Quite unstable Quite stable Very stable



Worsened Stayed the same Improved

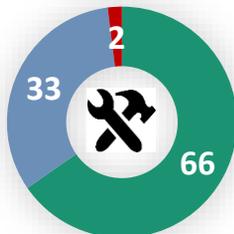


61% of organisations say that their cash flow situation has not changed compared to last quarter, whilst 16% reported an improvement in cash flow, and 23% a worsening.

Demand for services

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

Increased
Stayed the same
Decreased
Not sure

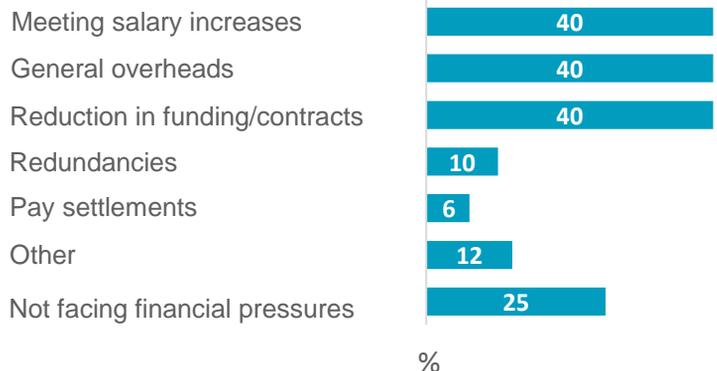


In this quarter, demand for services increased for 66% of organisations, while 2% reported a fall in demand. One third (33%) of organisations said that demand for their services has not changed over the last quarter.

£ Financial pressures

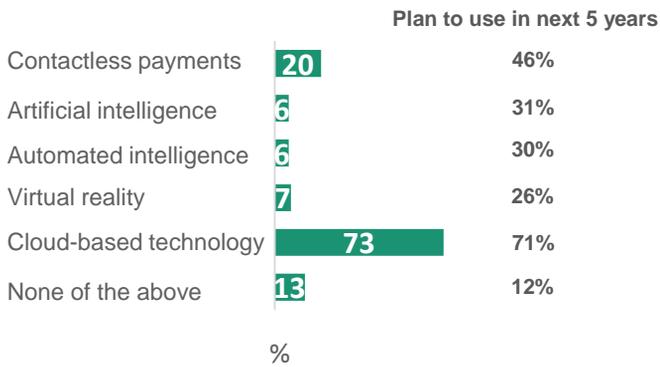
Is your organisation facing financial pressures due to any of the following...

Three quarters (75%) indicated that their organisation is currently facing financial pressure. Reasons provided included meeting salary increases (40%); covering the cost of general overheads (40%); reduction in funding or contracts (40%); redundancies (10%); and pay settlements (5%). 12% of businesses said they were facing other financial pressures, including the euro exchange rate, increased pension contributions, and the need for funding to keep up with fast paced growth.



%

Which of the following, if any, does your company use / anticipate using in the next five years?



Overall, 87% of third sector businesses are using innovative technology. The most popular is cloud based technology, which is being used by almost three quarters of third sector organisations.

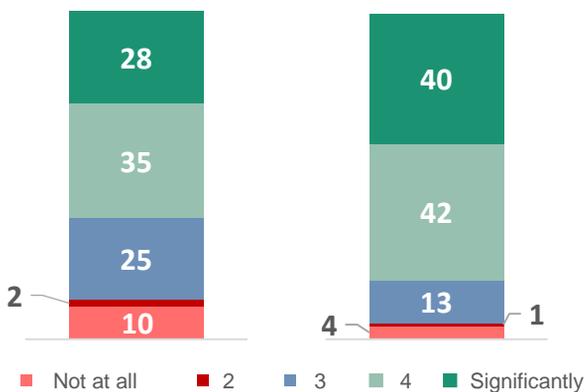
One in five are using contactless payments, and 46% anticipate using this technology in five years time. The current use of artificial intelligence, automotive intelligence and virtual reality ranges from 6% to 7%. However there is anticipated growth with 26% to 31% believing they will use these types of technology in five years time.

62% agree that the adoption of digital technology can make the Third Sector more resilient and sustainable.

To what extent has technology changed / will change the way your organisation conducts its operations?

