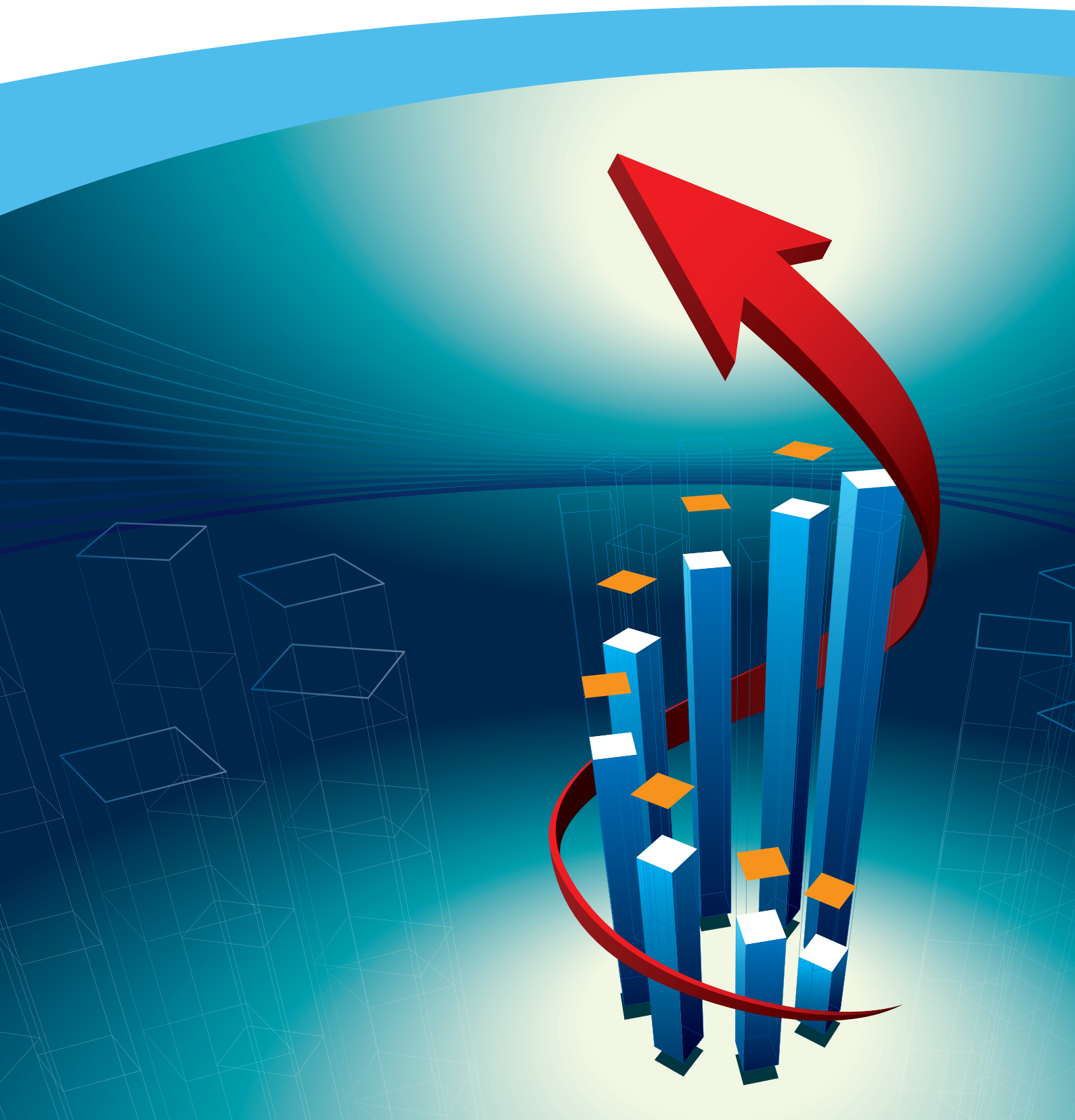


State of the Sector VI



A guide to *State of the Sector VI* estimates

A key aim of the State of the Sector series has been to ensure consistent reporting of data in order that these could be compared over the years. While each report is specific to a certain time frame, developments and trends in the voluntary and community sector can be traced through each of them and comparisons with previous reports can be made. State of the Sector VI is, however, a departure from the series to date and relies in the main on information obtained from source, rather than generated from a sample. As a result, some of the headline data reported in State of the Sector VI are not directly comparable with earlier reports. An overview of the main changes is outlined below.

Income from government

Identifying income from government to the voluntary and community sector has become easier over the years, particularly in the period accounted for in the current report. Accordingly information on income from central and local government, including Education and Library Boards, the Health Board and Trusts is now collected in a more systematic way and is more readily accessible to organisations outside government. As a consequence of this methodological change data was provided to the research team from source. This replaced the need to generate estimates derived from sets of accounts returned as part of the survey. Direct comparisons with previous reports should, therefore, be undertaken with caution.

Income from the general public

Income from the general public is based on data from the *Northern Ireland Giving Survey* 2010. The data presented are directly comparable to that reported in previous reports and, where appropriate, direct comparisons have been made with previous research into charitable giving in Northern Ireland.

Income from Europe

In *State of the Sector V* the figures presented accounted for income to the voluntary and community sector from a limited number of European programmes, namely Peace II and Interreg II A. This report takes a broader view and defines European income more broadly to include Peace III, Interreg IVA and the European Social Fund.

Income from Lottery

For this report there was no change in the way data on Lottery funding to the sector was generated ie the data was generated at source.

Income from voluntary sources

In previous reports this category included both funding from charitable organisations, including Trusts, and funding derived from the sale of goods and services within the voluntary and community sector. *State of the Sector VI* has limited the data to that derived from charitable organisations and Trusts. The figures are again generated at source from the funders.

	2011
Income	
Income from general public	£220 million
Income from government	£392.1 million
Income from Europe	£70.1 million
Income from Lottery	£31.1 million
Income from Trusts	£28.5 million
Total income	£741.9 million
Earned income	£430.3 million
Total expenditure	£719.6 million
Total assets	£863.8 million
Giving	
Average monthly donation	£25.35
Proportion giving to charity	83%
Workforce	
Total paid workforce	27,773
Employment status	
Full time	59.5%
Part time	40.5%
Gender	
Male	22%
Female	78%

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NICVA would also like to acknowledge the fundamental part played by the organisations that patiently completed the questionnaires and supplied us with copies of their annual accounts. Without the co-operation of the many groups that responded to our requests for information, it would not have been possible to produce *State of the Sector VI*. We would like to thank the various government departments, non-departmental and statutory bodies and funders that have very kindly provided us with the information necessary to compile this publication. Particular thanks go to both Volunteer Now, for providing access to two recent reports on volunteering, and to the Voluntary and Community Unit, for its assistance with all matters relating to the Government Funding Database. Finally, thanks also go to the Charity Commission for Northern Ireland for providing additional organisational information.

State of the Sector VI was compiled by Stephen Bloomer, Ciaran Hughes and Andrea Thornbury. Thanks go to Ian Mocroft who undertook initial work on behalf of the Research Unit in relation to assessing government expenditure in the voluntary and community sector. The research programme was also assisted at various stages by Amy Harvey and Eugene Curran.

Foreword

As Chair of NICVA's Executive Committee it gives me great pleasure to write the foreword for State of the Sector. State of the Sector is now in its sixth edition, and it continues to make an important contribution towards our understanding of the voluntary and community sector. It is clear from this report that the sector is as dynamic and changeable as ever. At the time of the publication of *State of the Sector V*, I noted that the sector was at a critical juncture in its history; resources were becoming scarcer, the role of the sector was changing, and wider events were posing some fundamental challenges. Yet, the sector has met these challenges head-on through diverse, creative and innovative ways of funding, working, cooperating and collaborating, all of which are reflected in the findings of this report.

State of the Sector VI gives us another snapshot of the varied and dynamic environment within which the voluntary and community sector must operate in these difficult economic times, an economic environment that the sector is now feeling the impact of. With its comprehensive review of the sector, *State of the Sector VI* will provide an insight into the sector for researchers, policymakers, fundraisers and senior managers in the voluntary and community sector.

In the midst of discussions surrounding welfare reform, it is obvious that in the near future new responsibilities will fall on the voluntary and community sector as it continues its role of supporting the most marginalised within our communities and those who are becoming increasingly

vulnerable due to the current economic climate. This is despite there already being huge pressures on the resources available to the sector.

NICVA has, through our campaigns and by working collaboratively with government and other organisations, been at the forefront of efforts to move the Northern Ireland economy towards one that is more equitable and socially responsible. The role that the voluntary and community sector plays in building and supporting the local economy should be clear from the findings contained in this year's State of the Sector.

Bob Stronge
Chair
NICVA

Overview

There are approximately 4,836 voluntary and community sector organisations in Northern Ireland.

Income from all main sources in 2009-2010 is estimated to be £741.9 million.

The main source of funding income is from central government (34.2%), followed by the general public through charitable giving (29.7%), and a range of non-departmental public bodies and statutory agencies (17.4%).

Through analysis of the accounts, it appears that the general trend of earned income making up the majority of the sector's income is continuing, with an **estimated 58% of the sector's income coming from the sale of goods and the delivery of services.** The distribution of income throughout the sector has not changed significantly since 2008-2009.

Direct departmental expenditure in 2009-2010 in the voluntary and community sector accounted for approximately £254 million. Local government, non-departmental public bodies and statutory agencies within the health and education spheres continue to distribute a significant amount of resources to the voluntary and community sector, with a combined **total of around £138.2 million in 2009-2010.**

We also report that a total of **£220 million was made in donations to charities** in 2009-2010. The general public has remained extremely generous to the sector in their financial contribution, with **the average donation rising to £16.75 from £14.22** in *State of the Sector V*, despite

these being tough economic times. Only a small number of donors (14%) indicated that they had decreased the amounts they gave over the last year; 84% had either increased or maintained their level of giving.

In terms of addressing the question, 'who gives to charity?' **the most likely groups to give are females, people aged 39-49, those who are married or cohabiting, and individuals earning £250 plus per week.** With regard to the popularity of charitable causes **the top five most popular charitable causes are religious organisations, children and young people, medical research, health and disaster relief.**

Analysis of voluntary and community sector accounts suggests that the total **expenditure of the sector in 2009-2010 was in the region of £719.6 million**, 97% of the sector's total income. Through an analysis of the accounts, we can estimate that **the assets of the sector are £863.8 million**, with £475 million in fixed assets and £388.8 million in current assets. This overall figure compares with the figure of £735.5 million reported in *State of the Sector V*.

Over one quarter (27.6%) of respondent organisations are located in the Belfast City Council area, a figure which is identical to that returned in *State of the Sector V*. This is followed by the Derry City Council area (7%) and Craigavon Borough Council area (5%). Most voluntary and community organisations (80%) are based only in Northern Ireland, a figure very much in line with that reported in *State of the Sector V* (83%).

The voluntary and community sector cannot be treated as a single homogenous entity, but should be viewed as a sector of great diversity and difference that is nevertheless connected by some fundamental similarities. In relation to primary sub-sectors and beneficiaries the results from *State of the Sector VI* are consistent with those reported in *State of the Sector V*. **With regard to the major sub-sectors that form the overall voluntary and community sector in Northern Ireland, 'community development' (15%) and 'children and families' (14%) are very much to the fore**, consistent with the previous report. These are followed by projects operating within health and wellbeing (8%) and education and training (7%).

In terms of beneficiaries, the pattern established in *State of the Sector V* is again very much in evidence, with generally only minor variations. **Preschool (0-5 year olds) was the most commonly reported primary beneficiary group (11%).**

There has been an increase in the number of staff employed in the voluntary and community sector in Northern Ireland. The sector now employs around 27,773 individuals (this represents 4% of the total Northern Ireland workforce) compared with 26,737 reported in 2008. However, this is still fewer than the 28,932 reported in *State of the Sector III* (NICVA, 2005). This finding clearly illustrates that the sector remains an important employer in Northern Ireland.

The predominance of females in the workforce continues to be a feature of the voluntary and community sector.

Seven out of ten employees are female (72%). This is significantly higher than the female composition in both the public sector (52%) and the private sector, where less than half of employees are female (46%). **A change in this trend can be seen with regard to the number of chief executives that are female.** *State of the Sector V* (NICVA, 2008) reported that almost two out of every three chief executives in the Northern Ireland voluntary and community sector are male. The 2010 *Salary Survey* (NICVA), however, reports that there is a gender balance with females now accounting for 48% of these positions.

Over 40% of the entire voluntary and community sector workforce is employed by organisations with an income of over £1 million. However, there has been an 8% decrease in the number of employees who work for organisations in this income band since 2008.

29.1% of organisations believe that the general health of their organisation will worsen over the next year. This is an increase of 10% since 2005 and is a clear indication that respondents believe that the next 12 months will be a very challenging time for their organisation. **9% of organisations anticipate employing more staff within the next year.** This is a significant decrease on the percentage of organisations that responded in 2005 (26.6%).

1. Introduction

This research found that 63% of organisations anticipate working in collaboration with other organisations.

7% of organisations responded that they anticipate a merger between themselves and another organisation. As a result of the current economic environment, 17% of organisations anticipate reducing their services in the next 12 months. This is an increase of 11% since 2008.

Nearly 3% of respondents have indicated that they anticipate closing in the next 12 months.

This research was conducted at a time when the cut in public sector funding was only starting to be visible. The impact of cuts over the next three years will be significant, and the number of organisations that anticipate closing could increase dramatically. Economic barriers are considered to be the biggest obstacle for organisations in terms of achieving success (73%).

Since the initial publication of *State of the Sector* in 1997 Northern Ireland has undergone sweeping political and economic changes which have inevitably impacted on the voluntary and community sector. In the late 1990s the voluntary and community sector was seen as a vital partner by 'New' Labour in both their reforms of public services and in promoting reconciliation in a post-conflict society, roles which were augmented with the devolution of power to Northern Ireland. Clearly there have been major changes since the production of the first *State of the Sector*, both at a societal level and within the voluntary and community sector. Currently the 'Big Society' is the flagship idea introduced in the Conservative election manifesto in 2010, and is now a central plank of the Conservative–Liberal Democrat coalition government. The 'Big Society' aims to facilitate a shift of power away from central government to communities and volunteers.

However, many of the challenges faced in 1997 by the voluntary and community sector remain constant, not the least of which is the issue of funding. A key theme, developed and highlighted in the fifth edition of *State of the Sector*, is that the funding environment had changed significantly from a grant dominated model of funding to a model which places the delivery of services at its core¹. Despite this change of emphasis from funding to contractual relationships, collecting research information and developing a typology of funding and contracts remains a complex and arduous task, as no central register has been developed to illustrate

whether monies to the sector are in the form of contracts or funding. In order to identify or categorise the flow of monies into the voluntary and community sector an analysis of individual organisation accounts has to be undertaken; a method which is limited in scope.

Although each *State of the Sector* report provides a very distinct snapshot in time, *State of the Sector VI* delivers something of a continuation of the previous report. In the introduction to *State of the Sector V*, the report noted that the research covered a period of time 'at the beginning of the current economic crisis that is currently driving the UK economy into recession'. In the interim period the UK economy has contracted for six consecutive quarters, from Quarter 2 in 2008 to Quarter 4 in 2009, the longest period since quarterly figures were first recorded in 1955. Quarter 4 saw minimal growth of 0.1% meaning that officially the UK economy moved out of recession in January 2010. In parallel to the weak economy, the banking crisis began in August 2008 when Northern Rock announced losses of £585 million for the first six months of the year.