Looking back over the past 5 years

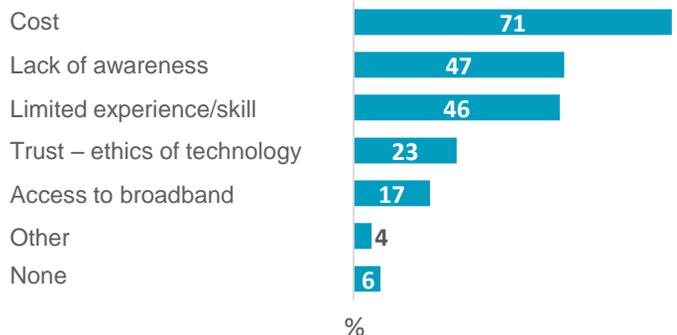
Looking ahead over the next 5 years



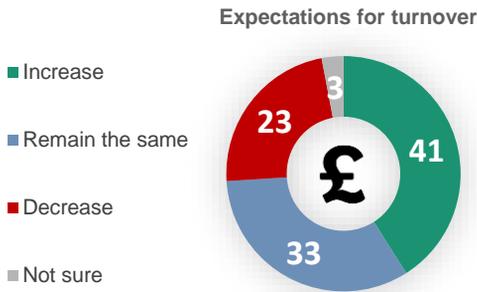
28% of business believe that technology has significantly changed their business operations over the past five years, compared to 2% that say it hasn't changed their businesses at all. However, two fifths (40%) anticipate that over the next 5 years technology will have a significant impact on the way their business conducts its operations, with 1% saying it won't have any impact.

What barriers does your organisation face in relation to fully accessing technology to further your cause?

The vast majority (94%) believe they face barriers to fully accessing technology. The cost of technology is the barrier most likely to be encountered by businesses (71%), followed by lack of awareness (47%) and limited experience or skill in IT (46%). One quarter (23%) are deterred by the ethics of technology, while access to broadband prevents 17% of businesses from fully accessing technology.



Turnover expectations for the next 12 months



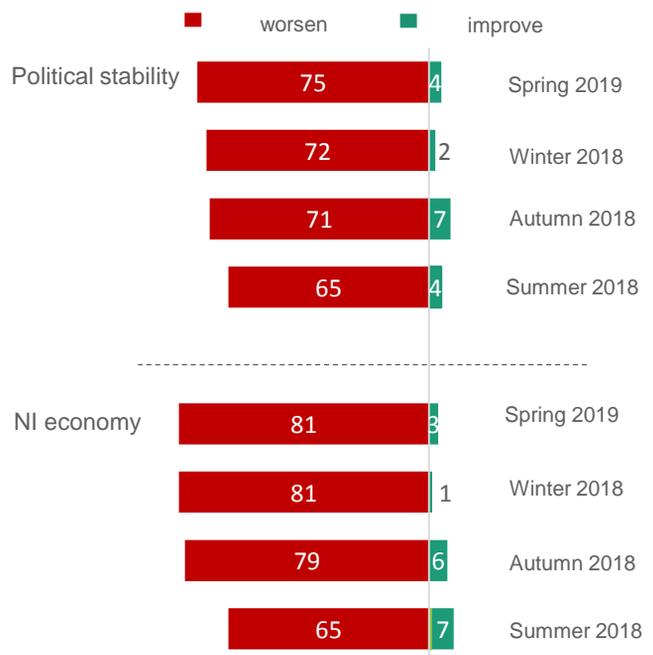
In the next 12 months, two fifths (41%) expect their turnover to increase, 33% expect their turnover to remain the same, and one quarter (23%) expect that their turnover will decrease.

3% 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 75% of third sector organisations believe that political stability in Northern Ireland will worsen over the next year, compared to 4% who expect it to improve. This is a slightly more pessimistic outlook than at the end of Winter 2018. 19% said that political stability will remain the same.

The outlook for the Northern Ireland economy is similar compared to findings of the previous quarter. Currently, eight out of ten (81%) anticipate that the NI economy will worsen, which is the same as the previous quarter. Over one tenth (13%) believe that the NI economy will stay the same, and 3% expect that it will improve, a slight increase from Winter 2018.



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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