In October 2011 the Chancellor, George Osborne, unveiled the biggest UK spending cuts for decades. Through the Comprehensive Spending Review the government attempted to improve the UK's fiscal position by reducing its expenditure, aimed at adjusting the overall budget lines of government departments from April 2011 onwards. Locally, the Northern Ireland block grant was effectively frozen at around £9.5 billion, representing an accumulative reduction of 6.9% over a four year period.

¹ *State of the Sector V*, NICVA, 2009.

By 2014-2015 the local capital budget is expected to be cut by 37%. The draft budget announced in December 2010 by the Finance Minister further indicated that circa 17,000 public sector jobs would be lost in Northern Ireland, rising over six years to 20,000.

The data presented in *State of the Sector VI* are, therefore, very clearly situated in difficult times. The impact of the recession, the banking crisis, the threat to the Eurozone and the resulting economic volatility remains unclear. As a result the effect on the income and the overall environment within which the voluntary and community sector in Northern Ireland operates is also unclear. *State of the Sector VI* tries to give some early indications of the current impact on organisations and the potential impact in the near future.

Set within a challenging funding environment and a wider economy that is in a period of unprecedented turmoil, threatened by a double dip recession, the voluntary and community sector is undoubtedly facing a number of real challenges. However, this is not the first challenge it has faced and there is no doubt that the sector will adapt to the new environment and continue to play a key role in society in Northern Ireland. *State of the Sector VI* attempts to highlight changes in how organisations, individually and in collaboration, deal with some of the challenges outlined.

Structure of the report

In keeping with tradition, *State of the Sector VI* begins with a brief explanation of some key definitions used to classify the voluntary and community sector. This overview is then

followed by Chapter 3 which gives an outline of the different methodologies that have been employed to produce *State of the Sector VI*.

Chapter 4 profiles the voluntary and community sector in its widest context and provides a breakdown of how the sector is structured in its activities and geographic remit. It also, for the first time, reports on respondents' identification with the various Skills Councils.

Chapter 5 presents data on the sector's income for 2008-2009 and 2009-2010, establishing the levels of funding from sources including central and local government, non-departmental public bodies and statutory agencies, Big Lottery and Europe. This analysis is followed by a brief overview of expenditure and assets.

Chapter 6 looks at charitable giving in Northern Ireland and the ways in which the general public chooses to financially support the voluntary and community sector. This chapter is based on the *Northern Ireland Giving Survey 2010* (NICVA, 2010), and draws out a number of comparisons with the previous Northern Ireland Individual Giving Survey (2008). This chapter is augmented by data from a follow-up omnibus survey undertaken on behalf of NICVA by IPSOS MORI in October 2011.

Chapter 7 presents data to illustrate the size and main characteristics of the workforce in the voluntary and community sector in Northern Ireland. Where it is appropriate, a number of comparisons are drawn between previous *State of the Sector* reports and other sectors. The data presented in this section are based on information received

from organisations in relation to this research and other research completed by NICVA over the past three years.

Chapter 8 presents an overview of a range of work undertaken recently on volunteering. This chapter examines aspects of volunteering in the voluntary and community sector. The data presented in this chapter are derived from a number of sources including the *State of the Sector VI* survey, complemented by additional data drawn from two reports published by Volunteer Now; '*Mapping Volunteer Involving Organisations in Northern Ireland, 2010*' and '*Mapping Volunteer Involving Organisations in Northern Ireland: Phase 2*', 2011².

Finally, Chapter 9 examines the results of a series of questions in which organisations were asked to give their views on a number of areas which may have an impact on the sector and their organisations over the next 12 months (this survey was conducted in May 2011). The data presented in this section illustrate organisations' views on what changes or fluctuations they expect to experience as a result of the current and predicted economic conditions which may impact on the voluntary and community sector. For example the impact on service provision, campaigning and lobbying. This chapter also examines what organisations perceive to be the main threats to, and weaknesses in, service delivery.

² '*Mapping Volunteer Involving Organisations in Northern Ireland, 2010*' and '*Mapping Volunteer Involving Organisations in Northern Ireland: Phase 2*', 2011, Volunteer Now.

2. Definitions

In terms of achieving an agreed scheme of classification and terminology, the process of defining the voluntary and community sector remains a work in progress. In keeping with previous State of the Sector reports, *State of the Sector VI* has maintained a consistent approach to definitional issues. Consequently, the criteria employed for this report means that certain organisations are omitted from the analysis³. Despite this caveat a consistent definition has the merit of ensuring replicability and enables comparisons to be made over time.

The ‘general charities’ definition that was used in the previous State of the Sector reports was developed by the Office for National Statistics in the early 1990s, in an attempt to define the voluntary sector in the UK (definition used in National Accounts). Over the years this definition has been almost exclusively used in this type of research but there have been some adjustments to take account of the changing nature of the sector.

Despite the diversity of the sector, and the lack of a universally accepted definition, there are certain criteria that can be applied to all voluntary and community organisations. These criteria are:

Formality - people and their activities have an organisational form to exhibit this attribute. The organisation may have a recognisable structure with a constitution or a formal set of rules. However, any definition using this attribute only will exclude large numbers of informal, community-based activities and temporary forms of activity.

³ eg social enterprises and housing associations.

Independence - organisations that are constitutionally and institutionally separate from the statutory and private sectors. This criterion excludes non-departmental public bodies and educational establishments, eg universities and voluntary aided schools. Whilst these bodies can register as charities with the Inland Revenue, they are generally not perceived to be part of the voluntary and community sector.

Non-profit distribution - organisations that do not distribute profits to shareholders or owners. This criterion does not preclude undertaking activities such as trading to generate profit or surplus. However, proceeds should not be for the personal benefit of any individuals connected with the organisation and should be directed towards achieving the organisation’s charitable objectives.

Self-governance - organisations that are truly independent in determining their own course. This would exclude, for example, organisations that are charities within the National Health Service on the basis that they are ultimately controlled by a statutory body.

Voluntarism - organisations where there is a meaningful degree of voluntarism in terms of money or time. The donation of time includes that given by management committee members.

Private benefit versus public benefit - organisations that exist solely for the benefit of their own members (such as friendly societies or independent schools) are excluded. Organisations that benefit the wider public are included. This may include

certain organisations that mainly benefit a specific group of people or even just their members. This would be the case when the objectives of the organisation provide a function that would otherwise need to be provided by the public sector, as is the case with disability organisations or community transport. Because of these criteria, sacramental religious bodies and political parties are excluded. Whilst some consider that their activities are solely for the benefit of their members, others would argue that their doctrine and action have wider public benefit (NCVO, 2004). However, activities that are undertaken by associated but separate entities of religious organisations, such as mother and toddler groups, are included in this analysis.

The application of the above criteria to NICVA’s database continues to provide us with a consistent measure of what might be termed the core of the voluntary and community sector. Also the clear limits to the definition enable the production of robust, clearly defined figures for both the number of organisations and their economic contribution, which is comparable over time and with the rest of the UK.

3. Methodology

As noted previously, the compilation of an economic map of the voluntary and community sector in Northern Ireland continues to be a complex task⁴. As a consequence, the task of compiling *State of the Sector VI* incorporated a number of distinct phases including analysis of a range of surveys undertaken by NICVA, such as *State of the Sector V* and *VI, Individual Giving 2010, Salary Survey 2010, Viewfinder 10* and two surveys on Volunteering in Northern Ireland⁵. In addition, organisations' financial accounts and secondary data sources have been used when appropriate.

Surveying the sector

The most difficult aspect of the *State of the Sector VI* research programme continues to be the generation of an accurate sample for the voluntary and community sector and the subsequent analysis of the accounts. With the continuing absence of a centrally maintained register of charities in Northern Ireland the 'population' has again been defined using NICVA's database. All subsequent estimates are based on this limited population. This methodological approach inevitably has implications and drawbacks, in particular the negative impact on the statistical accuracy possible when populations are impossible to define and the size of the population of interest has yet to be established with the same accuracy as in other parts of the UK.

In May 2011, 5,234 questionnaires were distributed to organisations to generate information on their activities, staff levels, organisational remit and opinions about possible future developments in the sector⁶. A total of 1,550 organisations responded, giving a response rate of 29%. Of this number, 359 were either extinct or were classified as not suitable for the purposes of this survey. In the end a total of 1,191 usable questionnaires was generated, which is a 23% response rate.

As an additional part of the survey, organisations were asked to submit their annual accounts for 2009-2010 or the most recent set of accounts available to them. Overall a total of 512 sets of accounts were available for analysis⁷. This number is much less than the overall response rate for a number of reasons, including the fact that some organisations which are controlled outside Northern Ireland do not have a set of audited accounts for their operations in Northern Ireland. In order to address this deficit, wherever possible, an additional random sample of organisational accounts for 2009-2010 was downloaded from the Companies Registry⁸. Despite this approach, the financial data for organisations remained limited.

Sub-sectoral analysis

As was the case in *State of the Sector V*, an analysis was undertaken to examine the different sub-sectors that make up the voluntary and community sector. For *State of the Sector VI* the methodology allowed organisations to self-select which sub-sector best encapsulated the work of the organisation. For this reason, comparisons between 2011 and 2008 at a sub-sectoral level are possible, although changes in the categorisation of activities mean that comparisons are, to a degree, limited.

This remains an imperfect system of classification due to the fact that organisations have multiple roles and beneficiaries. While this approach does allow for a 'snapshot' measure of the relative size and scope of the key sub-sectors that make up the voluntary and community sector in Northern Ireland, any survey approach is limited by the difficulties involved in applying survey categorisations, which are by their very nature rather rigid and exclusive, to a sector that is dynamic and made up of organisations that cannot be classed exactly by function, beneficiary or activity.

Estimating the size of the sector

As mentioned above, 512 sets of accounts were analysed for this research. The accounts were examined using essentially the same procedures undertaken in previous years. Additional to the analysis of voluntary and community organisations' accounts, the major funders of the sector were approached and asked to provide figures for the funding they distributed to the sector in 2009-2010. In estimating the distribution of overall income and organisational expenditure, the source figures were disaggregated using estimates of income

strata sizes that are derived from survey data and secondary sources.

In the chapter on income there are assessments of the level of financial support from the general public. To examine the level of support from the general public NICVA commissioned a survey of individual charitable giving in July 2010. Using telephone interviews, 1,000 individuals (aged 16 and over) were asked about their giving behaviour over the previous four weeks. The sample was used to gain a picture of individual charitable giving in Northern Ireland and how this is impacted on by gender, age and social class. Based on the results of this survey, figures for the amount of income generated from the general public were produced.

Sampling for the Individual Giving Survey was based on the following:

- The sample was stratified by Local Government District (LGD) on a Probability Proportionate to Size (PPS) basis.
- Respondents were randomly selected from households within each sampling stratum (LGD), with random selection based on the person with the most recent birthday.
- Fieldwork on the survey was conducted between 5 July and 13 August, 2010.

Finally, in the chapter on volunteers, the bulk of data is drawn from two published reports undertaken by NICVA's Research Unit on behalf of Volunteer Now in 2010 and 2011; *'Mapping Volunteer Involving Organisations in Northern Ireland'* and *'Mapping Volunteer Involving Organisations in Northern Ireland (Phase 2)'*.

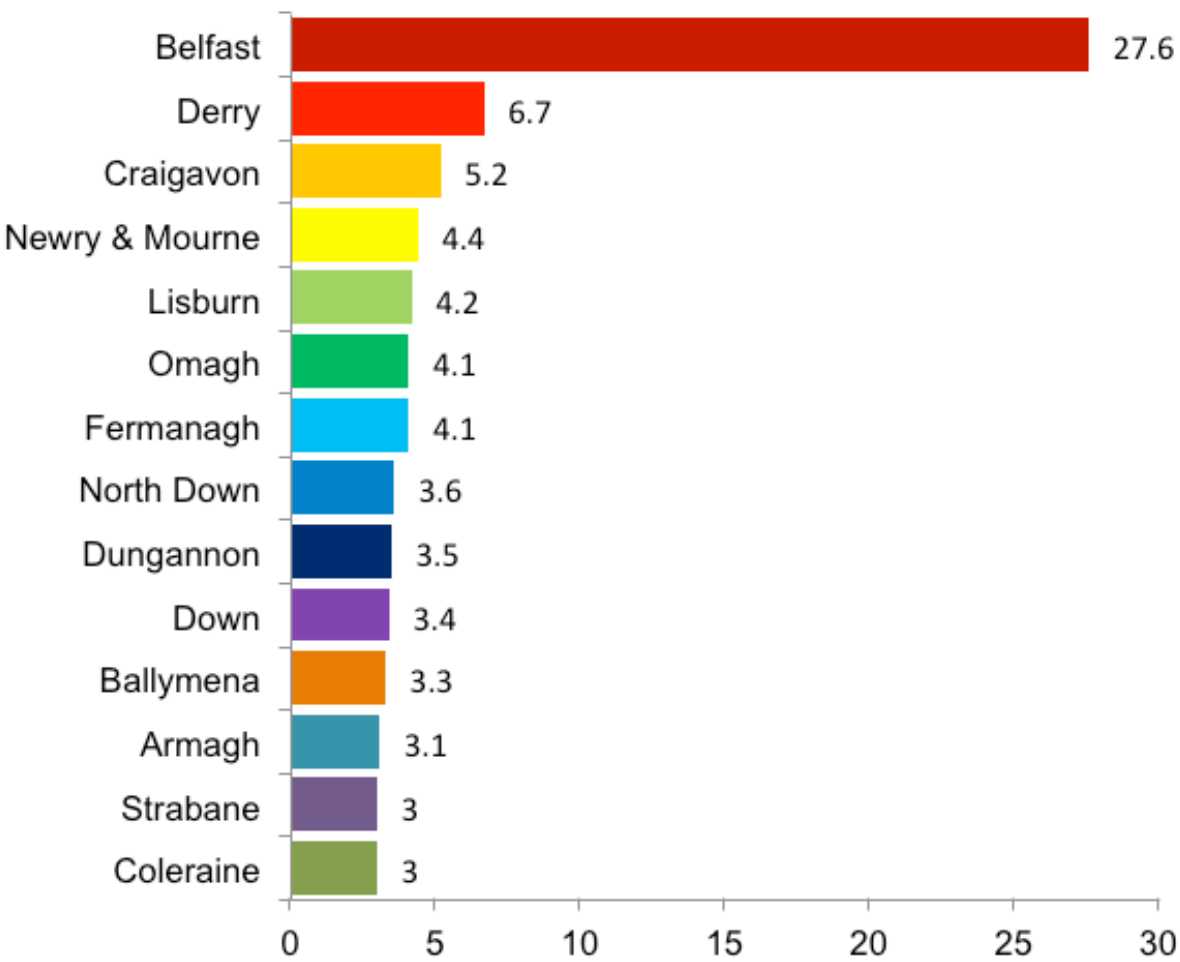
4 *State of the Sector V*, NICVA, 2008, p14.
5 *'Mapping Volunteer Involving Organisations in Northern Ireland'*, (Vol. 1 and 2), Volunteer Now, 2010 and 2011. Two reports on volunteering in Northern Ireland were undertaken by NICVA on behalf of Volunteer Now covering almost 200,000 volunteers.

6 The survey was re-issued in June 2010 to maximise the survey return rate.
7 Sets of accounts included full sets of accounts, abbreviated sets of accounts and hand written notes on accounts
8 <http://wck2.companieshouse.gov.uk/703c97d7ab9f5d247fec2e2cc8bfe255/wcframe?name=accessCompanyInfo>

4. Profile

The data presented in this chapter are made up of figures from 1,191 returns from the *State of the Sector VI* survey, as well as from data held on the NICVA database. Measuring the voluntary and community sector with any accuracy is difficult due to the lack of a centrally maintained register of organisations and the absence of any robust mechanism to record the closure of organisations. Nevertheless, the information presented in this chapter gives an overview of the voluntary and community sector in Northern Ireland.

Figure 4.1 Geographic spread of respondents⁹ (%)

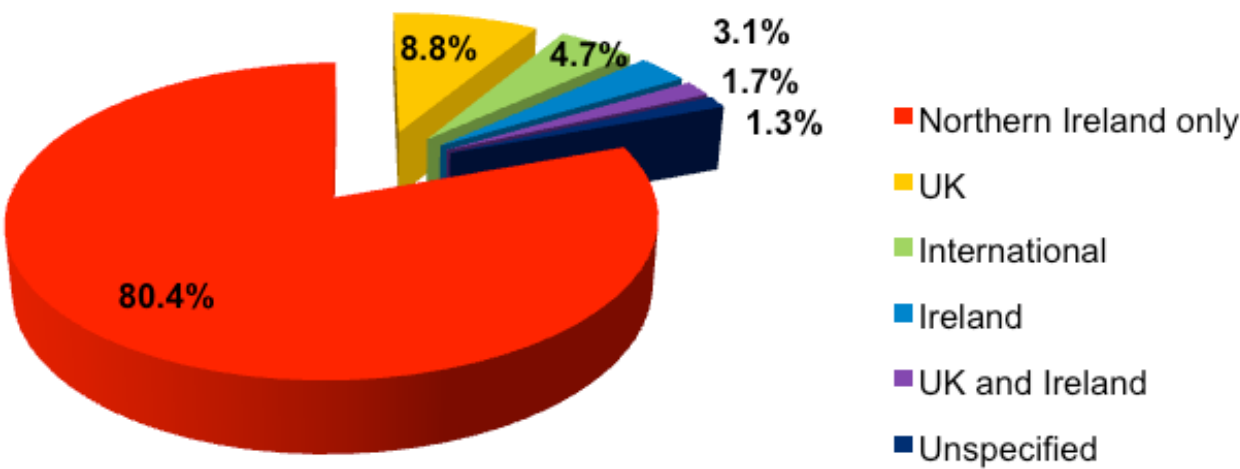


Source: NICVA Database (See Appendix for full analysis)

⁹ This table is limited to the main geographical areas for respondents ie 3% and above. See Appendix for full breakdown.

In terms of where respondent organisations are located, over one quarter (27.6%) are to be found in the Belfast City Council area, a figure which is identical to that returned in *State of the Sector V*. This is followed by the Derry City Council area (7%), again broadly similar to the previous report, as is the general geographic spread of organisations across Northern Ireland.

Figure 4.2 Geographic remit of respondent organisations



Source: *State of the Sector VI* Survey

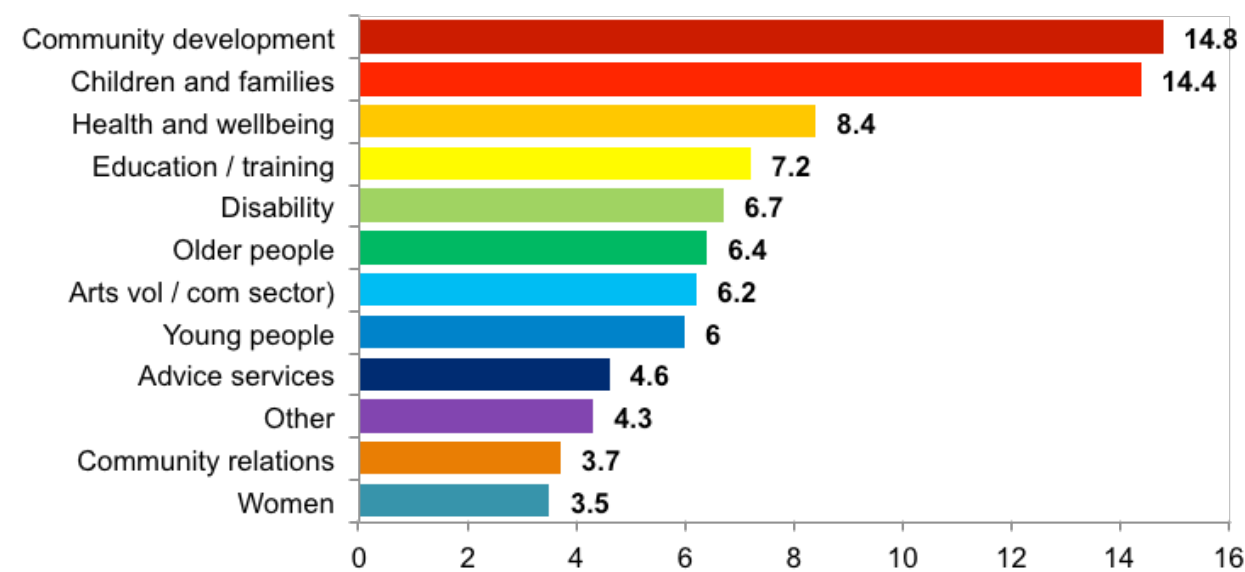
As can be seen in Figure 4.2 above, the voluntary and community sector in Northern Ireland is self-contained in terms of organisational links and structures that extend outside Northern Ireland. Most voluntary and community organisations (80.4%) are based only in Northern Ireland, a figure very much in line with that reported in *State of the Sector V* (83.3%).

Activities

The voluntary and community sector cannot be treated as a single homogenous entity but as a sector of great diversity and difference that is nevertheless connected by some fundamental similarities. Figure 4.3 examines the size of some of the major sub-sectors that form the overall voluntary and community sector in Northern Ireland.

Figure 4.3 Primary sub-sectors of organisations ¹⁰ (%)

It should be noted that in this State of the Sector survey respondents were asked to indicate the sub-sector which best described the work of their organisation and then asked to highlight who / what their organisation attempts to address. This is a slightly different approach to the previous report and as a consequence direct comparisons are not always possible.

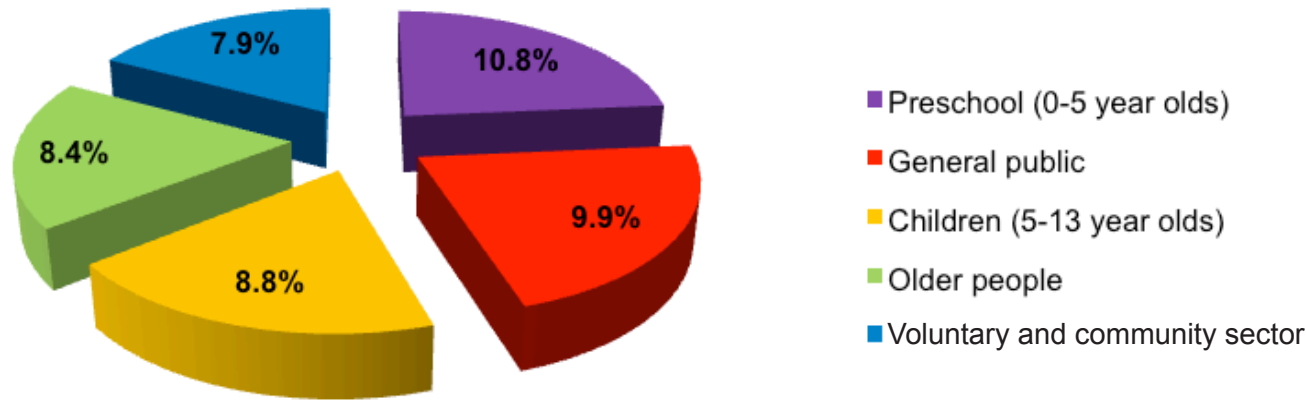


Source: State of the Sector VI Survey

As can be seen from Figure 4.3 ‘community development’ (14.8%) and ‘children and families’ (14.4%) are very much to the fore in terms of the sub-sectors that organisations are working in. This general trend is consistent with previous reports. These are followed by projects operating within health and wellbeing (8.4%) and education / training (7.2%).

¹⁰ This table is limited to the main geographical areas for respondents ie 3% and above. See Appendix for full analysis.

Figure 4.4 Five main beneficiary groups for voluntary and community organisations in Northern Ireland



Source: State of the Sector VI Survey: See Appendix for full analysis

In terms of the main beneficiary of organisations’ activities, the patterns established in State of the Sector V are again very much in evidence, with generally only minor variations. Preschool (0-5 year olds) was the most popular primary beneficiary group (10.8%). As mentioned above, many organisations do not work solely and specifically with any particular social group, so as in previous years ‘general public’ continues to feature highly in survey responses.¹¹

Table 4.1 Skills councils with which organisations identify

Skills Council	%	Skills Council	%
Skills for Care and Development	36.6	Go Skills	3.1
Skills for Health	33.8	Asset Skills	2.1
Lifelong Learning UK	33.2	LANTRA	1.3
Creative and Cultural Skills	26.7	Skillset	1.3
Skills for Justice	10.7	Skillsmart Retail	1.3
Skills Active	8.9		

(Source: State of the Sector Survey: Multiple response)

A new question in this State of the Sector survey focused on the Skills Councils with which organisations identify. Sector Skills Councils (SSCs) are independent, employer-led, UK

¹¹ This category is not as common as in previous years due to changes in survey classification

5. Income and expenditure

wide organisations. The SSCs and the UK Commission work in partnership across the UK to create the conditions for increased employer investment in skills in order to drive enterprise and create jobs and sustainable economic growth. This survey asked organisations to identify those Sector Skills Councils with which they are associated. Table 4.1 above clearly indicates that organisations in the survey predominantly affiliate with four of the Skills Councils, with around a third of organisations citing Skills for Care and Development, Skills for Health or Lifelong Learning UK and over one quarter identifying with Creative and Cultural Skills. Overall 32% of organisations identified with one or more of the Councils.

The data presented in this chapter are taken from a range of sources including the State of the Sector survey and 512 sets of accounts sourced as part of the research. Data was also sourced from the Government Funding Database and sought directly from a number of funders, non-departmental public bodies and statutory bodies. Information related to giving by the general public derives from the Northern Ireland Giving Survey 2010 conducted in July 2010 which involved a total of 1,000 telephone interviews with a representative sample of the general public. Data are presented for 2008-2009 and 2009-2010, and where possible, direct comparisons have been made with previous reports.

Since the publication of *State of the Sector V*, government has moved to improve its gathering of data on funding to the voluntary and community sector and its efforts to make this more widely available. Given this fact, for *State of the Sector VI* it has not been necessary to estimate funding from as many governmental sources as was necessary in the past. Whilst this has improved the accuracy of the overall figures, it does make comparisons with previous reports difficult.

Income from all main sources in 2009-2010 is estimated to be £741.8 million and central government and the general public remain the largest contributors to the sector.

Through analysis of the accounts we can conclude that the general trend of earned income making up the majority of the income of the sector is continuing, with around 58% of the sector's income coming from the sale of goods and the delivery of services. The distribution of income throughout the sector has not changed significantly since 2008-2009.

The general public has remained extremely generous to the sector in their financial contribution, with the average donation rising to £16.75 from £14.22 reported in *State of the Sector V*, despite these being tough economic times.

Direct departmental expenditure in 2009-2010 in the voluntary and community sector accounted for almost £254 million. Non-departmental public bodies and statutory agencies within the health and education spheres, and a range of non-departmental bodies not reported in the Government Funding Database, together distribute a significant amount of resources to the voluntary and community sector, with a combined total of over £129.2 million in 2009-2010.

Whilst it remains a difficult task to identify funding to the voluntary and community sector from local government, there remain a number of ways in which a reasonable figure can be determined. Information on funding in each of the five years up to 2007-2008 was recently made available¹² and the data from the last two years allows us to generate a total figure for 2009-2010 in the region of £9 million.

¹² Research and Information Service, *Information Packs on Private Members' Motions*. September 2011

In terms of Big Lottery funding, the trend in the last two years has seen a fairly substantial reduction in overall funding in Northern Ireland from £39 million to £31 million in 2009-2010; figures which still are relatively high in comparison to previous figures. The proportion of funding to the voluntary and community sector has remained consistent at around 85%.

Analysis of voluntary and community sector accounts suggests that the total expenditure of the sector in 2009-2010 was in the region of £719.6 million, or 97% of the sector's total income.

Through an analysis of the accounts, we can estimate that the assets of the sector are £863.8 million. This figure breaks down as £475 million in fixed assets and £388.8 million in current assets. The overall figure compares with the figure of £735.5 million reported in *State of the Sector V*.

Income profile

Estimating the economic size of the voluntary and community sector in Northern Ireland is a complicated task and one that is determined by the availability and accessibility of data from a wide range of sources. However, the State of the Sector research programme has produced a body of evidence that allows an assessment of the sector's finances to be made over a significant period of time. The analysis presented in this chapter will examine the current funding environment (based on 2009-2010 accounts) and how the current situation compares to the findings from previous State of the Sector reports.

Analysis suggests that there has been a continuation of the trend towards increased earned income, with a rise from 51% in 2006-2007 to a current level of 58%.

Figure 5.1 Distribution of organisations by economic size for the period 2001-2002 to 2009-2010 (%)

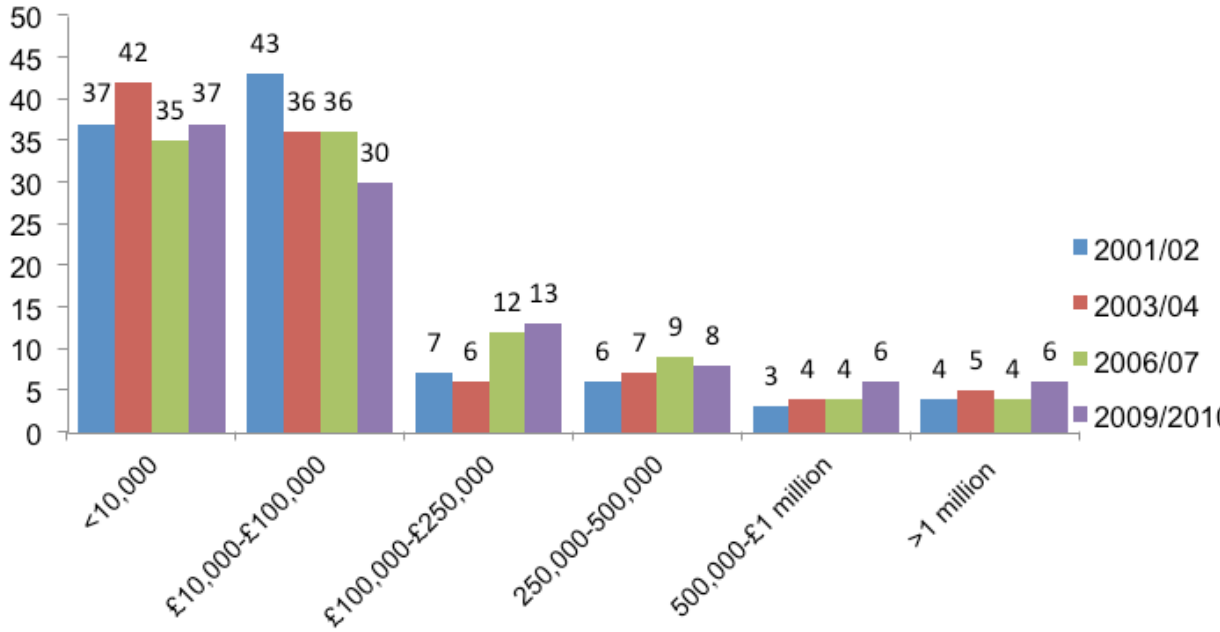


Figure 5.1 shows how the economic profile of the voluntary and community sector changed between 2001-2002 and 2009-2010. Some caution must be exercised as the data in Figure 5.1 are based on survey data and as such it is not possible to control the extent to which organisations respond. Equally it is impossible to track individual organisations in terms of increases or decreases in income. Therefore, any movement between income bands can only be viewed at a global level, allowing an analysis of trends over time.

The most striking feature of the 2009-2010 data is the steady decline in organisations within the £10,001 to £100,000 income bracket, with a fall of 6% since 2006-2007. In 2009-2010 the number of organisations in the £100,001 to £250,000 income strata has remained relatively stable, having doubled in 2006-2007. Whilst there had been a steady growth in the number of organisations in the £250,001 to £500,000 income band, there has been a small decrease in 2009-2010. In the higher income bands, over £500,000, there has been an increase on the 2006-2007 figures.

Table 5.1 Average annual income by income band

Income band	Average income 2009/10	% of total income 2009/10	% of sector 2009/10	% of total income 2006/07	% of sector 2006/07
<£10,000	£4,854	1	37	1	35
£10,001-£100,000	£41,905	7	30	9	36
£100,001 - £250,000	£151,963	11	13	12	12
£250,001 - £500,000	£336,737	15	8	20	9
£500,001 – £1 million	£697,087	14	6	8	4
Over £1,000,001	£2,990,605	52	6	51	4

From Table 5.1 it is clear that organisations with an income over £1 million continue to hold a dominant position in the voluntary and community sector, accounting for over half (52%) of the income of the sector; numerically representing an around 6% of the sector. Additionally, the £500,001 to £1 million income band has seen both an increase in its representation (+2%) and an increase in the percentage of income in the sector (+6%). Taken together the two largest income groups account for some two thirds of the sector’s income.

The opposite trend is evident in the £250,001 to £500,000 income band which, despite remaining consistent at 8% in 2009-2010 from 9% of the sector in 2006-2007, shows a fall of 5% in its proportion of the sector’s income. In addition, there has been a decrease in the proportion of the sector made up of organisations with an income between £10,001 and £100,000 and a small increase in the under £10,000 income band.

Government

The figures for 2008-2009 and 2009-2010 reported in Table 5.2 outline direct departmental expenditure over the period of the last two years. The majority of the data sourcing was facilitated by the Department for Social Development’s Voluntary and Community Unit which manages the Government Funding Database. Some under-reporting of expenditure was identified in the database and where this was the case, additional data was also sought directly from a number of other government departments.

Table 5.2 Central government funding by department 2008-2009 and 2009-2010¹³

Northern Ireland Assembly: Direct Departmental Expenditure ¹⁴	2008-2009 expenditure (£)	2009-2010 expenditure (£)
DARD*	1,432,000	513,000
DCAL	6,845,929	9,916,748
Department of Education	11,073,458	3,231,667
DEL	16,645,608	16,866,948
DETI	618,200	914,644
DHSSPS	12,549,738	9,779,885
DOE	1,894,440	1,106,552
DOJ	5,141,986	5,944,987
DRD*	4,250,000	5,500,000
DSD	185,376,624	198,527,310
OFMDFM	3,474,166	1,643,290
Northern Ireland Direct Total	249,302,149	253,945,031

(DARD and DRD data updated October 2011)

Over the last two years there has been some variation in the funding patterns in a number of government departments, with significant reductions from the Department of Education (-71%), the Department of Agriculture and Rural Development (-64%), the Office of the First Minister/Deputy First Minister (-53%), and the Department of Health, Social Services and Public Safety (-22%).

The reduction across these departments is, however, offset by increases in a number of departments including the Department for Social Development (+7%), the Department of Culture, Arts and Leisure (+45%), the Department for Regional Development (+29%) and the Department of Justice (+16%). Overall, between the two years there was a funding increase of 1.9%.

In the case of central government departments, the largest funder is clearly the Department for Social Development (DSD), a pattern which was identified in *State of the Sector V*. DSD funds the voluntary and community sector through a number of channels, some of which are outlined in Table 5.3 below.

13 Source: Government Funding Database and communications with DSD’s Voluntary and Community Unit. Information excludes data relating to bodies outside the general charities definition, eg Housing Associations, District Councils etc. Ian Mocroft undertook much of the initial analysis.

14 Sum of Grant Award Amount.

Table 5.3 Department for Social Development funding 2008-2009 and 2009-2010¹⁵

DSD expenditure ¹⁶	2008-2009 expenditure (£)	2009-2010 expenditure (£)
VCU	12,746,391	9,716,139
Housing Executive	149,023,420	160,981,631
DSD other than VCU and Housing	23,606,812	27,829,539
Total	185,376,623	198,527,309

In *State of the Sector V* it was reported that central government expenditure was **£53.9 million**. By extracting DSD monies to the Housing Executive and the Voluntary and Community Unit, the comparable figures for the two years under consideration are **£87,532,342** for 2008-2009 whilst for 2009-2010 the figure is **£83,247,263**.

Non-departmental public bodies and statutory bodies

Health and education

In *State of the Sector V* it was reported that central government funding accounted for 20.8% of overall government funding, with local government, non-departmental local statutory agencies accounted for the remaining 79.2%.

With regard to non-departmental public bodies and statutory agencies, *State of the Sector V* reported that £188.2 million came from this source; health and social trusts and education and library boards accounting for £114.8 million, £56 million through the Supporting People programme and the remainder through various other sources. Additionally the local government figure was £17 million.

Using data sourced from the relevant funders, totals for health and education are presented in Table 5.4¹⁶ . By sourcing the data directly from the Health Board, Health Trusts and Education and Library Boards, a reasonably accurate overall figure can be produced. However, this is a methodological change from the previous report which used an alternative approach to generate estimates. As a consequence, the data in this report are not directly comparable to those produced in *State of the Sector V*.

15 Source: Government Funding Database and communications with DSD's Voluntary and Community Unit. Information excludes data relating to bodies outside the general charities definition, eg Housing Associations, District Councils etc. Ian Mocroft undertook much of the initial analysis.

16 An estimate was employed where no data was available.

Table 5.4 Funding from the health and education sectors 2008 - 2010

Source of funding	2008-2009 £ million	2009-2010 £ million	Totals 2008-2010 £ million
Health sector	66,264,269	68,600,935	134,865,204
Education sector	14,403,627	16,131,026	30,534,653
Totals	80,667,896	84,731,961	165,399,857

Local government

Although it remains a difficult task to identify local government funding to the voluntary and community sector, there are a number of ways in which a reasonable estimate can be determined. Information on funding in each of the five years up to 2007-2008 was recently made available¹⁷ and the data from the last two years are presented in Table 5.5. The average annual figure over the five year period was £7,759,912.

Table 5.5 Local government: grant-aid for the voluntary and community sector 2006-2007–2007-2008

District Council	2006-2007 £	2007-2008 £
Antrim	236,371	211,724
Ards	143,825	145,473
Armagh	218,012	351,075
Ballymena	162,425	133,132
Ballymoney	41,750	44,173
Banbridge	277,543	298,716
Belfast	2,225,820	2,343,431
Carrickfergus	102,840	130,841
Castlereagh	13,611	4,664

17 Research and Information Service, *Information Packs on Private Members' Motions*, September 2011.

District Council	2006-2007 £	2007-2008 £
Coleraine	216,562	324,081
Cookstown	15,000	15,000
Craigavon	296,960	308,386
Derry	800,007	906,570
Down	240,682	277,346
Dungannon and South Tyrone	352,588	326,342
Fermanagh	222,782	208,093
Larne	136,590	190,329
Limavady	91,879	151,559
Lisburn	378,552	483,617
Magherafelt	128,788	146,831
Moyle	32,726	42,520
Newry and Mourne	671,000	986,000
Newtownabbey	377,369	497,429
North Down	185,608	183,857
Omagh	463,284	536,492
Strabane	323,113	391,294
Totals	8,355,687	9,638,975

Funding from local councils to the voluntary and community sector includes the Community Support programme, which incorporates additional monies from DSD and Councils. Through this programme funding is made available for resource centres, community centres and advice organisations.

In 2008-2009 this accounted for £7.5 million rising to £8.3 million in 2009-2010.

Table 5.6 Community Support Programme (CSP) 2008-2009 and 2009-2010

CSP – voluntary and community sector	2008-2009 £ million	2009-2010 £ million
Councils	4.3	3.6
DSD	3.2	4.7
Total	7.5	8.3

An absolute figure for local council funding is not available but the data above suggest the current figure is likely to be between £8 million and £10 million. This figure is considerably lower than the figure provided in *State of the Sector V*.

Additional sources of funding

Table 5.7 Non-departmental public bodies and statutory agencies¹⁸

Agencies	2008-2009	2009-2010 £ million
Total	37,848,046	44,469,880

To complete the identification of the main sources of funding within non-departmental agencies and statutory bodies, the research highlighted a number of sources which either do not appear, or are under-reported in the Government Funding Database. Although the Government Funding Database outlines the majority of funding in the voluntary and community sector, there are a number of organisations which either lie outside the current remit of the database or are significantly under-reported in the database. For example, information reported by the Arts Council is significantly higher than that reported in the Government Funding Database, as is the case with Sport Northern Ireland. The total funding represented by these bodies is outlined in Table 5.7.

Europe

Table 5.8 covers funding for the voluntary and community sector for three European programmes in the period 2008-2010. The information relating to Peace III and Interreg IIA is provided by SEUPB¹⁹.

18 Source: Government Funding Database and communications with DSD, Voluntary and Community Unit.

19 Data provided by the Northern Ireland Statistics and Research Agency following a request to the Special EU Programmes Body, September 2011

Table 5.8 European funding to the voluntary and community sector 2008-2010

European funding programme	2008-2010 (£)
Peace III	18,142,892
Interreg IVA	2,396,036
NI ESF*	59,829,962
Total²¹	£80,368,890

(* Total approved by December 2010 to voluntary and community sector)²⁰

The figures in Table 5.8 reflect only those projects or sub-projects for which the lead partner or organisation responsible for the delivery of the project was identified as a voluntary or community sector organisation when submitting the initial application for funding. Furthermore, it is possible that other voluntary or community organisations have been involved in projects in receipt of funding but worked with, for example, a public sector lead partner, in which case they would not have been included in the results of the search. These figures, therefore, cannot be used as an exact reflection of the contribution of the programmes to the voluntary and community sector.

The 2006-2007 total for Peace II and Interreg IIA reported in *State of the Sector V* was £10,619,599, which was a considerable reduction from the figure of £57.9 million reported in 2003-2004. The 2006-2007 figure, however, is consistent with the average figure over the 2008-2010 period, at approximately £10 million. In addition to the two programmes outlined, the Northern Ireland European Structural Fund (ESF) Programme 2007–2013 has delivered significant funding into the voluntary and community sector, with almost £60 million in total approved by December 2010.

Lottery

State of the Sector V reported a fairly consistent trend in Lottery funding over an extended period between 1996-1997 and 2006-2007, a period in which annual expenditure fluctuated between £29 million and £33 million.

20 An Additional £7.5 million (approximately) was also identified through the Department of Agriculture and Rural Development EU funding line, the Rural Development Programme. The data was accessed too late to be included in the overall analysis but is presented to ensure clarity.

Table 5.9 Lottery funding 2008-2009 to 2009-2010

Year	Total Big Lottery Fund committed in Northern Ireland	% of total to voluntary and community sector
2008-2009	£39,231,451	84% (£32,981,333) ²²
2009-2010	£31,140,299	85% (£26,448,759)

The trend in the last two years has seen a fairly substantial reduction in overall funding in Northern Ireland from £39 million to £31 million, figures which are still relatively high in comparison to previous figures. Whilst the proportion of funding to the voluntary and community sector has remained consistent around 85%, in real terms there has been a £6.5 million reduction in Lottery funding over the period.

Trusts

Income from charitable trusts is another substantial source of income for the voluntary and community sector. However, there are significant challenges when trying to establish the levels of funding to Northern Ireland from charitable trusts. For example, not all trusts identify funding to specific geographical areas and no central database of charitable funding is available. From a review of both Charity Commission (England and Wales) information and the accounts of the main charitable trusts known to fund in Northern Ireland, a minimum figure of £28.5 million can be generated.

21 Big Lottery Fund has made a commitment that 80% of its funding will be distributed to the voluntary and community sector. The actual percentage will vary on a year to year basis depending on the nature of the funding programmes available. The remaining 20% is distributed to partnerships involving the voluntary and community sector.

Overall funding to the voluntary and community sector

Table 5.10 Overall main funding sources

Funding source	2009-2010	%
Central Government	253,945,031	34.2
Non-departmental public bodies / statutory bodies etc		
Health and Education	84,731,961	11.4
Other NDPBs etc	44,469,880	6
Local Government*	9,000,000	1.2
Europe**	70,099,426	9.4
Lottery	31,140,299	4.2
Trusts	28,500,000	3.8
General public ²³	220,000,000	29.7
Total	741,886,597	100

(*Estimate) (**Total averaged over two years for Peace III and Interreg IVA)²²

As can be seen from Table 5.10 the total income from the main sources of funding for the voluntary and community sector is £741.9 million; the main source of funding coming from central government (34%), followed by the general public through charitable giving (30%), and a range of non-departmental public bodies and statutory agencies (17%).

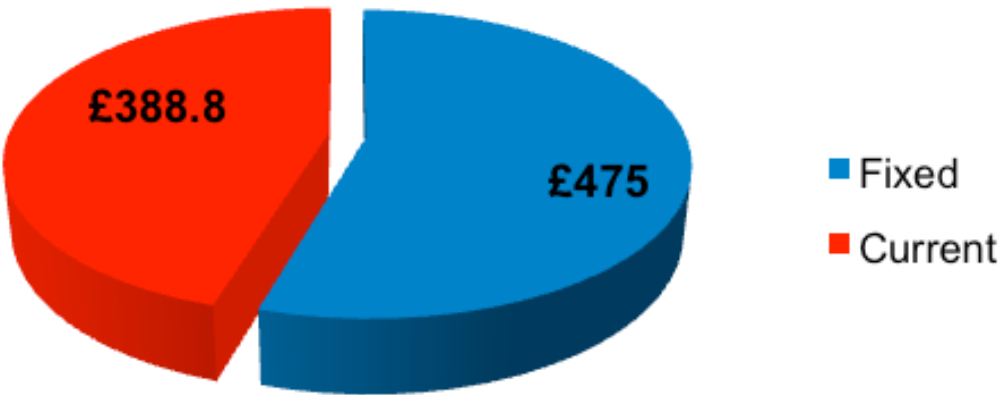
It should be noted, however, that as a result of methodological issues, direct comparisons with *State of the Sector V* figures should be limited. The data presented in this section are comprised of data generated on our behalf by the main funders. The *State of the Sector V* report generated these figures using an alternative method which focused on generating estimates from sets of accounts returned as part of the research programme.

Additionally, in this section we have not disaggregated the funding from the Department for Social Development and as a result DSD funding is reported within central government expenditure and not in the non-departmental public body figures.

22 Data source, Individual Giving report, NICVA 2010.

Assets and expenditure

Figure 5.2 Fixed and current assets (£ million)



Through an analysis of the accounts, we can estimate that the assets of the sector are approximately £863.8 million. This figure is made up of approximately £475 million in fixed assets and £388.7 million in current assets. The overall figure compares with the figure of £735.5 million reported in *State of the Sector V*. Much of the large rise in assets in the sector will be attributable to the fact that this State of the Sector research has identified many more organisations that have an income over £500,000. At a more general level, the qualitative trend of a rise in fixed assets and a highly variable movement of assets is supported by other research that suggests that voluntary and community organisations have had to be innovative in their use of income and assets to adapt to changing economic circumstances.

Reserves policy

Figure 5.3 Reserves policy by income band 2006-2007 and 2009-2010 (%)

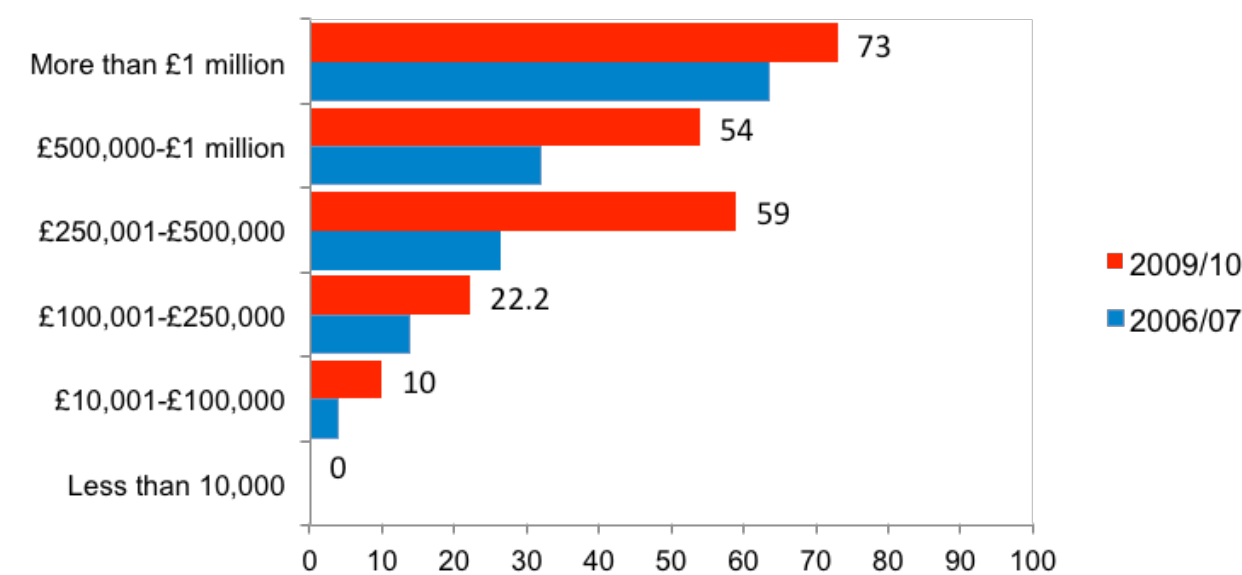
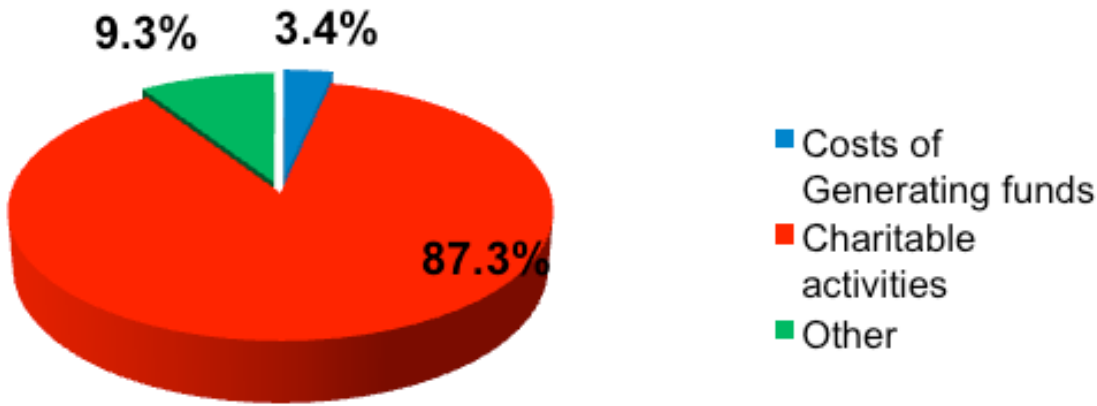


Figure 5.3 gives an overview of the organisational reserve policy broken down by income band. In *State of the Sector V* it was reported that as the income of the organisation increased there was also an increase in the likelihood that the organisation would have a reserves policy clearly set out in its accounts. The relationship between income and reserves policy still generally holds, however, in the 2009-2010 accounts there was a significant increase in reserves policy reporting in the £250,001 to £500,000 income band, up from 26.2% to 59%. Overall, there is a strong trend indicating a higher proportion of organisations, in their sets of accounts, reporting a reserves policy.

Expenditure

Figure 5.4 Main expenditure



Analysis of voluntary and community sector accounts suggests that the total expenditure of the sector in 2009-2010 was in the region of £719.6 million, or 97% of the sector's total income. As would be expected, this has risen from 95% in 2007-2009. Trends in how the sector expends its resources have changed relatively little since *State of the Sector V*, with 87.3% of expenditure being related to the charitable activities of voluntary and community sector organisations. As can be seen from Figure 5.4, organisations also continue to spend a large amount of resources on generating funds.

6. Giving

The data presented in this chapter are taken from the *Northern Ireland Giving Survey, 2010*. The survey was conducted in July 2010 and involved a total of 1,000 telephone interviews with a representative sample of the general public. Where it is appropriate direct comparisons have been made with previous research into charitable giving in Northern Ireland. Data are also presented from a survey undertaken on behalf of NICVA by Ipsos MORI in October 2011.

Only a small number of donors (14%) indicated that they had decreased the amounts they gave over the last year; 84% had either increased or maintained their level of giving. This reinforces how important charitable giving is in Northern Ireland, even during tough economic times. 83% had made a donation in the previous four weeks, a figure in line with the 2008 survey where 84% of individuals had made a donation. This figure increases to 90% for individuals who had made a charitable donation in the previous 12 months.

A total of £220 million was made in donations to charity in Northern Ireland in 2010. At the individual level, the median donation per donor is £16.75 and £11.00 per head of population. The mean total donation in a four weekly period is £34.46 per donor and £28.59 per head of population.

In terms of addressing the question, ‘who gives to charity?’ the most likely groups

to give are females, people aged 39-49, those who are married or cohabiting, and individuals earning £250+ per week. With regard to the popularity of charitable causes, the top five most popular charitable causes are religious organisations, children and young people, medical research, health, and disaster relief.

Cash donations made in a place of worship continue to have a significant impact on the overall picture of giving; donations made in a place of worship account for 31.8% of the total financial yield, a decrease of 5.1% from 2008. The types of giving that generate the most revenues are cash at a place of worship, challenge events, other cash donations and direct debits. Excluding cash donations in a place of worship from the analysis, the average donation made is £25.35 and the median donation is £11.00.

35% of donors had used one of the various forms of planned giving in the four weeks covered by the survey. The reason most cited by respondents for using planned giving was that it made the donating process easier to manage. Face-to-face conversations with a charity representative and television campaigns appear from the findings of this survey to be the most likely communications from a charity to elicit a donation.

The average percentage of income people perceive charities to spend on fundraising is 28%. This is higher than the 20% that people, on average, believe is acceptable to spend on fundraising. Research by Intelligent Giving puts the actual average fundraising spending by the sector as between 12%

to 25% of income suggesting that the public are overestimating what charities spend on fundraising activities.

The average amount the public perceive charities spend on administration is 36%. This is much higher than respondents, on average, consider being an acceptable level. Intelligent Giving lists average charity spend on administration at approximately 12%, lower than the 19%, on average, that the public think is acceptable, and far below what they think is actually being spent.

The most common reasons for not making a donation were that people felt they couldn’t afford it or that they didn’t have the opportunity.

Giving in Northern Ireland

The *Northern Ireland Giving Survey 2010* found that 90% of respondents had made a donation in the previous 12 months; a small drop of 1% since the same study was carried out in 2008. The 2010 survey found that 83% of respondents had made a donation in the last four weeks, and again this is line with the previous survey (84%). The UK Giving Survey 2010 found that the proportion of people giving had increased slightly over the last year.²³ The stability of these figures suggests that commitment to charitable giving in Northern Ireland has been sufficiently resilient to survive current economic difficulties.

Table 6.1 Four weekly charitable donations

		Total Big Lottery Fund committed in Northern Ireland	% of total to voluntary and community sector
Mean		34.46	28.59
Median		16.75	11.00
Minimum		0.15	0.15
Maximum		739.50	739.50
Quartiles	25	6.0	2.00
	50	16.75	11.00
	75	35.00	30.00

23 NCVO/CAF.UK *Giving 2010: An overview of charitable giving in the UK, 2009/10*. December 2010.

As with surveys of individual giving in previous years, the 2010 findings make clear that cash donations in a place of worship continue to have a significant impact on the overall picture of giving in Northern Ireland. As Table 6.2 illustrates, when donations made in a place of worship are removed from the financial analysis, the mean and median four-weekly donations are significantly reduced. In fact, further analysis suggests that donations made in a place of worship account for 31.8% of the total financial yield. This represents a decrease of 5.1% in the share of cash donations made in a place of worship since 2008.

Table 6.2 Four-weekly donations excluding place of worship

	Four weekly donations 2010 (excluding place of worship)	Four weekly donations 2010 (including place of worship)
Mean	34.46	28.59
Median	16.75	11.00

As can be seen in Table 6.2, excluding charitable donations made in a place of worship from the analysis decreases the average donation by 26.4% to an average of £25.35.

Distribution of giving

In the 2005 *Northern Ireland Giving Survey*, 64% of all donations amounted to less than £10 a month. This fell to 43% in 2008, and as Table 6.3 illustrates, this trend is continuing. In this year’s survey only 39% of donors’ four weekly donations were less than £10. Many factors could account for the year on year rise of donations above £10 and the general trend away from small amount philanthropic giving to larger donations. However, as planned giving is often characterised by larger gifts sent by cheque, credit/debit cards, standing orders/direct debits or money deducted directly from wages, it could be that the time spent by charities in attempting to attract their regular donors to formal planned giving options is beginning to have a real impact on donor behaviour. The mean for donations above £100.01 appears to be very high, but as mentioned above, the small number of donors in this in this category and the impact of large one off donations should be taken into account when drawing any conclusions.

Table 6.3 Distribution of giving

	% of Donors (2008)	% of Donors (2010)	Mean Donation 2010 (£)
1p - £1.00	3	5	0.95
£1.01 - £2	8	6	1.97
£2.01 - £5	15	11	4.04
£5.01 - £10	17	17	8.10
£10.1 - £20	20	19	15.65
£20.0 - £50	28	26	32.39
£50.1 – £100	7	9	69.15
£100.0+	3	7	210.19

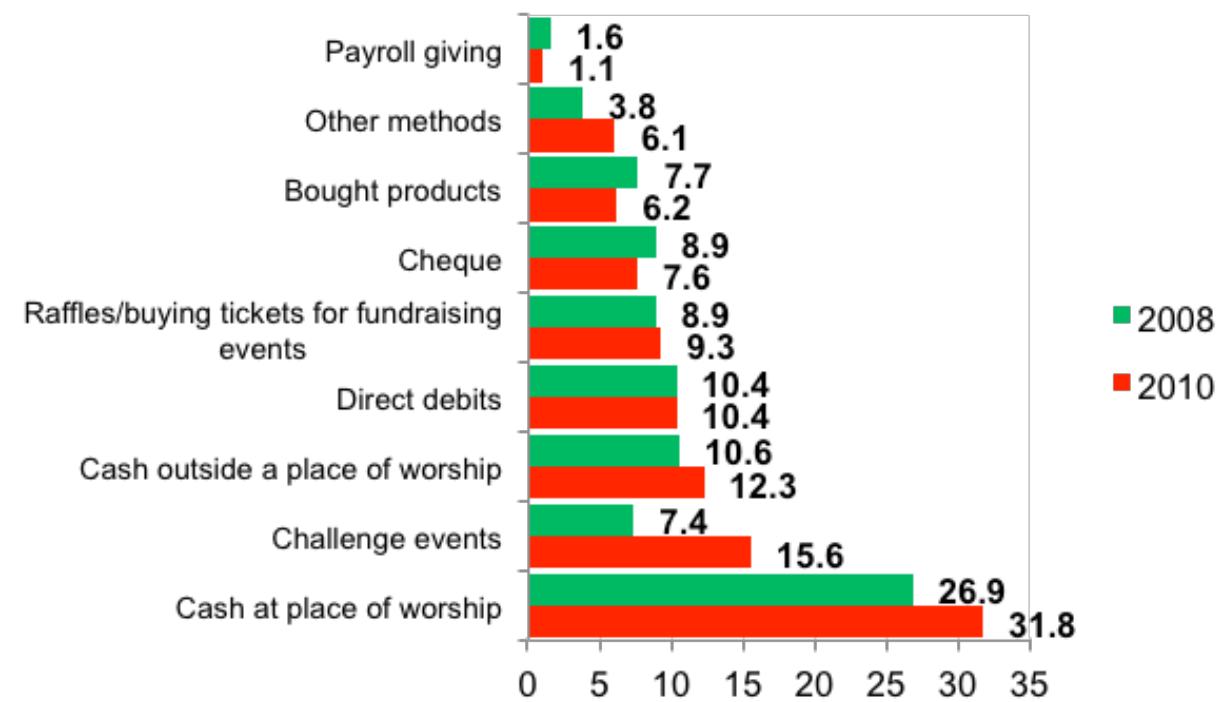
Methods of giving

Popularity of various forms of giving in Northern Ireland

The *Northern Ireland Giving Survey 2010* analysed the various methods of making a charitable donation and found that 83% of individuals had made a charitable donation in the four-weekly period covered by the survey. The results of this survey suggest that there has been little change in the methods used by donors to give to charity since the 2008 survey²⁴ . The popularity of the different methods of giving in terms of the share of the financial yield is outlined in Figure 6.1.

24 For an overview of previous Individual Giving report, see *State of the Sector V*, NICVA, 2009.

Figure 6.1 Financial share for each methods 2008 and 2010 (%)



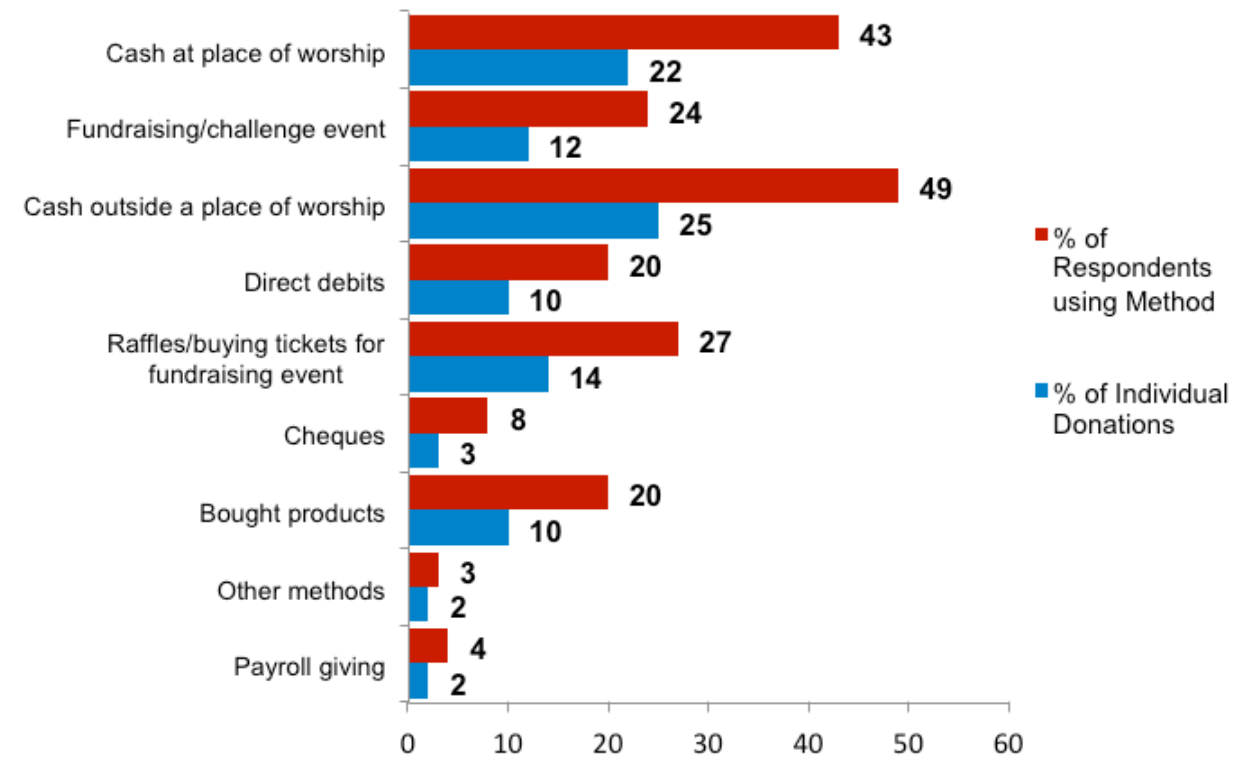
As Figure 6.1 shows, as a share of the total yield, the most popular forms of giving are cash at a place of worship, challenge events and other cash donations. The use of cheques by individual donors has fallen by 5% to 8% (see Figure 6.2), yet despite this fall, donations by cheque still contributed some 7.6% of the total yield recorded in this survey. Therefore, the concern expressed within the sector at large that there has been insufficient consultation on the Payments Council proposals to abolish the use of cheques by 2018, and warnings from groups such as the Institute of Fundraising that this development could have potentially disastrous effects on many charities income may indeed be well founded²⁵. As the Institute’s ‘Save our Cheques’ campaign makes clear, there are many charities, in particular those who rely heavily on an older supporter base, that receive more than 70% of their income by cheque.

The most popular form of giving in Northern Ireland continues to be philanthropic giving, ie cash donations, either within a place of worship or elsewhere. As Figure 6.2 shows, in terms of the number of respondents who had used a particular form of giving in the four-weekly period covered by the survey, cash donations outside a place a of worship continue to be

25 <http://www.institute-of-fundraising.org.uk/policy-and-campaigns/campaigns/save-our-cheque/>

the most popular. But yet again, as we can see from Figure 6.2, there are a relatively high number of individuals making a donation at a place of worship. Therefore, the results of this survey chime with previous research findings in that there is a persistent strength in faith-based giving, providing constant evidence that social networks are powerful contexts for motivating giving²⁶.

Figure 6.2 Giving methods (%)



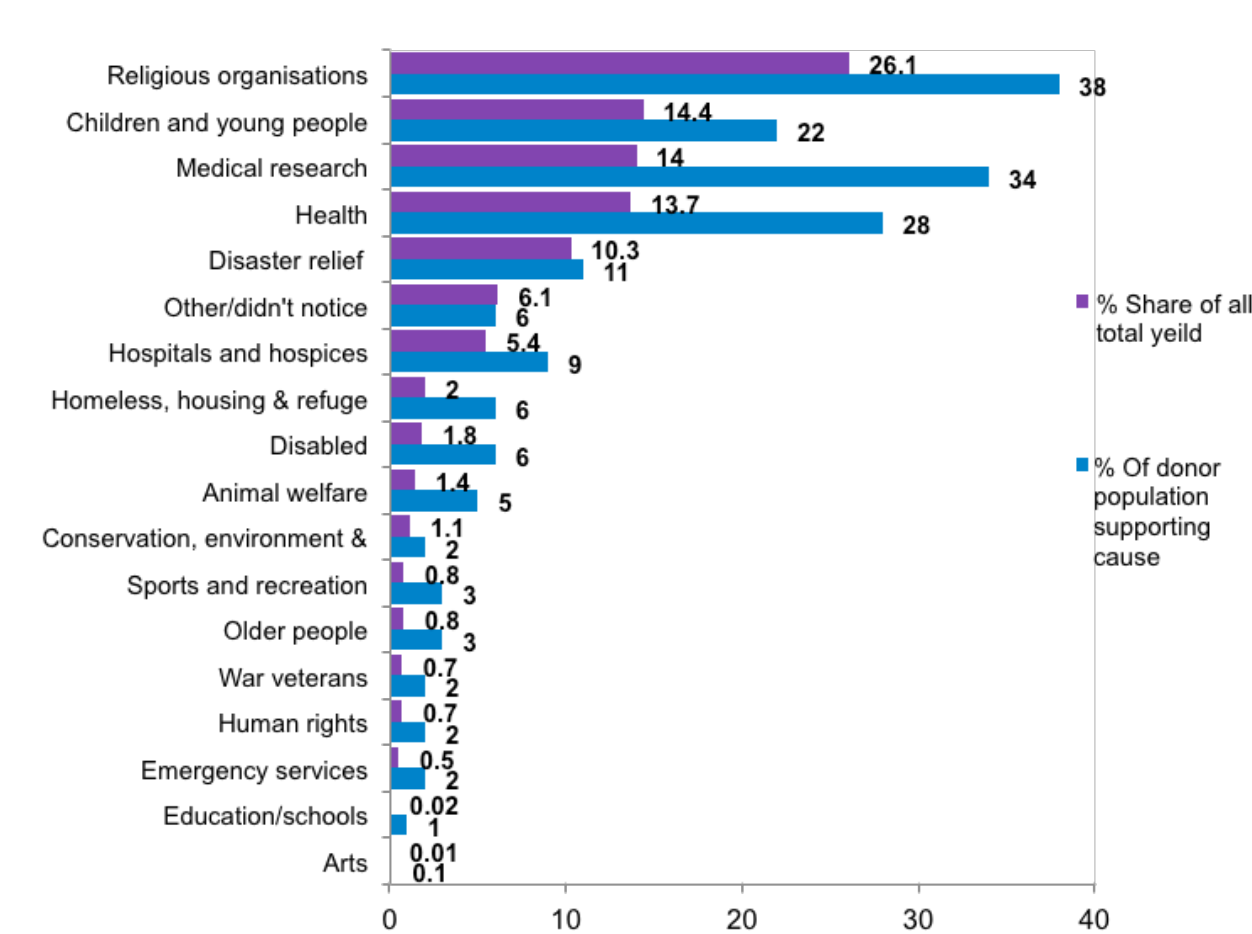
Support for each cause

As can be seen in Figure 6.3, religious organisations remain the most popular charitable cause to which individuals make charitable donations, with the average monthly donation to religious organisations being £23.45. Steady growth has continued in the level of donations made to religious organisations, from 15.7% in 2005, to 20.4% in 2008 and now to 26.1% in 2010. This sustained growth in the financial share of religious donations reinforces the important impact that these donations have on the overall picture of giving in Northern

26 Harrow, J. and Pharoah, C. Recession and charities; *the paradox of charitable opportunity?* ESRC Research Centre for Charitable Giving and Philanthropy, Cass Business School. 2008.

Ireland. Indeed there has been little change since 2005 and 2008 in the causes that people make donations to. The five most identifiably popular charities in terms of financial share in 2008, ie religious organisations, health, children and young people, medical research and disaster relief, continue to be the primary destination for donations made in Northern Ireland. This stability in the types of causes that people give to is commensurate with the findings of the UK Giving 2010 survey²⁷, where, with the exception of a significant increase in the popularity of overseas causes, there has also been little change in the causes donors choose to support.

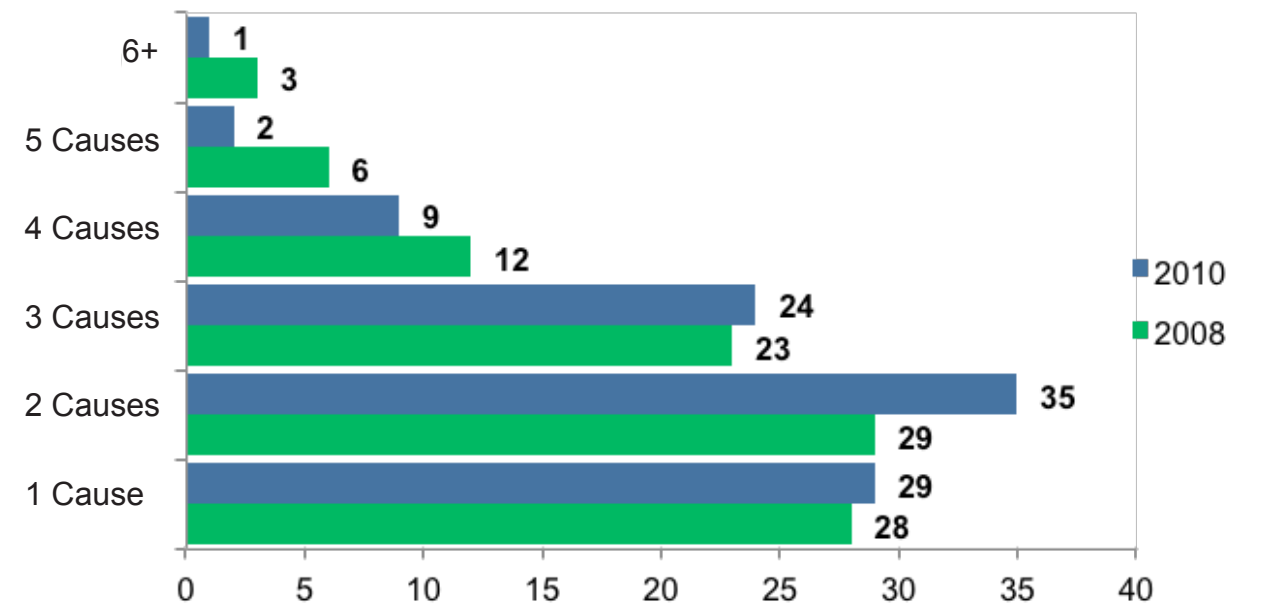
Figure 6.3 Support for each cause (%)



27 NCVO/CAF.UK Giving 2010: An overview of charitable giving in the UK, 2009/10. December 2010.

Children and young people, medical research and disaster relief also increased their financial share of donations in the 2010 survey (disaster relief significantly so, rising from 5.9% in 2008 to 10.3%), whilst health had a small (0.75%) decrease.²⁸ It is difficult to judge just how much of this consolidation of these five causes is due to donors prioritising their donations during the recession, yet as Figure 6.4 shows, donors do tend to give to a small number of charities (in 2010 only 12% give to more than three charities in any four week period).

Figure 6.4 Number of causes donors give to



As shown in later sections, the selection of a particular charitable cause is generally not random or driven solely by opportunity, but is instead directed by personal motivations. However, these findings appear to confirm research that suggests that donor motivations can remain constant, ie philanthropy is motivated by social and personal concerns rather than exclusively by economic factors.²⁹ As Table 6.4 shows, mean donations for some causes are particularly high, such as those for religious organisations and disaster relief, often due to the effect of large one-off donations or donor responses to high profile incidents. This is in line with UK wide figures which give mean donations to religious organisations and overseas aid as £33 and £24 respectively. Therefore, the median donation is a more reliable indicator.

28 In the 2008 NI Giving Survey, Health Promotion and Physical/Mental health were two separate categories. This may explain the slight fall in total yield to this cause.
29 Breeze and Morgan. Philanthropy in a recession: analysing donor behaviour in the light of UK media coverage. 2009.

Table 6.4 Mean donation to each cause

Cause	% of Donor pop. supporting cause	Mean donation	Median donation
Religious organisations	38	23.45	10.00
Medical research	34	14.27	6.00
Health	28	16.68	7.00
Children	22	22.59	8.00
Disaster relief	11	32.88	10.50
Hospitals and hospices	9	20.42	10.00
Disabled	6	11.39	5.00
Homeless and housing	6	10.90	5.00
Animal welfare	5	9.95	7.00
Older people	3	9.29	5.50
Sport	3	9.08	5.00
Conservation	2	23.46	5.00
Emergency services	2	7.55	3.00
Human rights	2	10.11	10.00
War veterans	2	13.57	5.00
Schools and education	1	10.00	8.00
Arts	0.1	3.00	3.00

Individual Giving survey update

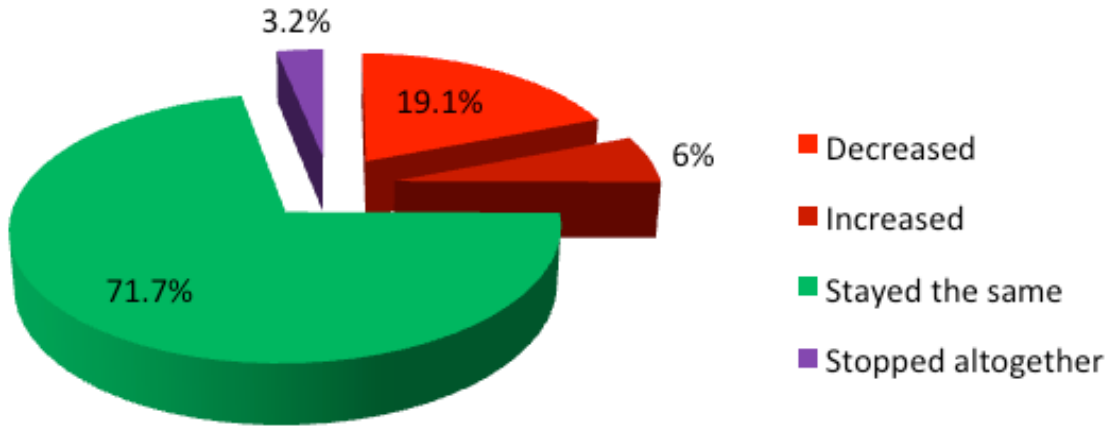
Given the fact that the economic difficulties have become deeper and more embedded since NICVA last carried out the Individual Giving survey, it was deemed necessary to undertake a follow-up survey in October 2011. On this occasion, 66% of respondents had given money to charity in some way over the last four weeks, a drop from 83% in the main Individual Giving survey. In this recent survey, respondents were asked about all donations, so on this

occasion donations at a place of worship have been included. When compared to the last survey, the average donation per donor has dropped significantly from a mean of £34.46 to £26.94, and from a median donation of £16.75 to £8.00. Of course, levels of giving should be considered in relative rather than in absolute terms, and contextualised within trends in income and other household expenditure. In this respect, average giving levels remain consistently strong given the current economic difficulties.

In the Individual Giving survey of July 2010 almost 59% of respondents had made a donation, such as bags of clothes or goods, to a charity shop; in our follow-up survey we found that this figure had fallen to 48%. This is an important finding in the context of recent media stories concerning the decline in public donations to charity shops.

In terms of legacy giving, the survey update found that there had been no change in the number of individuals who have included a legacy donation in their will (3% of respondents), yet 19% of individuals did indicate that they would be likely or quite likely to include a legacy donation in their will in the future. Where there has been a significant change since the main survey is in some aspects of individual giving habits, with 11% of respondents having made a donation to charity using the internet, whereas in July 2010 the number of people using this method was negligible.

Figure 6.5 Have your donations decreased, increased, stayed the same or stopped altogether?



Respondents were also asked if, in the current economic conditions, their donations to charity had decreased, increased, stayed the same or stopped altogether. The number of people whose donations have stayed the same has held steady at around 70%. However, the number of people who have increased their donations has decreased from 14% to 6%. The number of respondents who have decreased their donations to charity or stopped them altogether has also increased from 13% to 22%.

7. Workforce

The data presented in this chapter illustrates the size and characteristics of the workforce in the voluntary and community sector in Northern Ireland. Where it is appropriate, direct comparisons have been made with previous State of the Sector reports and comparisons made with other sectors. The data presented in this section are based on information received from organisations in relation to this research and other research projects completed by NICVA over the past three years.

There has been an increase in the number of staff employed in the voluntary and community sector in Northern Ireland. The sector now employs an estimated 27,773 individuals (this represents 3.8% of the total Northern Ireland workforce) compared with 26,737 in 2008. However, this is still fewer than the 28,932 reported in State of the Sector III (NICVA, 2005). This finding clearly illustrates that the sector remains an important employer in Northern Ireland, employing more individuals than agriculture, forestry and fishing, mining and quarrying, electricity, gas, steam and air conditioning supply, water supply, sewerage, waste management and remediation activities (19,800 employee jobs, DETI 2010).

The predominance of females in the workforce continues to be a feature of the voluntary and community sector. Seven out of ten employees are female (72.3%). This is significantly higher than the female composition in both the public sector

(51.8%) and the private sector where less than half of employees are female (46.4%).

A change in trend can be seen with regard to the number of chief executives that are female. *State of the Sector V* (NICVA, 2008) reported that almost two out of every three chief executives in the Northern Ireland voluntary and community sector were male. The NICVA *Salary Survey* 2010, however, reports that there is a gender balance with females now accounting for 48.2% of these positions.

Over 40% of the entire voluntary and community sector workforce is employed by organisations with an income of over £1 million. However, there has been an 8.4% decrease in the number of employees who work for organisations in this income band since 2008.

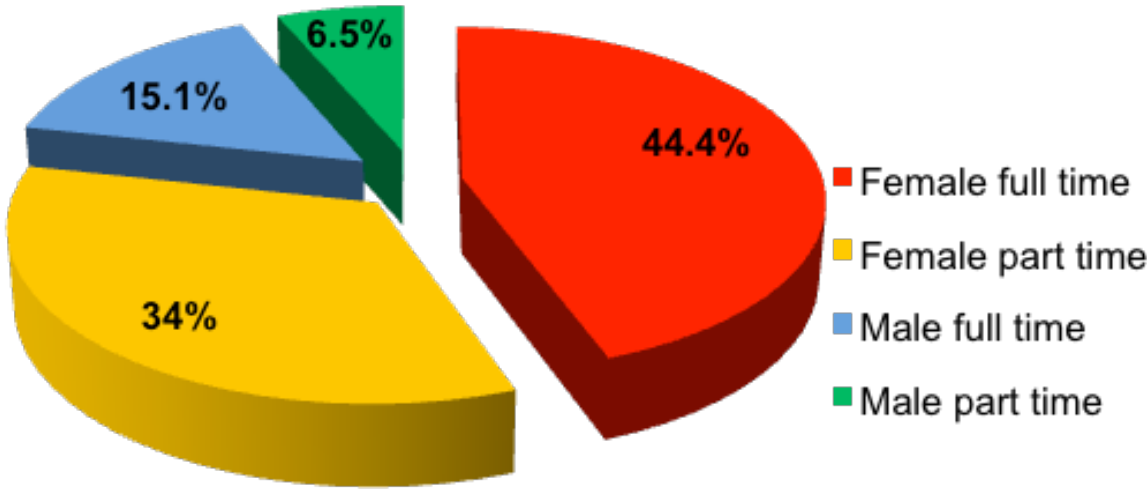
44.3% of employees work in organisations that fall either within the disability and children and families sub-sectors. Approximately 8.8% of employees fall within the older people sub-sector, while 8% of employees work in the health and wellbeing sub-sector.

8.6% of organisations stated that they intend to increase their staff levels over the next 12 months. This is significantly lower than the 26.6% of responding organisations that reported in *State of the Sector V* that they would be increasing staff in the year that followed.

Workforce profile

The voluntary and community sector remains an important employer in Northern Ireland, with around 27,773 employees in full-time or part-time roles. This figure represents 3.8% of the total Northern Ireland workforce; an increase of 3.6% since 2008 when it was suggested that 26,737 staff were employed in the sector.

Figure 7.1 Breakdown of male female paid workforce in the sector



As Figure 7.1 shows, the workforce in the voluntary and community sector in Northern Ireland is predominantly female, accounting for over three quarters of all employees (78.4%). This is very similar to results reported in *State of the Sector V*, where 74.7% of all employees were female.

Table 7.1 Breakdown of male female paid workforce in the sector

	Full-time %	Part-time %	
Males	time %	30.1	100
Females	56.6	43.4	100

When examining the composition of staff, proportionally more males have full-time posts than females (69.9% of males work full-time, whereas 56.6% of females work full-time).

Table 7.2 Breakdown of paid workforce by size of organisation

	2011 (%)	2008 (%)
£10,000	2.5	0.4
£10,001- £100,000	12	11.0
£100,001 - £250,000	12.2	12.4
£250,001 - £500,000	15.5	13.7
£500,001 - £1 million	13.6	9.9
£1 million plus	44.2	52.6

Table 7.2 demonstrates that there has been a reduction in the percentage of the voluntary and community sector workforce that is employed in organisations with an income of over £1 million. In 2008 over half of employees (52.6%) worked in organisations within this income band, however, this has reduced to 44.2%. There is also a reduction in the number of employees that work in organisations with an income of between £500,000 to £1 million. In 2008, 13.6% of all employees worked in organisations with this income, however, this report found that less than 10% (9.9%) now work in these organisations. While there has been a decrease in employees within organisations with higher incomes, the opposite can be said for organisations with lower incomes. Table 7.2 shows that more people (2.5%) work in organisations with less than £10,000 than before (0.4%), however, for organisations with an income of between £10,000 and £250,000 the number of employees has remained static.

Table 7.3 Concentration of employees

	2011 (%)	2008 (%)
1 - 5 employees	54.8	56.2
6 - 10 employees	17.8	19.3
11 - 15 employees	7.8	8.4
16 - 20 employees	3.8	4.5
21 - 25 employees	2.4	2.3
26 or more employees	13.4	9.3
Total	100	100

Table 7.3 shows that the majority of voluntary and community sector organisations employ a relatively small number of people; 54.8% employ five or less. This has obvious implications in terms of employment policies and providing sufficient support and development opportunities for staff. These findings are similar to that reported in *State of the Sector V*, where 56.2% of organisations employed between one and five individuals. Larger organisations with 26 or more employees account for 13.4% of organisations. Based on the results of the *State of the Sector VI* survey, the single largest employer in the voluntary and community sector had a workforce of 1,000 individuals.

Table 7.4 Workforce profile by sub-sectors³⁰

	Mean	% of workforce
Advice services	13	4.0
Arts in the voluntary and community sector	5	1.3
Children and families	18	20.1
Community development	6	4.9
Community relations	8	1.5
Criminal justice and community safety	28	1.8
Disability	64	24.2
Education/training	13	7.2
Health and wellbeing	17	8.0
Housing and homelessness	47	3.0
Lobbying/policy	24	1.0
Older people	48	8.8
Women	64	1.8
Young people	13	5.3
Other	32	2.3

Table 7.4 looks at the breakdown of employees by different sub-sectors. Nearly one quarter of employees work within the disability sub-sector (24.2%), with organisations in this sub-sector each employing on average 64 individuals. A further 20.1% of employees work within the children and family sub-sector. The average number of staff employed in organisations within this sub-sector is 18. These findings are similar to those reported in *State of the Sector V*, which found both the disability and young people and children sub-sectors employed a high percentage of the voluntary and community workforce, with 21.3%

30 In total 29 sub-sectors were identified by responding organisations. For the purpose of this chapter, 15 sub sectors were examined. Less than 1% of respondents were identified in each of the other 14 sub sectors. These are illustrated in the Appendix.

of the workforce working in each. Both this research and *State of the Sector V* reported that disability and the sub-sectors that provide services for children employ a significant proportion of the workforce.

Other sub-sectors that employ a significant number of individuals include older people (8.8%), health and wellbeing (8%) and education and training (7.2%).

Workforce composition

The NICVA *Salary Survey* 2010 examined the different job levels that exist within voluntary and community organisations and the gender of the individuals who fill these posts³¹.

Table 7.5 Job levels by gender

Cause	Male %	Female %	Count ³³
Chief executive	51.8	48.2	114
Director	43.9	56.1	98
Senior function head	34.3	65.7	248
Functional manager	30.8	69.2	399
Specialist/professional	25.8	74.2	902
Clerical supervisor/training	21.5	78.5	437
Admin officers/care officers	12.9	87.1	912
PA/secretary	6.3	93.7	127
Junior/trainee staff	41.1	58.9	265
Total employees	942	2,560	3,502

Base: 3,502 employees³²

The Survey found that the sector is numerically dominated by females. However, the gap has closed in relation to the gender composition of chief executives. In the 2006 NICVA *Salary Survey* almost two out of every three chief executives in the sector were male (62.9%) whereas this research found that this has decreased to 51.8%. This clearly indicates that

31 *Salary Survey*, NICVA, 2010

32 This column shows the number of individuals in each of the defined job levels based on the responses of 329 organisations.

males no longer dominate the most senior management positions. The general trend, however, is that females dominate every other role examined as part of this survey. This is especially the case with regard to specialist/professional positions (74.2%), clerical supervisors and training (78.5%), administrative officers and care officers (87.1%) and PA/secretarial staff (93.1%).

Part-time employment is also a characteristic of the voluntary and community sector. The NICVA *Salary Survey* 2010 found that 37.1% of employees work on a part-time basis (83.8% are female). These results are very similar to those reported in the 2006 NICVA *Salary Survey* which found that 39.5% of the workforce worked part time, 84% of which were female.

Community background of workforce

Currently there is not a clear picture of the community background of employees in voluntary and community organisations, given the limitations of data (all employers with more than ten employees (employees who work for 16 hours per week) must register with the Equality Commission and monitor employees, applicants, appointees and apprentices).³³ The voluntary and community sector is mostly made up of small to medium sized organisations (67% have an income of less than £100,000). 75.5% of organisations have fewer than ten employees and therefore do not have to register with the Equality Commission for Northern Ireland, thus limiting the amount of data available on the voluntary and community workforce and the community background of employees. However, Table 7.6 below looks at the responses of organisations in relation to perceived community background of staff.

Table 7.6 Community background of workforce

	Full-time	Part-time %
Roman Catholic	5,259	47.7
Protestant	4,670	42.4
Other	1,093	9.9
Total	11,022	100

Base: 11,002

What is clear is that the composition of the workforce of the voluntary and community sector in Northern Ireland is diverse. In the 2001 Census the population composition for

33 Complying with the key duties under The Fair Employment & Treatment (NI) Order 1998 (as amended). Equality Commission for Northern Ireland.

Northern Ireland was 53.1% Protestant and 43.8% Roman Catholic ³⁴. In 2009 the Equality Commission launched a report Fair Employment, Monitoring Report No. 20³⁵ which found that 54.6% of the Northern Ireland workforce is Protestant and 45.4% Roman Catholic. The results in Table 7.6 show that a slightly higher proportion of Roman Catholics work in the voluntary and community sector than Protestants. What is also interesting is that nearly one in ten of the workforce reported by respondents comes from other backgrounds (9.9%).

Comparisons with the overall Northern Ireland workforce

As in 2008, the voluntary and community sector remains a significant employer in Northern Ireland, with around 27,733 staff. When compared to the rest of the Northern Ireland workforce, the voluntary and community sector employs more individuals than in the agriculture, forestry and fishing, mining and quarrying, electricity, gas, steam and air conditioning supply, water supply, sewerage, waste management and remediation activities (19,800 employee jobs)³⁶, (DETI 2010).

The Northern Ireland voluntary and community sector employs 3.6% of the overall UK voluntary and community sector workforce. Latest figures suggest that

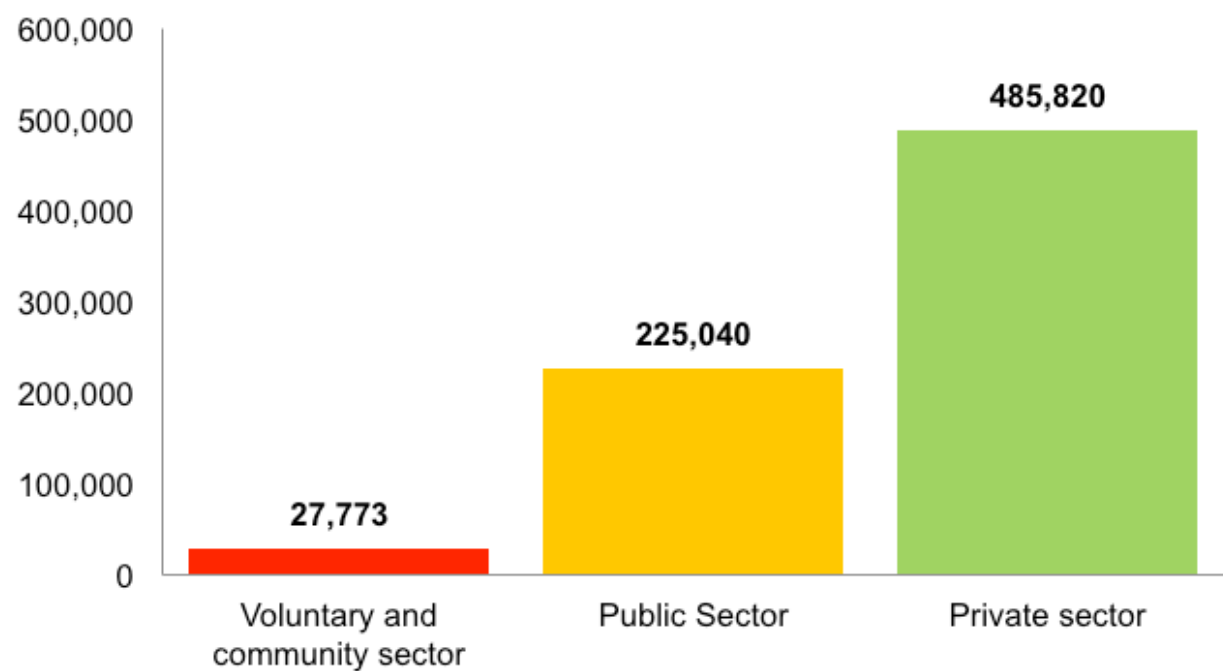
34 This research used 2001 Census data as the 2011 Census data was not yet available.
35 http://www.equalityni.org/archive/pdf/M20ResearchUpdate_FINAL.pdf
36 Northern Ireland Statistics & Research Agency, *Monthly Labour Market Report, September 2011*
http://www.detini.gov.uk/lmr_september_2011.pdf

765,000 people work in the UK voluntary and community sector (The voluntary sector workforce new almanac, chronicles a decade's growth, Skills Third Sector, 2011³⁷). NCVO estimates that the workforce in the voluntary and community sector accounts for 2.3% of all UK employees (*UK Civil Society Almanac 2010: Workforce*, NCVO³⁸).

As Figure 7.2 indicates, the private sector employs a significant proportion of the workforce in Northern Ireland, with a total of 485,820 employees (65.8%). The public sector employs 225,040 (30.4%) while the voluntary and community sector employs approximately 27,733 staff (3.8%). These results are very similar to those reported in *State of the Sector V* which found that the voluntary and community sector made up 3.7% of the overall workforce in Northern Ireland.

37 <http://www.ncvo-vol.org.uk/documents/press-releases/voluntary-sector-workforce-new-almanac-chronicles-decade-growth>
38 <http://www.ncvo-vol.org.uk/almanac2010>

Figure 7.2 The voluntary and community sector workforce in Northern Ireland compared with the public and private sectors³⁹



As was the case in *State of the Sector V*, this report found that females make up a higher proportion of the workforce in the voluntary and community sector (72.3%) compared to any other sector in Northern Ireland. Figure 7.3 illustrates the difference between the voluntary and community workforce composition compared to other sectors. For example 46.4% of private sector workers are female, 25.9% less than the voluntary and community sector. Although to a lesser degree the public sector also employs fewer female staff (1.8%) (DETI, 2010). The proportion of females employed in the voluntary and community sector is significantly higher than the overall figure for Northern Ireland (52.4%).

The higher proportion of female staff working in the voluntary and community sector has implications for the sector’s employment policies and practices such as maternity leave, part-time working and flexible working practices.⁴⁰

39 Employee figures for the public and private sector in June 2011 are taken from Northern Ireland Statistics and Research Agency, *Monthly Labour Market Report, September 2011* http://www.detini.gov.uk/lmr_september_2011.pdf

40 UK Civil Society Almanac 2010: Workforce, NCVO.

Figure 7.3 Female and part time employees in the voluntary and community sector compared with the public and private sectors⁴¹

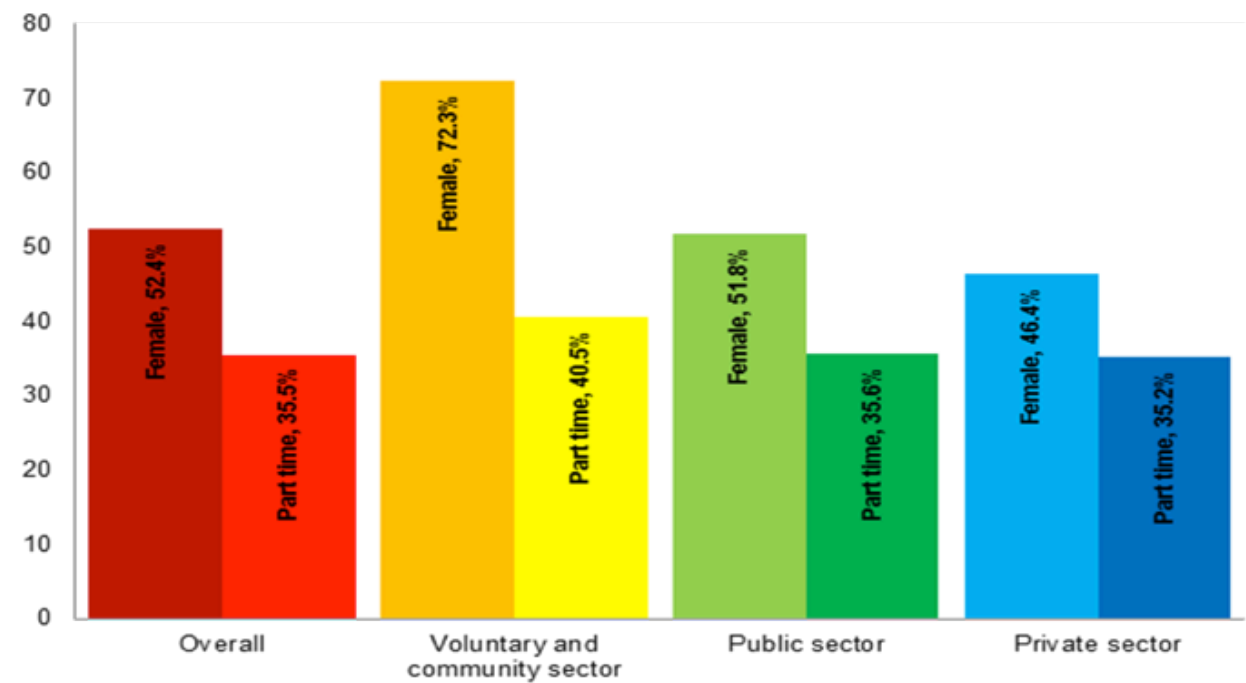


Figure 7.3 also examines each sector in relation to part time staff. 35.5% of the overall workforce works part-time. This is very similar to the public and private sectors where 35.6% and 35.2% of staff work part time respectively. The proportion of staff that works on a part-time basis in the voluntary and community sector is slightly higher at 40.5%.

Looking at the composition of part-time employees for each of the sectors produces some interesting comparisons. For instance, in the overall Northern Ireland workforce 73.7% of part-time employees are female. In the public sector 85.1% of part-time employees are female, while 68.3% of part-time employees in the private sector are female. This research found that 83.9% of part-time posts in the voluntary and community sector are female⁴². This is similar to *State of the Sector V* which reported that 85.3% of part-time posts in the voluntary and community sector in 2007 were female.

41 Figures for this section are taken from the Northern Ireland Census of Employment September 2009 (December 2010) http://www.detini.gov.uk/2009_coe_statistics_bulletin.pdf

42 Figures for this section are taken from the Northern Ireland Census of Employment September 2009 (December 2010) http://www.detini.gov.uk/2009_coe_statistics_bulletin.pdf

Challenges facing employers and employees

The information presented in this section relates solely to the challenges voluntary and community organisations have in relation to the recruitment and retention of employees, and the challenges faced in maintaining a skilled and motivated community sector workforce in Northern Ireland. This section expands on the difficulties that arise, especially at a time of economic upheaval.

Figures for this section are taken from the Northern Ireland Census of Employment September 2009 (December 2010) http://www.detini.gov.uk/2009_coe_statistics_bulletin.pdf

Recruitment

Voluntary and community organisations face a range of challenges stemming not only from the economic downturn, cuts in public sector funding, reduction in donations, but also its increasing role in public service delivery, increasing demands of competition, tendering, collaboration and coping with late payment for services. Another challenge the sector often has to manage is the recruitment of staff. Based on responses to the *State of the Sector VI* questionnaire, 14% of organisations indicated that they anticipate altering their current staff levels. In total 8.6% of organisations anticipate employing additional staff. This has changed significantly since *State of the Sector V* (2008) which reported that 26.6% of organisations expected to expand their workforce in the following 12 months. This clearly suggests that the sector

is not in a position to expand, most likely the consequence of the current economic environment and the uncertainty of future funding due to public funding cuts.

In 2008, 5.6% of organisations reported that they would decrease their number of staff. A similar result was found in this research with 5.4% of respondents indicating that they will be making staff redundant within the year. Often voluntary and community organisations report that they face challenges in relation to recruiting new staff. Latest figures in the *NICVA Salary Survey 2010* dispel this notion to some extent, as only 13.3% of organisations that provided data reported recruitment difficulties. This has reduced by 13.3% since the 2006 *NICVA Salary Survey*, which documented over one quarter (26.6%) as having recruitment difficulties.⁴³ The most common difficulties reported in the *NICVA Salary Survey 2010* were the lack of suitability of skilled applicants (55.2%), insufficient number of applications (51.7%) and lack of suitably qualified applicants (48.3%).

The *NICVA Salary Survey 2010* also reported that almost two thirds of respondents believed the recession would, to some or a great extent, impact on recruitment. These figures reveal that the financial environment is creating insecurity and will impose difficulties for many organisations.

43 NICVA. *Salary Survey*, Job roles, salaries and benefits in the voluntary and community sector. 2006.

Retention

The *19th Annual Voluntary Sector Salary Survey* (NCVO, 2008) found that there has been a tradition of high staff turnover and a high proportion of organisations reporting problems with staff retention in the UK⁴⁴. The *NICVA Salary Survey 2010* reported that 15.2% of responding organisations had difficulty retaining staff over the past 12 months. This has reduced from the 2006 *Salary Survey* which revealed that almost one quarter of organisations had difficulties retaining staff over the previous 12 months. The *Northern Ireland Salary Survey 2010/11* (Abacus) suggests that some candidates were unwilling to consider alternative opportunities even if it provided a greater level of financial security and job satisfaction, due to a fear of a ‘double dip’ recession.⁴⁵

NICVA’s *Salary Survey 2010* reported that the most commonly cited reasons for poor retention of staff were salary levels within organisations, which were not enough to encourage staff to stay long term (41.2%), and lack of opportunity for career progression, experienced by over a quarter of organisations (26.5%). Issues relating to staff retention appear to be universal across the voluntary and community sector in the UK and Ireland according to research by NCVO⁴⁶ and The Wheel⁴⁷ who also cited

44 New salary survey shows voluntary sector organisations more confident of recruiting and retaining staff, NCVO Press Release <http://www.ncvo-vol.org.uk/press/releases.asp?id=977>

45 Northern Ireland Salary Survey 2010/11, Abacus Professional Recruitment. *Northern Ireland Salary Survey 2010/2011*. 2010

46 NCVO. *19th Annual Voluntary Sector Salary Survey*. Inside Research, London: NVCO. 2007.

47 The Wheel. *National Survey on Pay and Benefits in Community, Voluntary and Charitable Organisations*. 2008

the same retention problems. Although lack of funding was not one of the top three problems cited in retaining staff in the *NICVA Salary Survey 2010*, more recent research conducted by NICVA, on the impact of the continued economic downturn and the £367million cut from the Northern Ireland budget on the sector, has found an increased number of organisations reporting a reduction of staff levels.⁴⁸

Other sources of information on workforce issues

NCVO published the UK Civil Society Almanac 2010 in July 2010 and has a wider programme of research which looks into skills and workforce development for paid workers, volunteers and trustees and provides statistics and facts about the sector (www.ncvo-vol.org.uk).

NICVA’s *Salary Survey 2010*, the third such study carried out in Northern Ireland, has highlighted changing trends in the voluntary and community sector. The research exposes not just the challenges facing the sector in the current economic climate, but also the many positives associated with employment in the sector. (<http://www.nicva.org/publications/salary-survey-2010>).

48 CutsWatchNI <http://www.nicva.org/cuts/list>

8. Volunteers

This chapter examines aspects of volunteering in the voluntary and community sector. The data presented in this chapter are derived from a number of sources including the *State of the Sector VI* survey. Additional data are drawn from two reports published by Volunteer Now, ‘Mapping volunteer Involving Organisations in Northern Ireland, 2010’ and ‘Mapping Volunteer Involving Organisations in Northern Ireland: Phase 2’, 2011.

From the *State of the Sector VI* survey 86% of respondents indicated that they currently involve volunteers in the running of their organisation⁴⁹ and the total number of volunteers reported was 45,106, with around 19% of volunteers playing a role in the governance of their organisation. Most volunteers are found in the category ‘young people’, accounting for just over 20% of total volunteers, followed by ‘health and wellbeing’ and ‘sport/recreation’, between them accounting for 23%. Over the next 12 months 46% of respondents indicated that they intend to increase the numbers of volunteers in their organisation; a third indicated no change to the current numbers and; only 23 organisations (2%) thought there would be a reduction in volunteer numbers in their organisation.

Two reports on volunteering produced by Volunteer Now ⁵⁰ in 2010 and 2011 in total covered 189,362 volunteers with the

majority of volunteers found in the voluntary and community sector. The distribution of volunteers was dominated in both surveys by organisations with an income of over £1 million, which accounted for around 40% of volunteers, highlighting the greater capacity of larger organisations to accommodate volunteers. The impact of income on volunteering was, however, not uniform. When recruiting new volunteers most organisations have an informal chat with potential recruits and undertake AccessNI checks. Once recruited, over 80% of organisations ensure the new recruit benefits from an induction programme, a named individual to go to for support and a training programme to help them carry out their role.

In the 2011 report it was found that over 70% of respondents had some difficulties in recruiting enough volunteers in the previous 12 months - a trend particularly evident in a number of categories; sports clubs/groups, credit unions and church/fait h based organisations. Almost three quarters of organisations reported having some difficulties in recruiting volunteers with the skills or experience required. This was again more evident in sports clubs/groups, credit unions and church/fait h based organisations. Just over half of all respondent organisations (53%) reported volunteer retention difficulties with sports clubs/groups (58%). The voluntary and community sector (54%) reported most difficulty.

The six most popular volunteering opportunities reported were governance, fundraising, administration/office work, working with young people, event management and working with children.

Table 8.1 Volunteers and governance

	Total	Mean
Volunteers: Male	15,575	18
Volunteers: Female	22,510	23
Volunteers: Total	45,106	44
Governance: Male	3,562	4
Governance: Female	4,762	5
Governance: Total	8,424	8

From the *State of the Sector VI* survey, 86% of respondents indicated that they currently involve volunteers in the running of their organisation⁵¹ and the total number of volunteers reported was 45,106. In terms of a gender break down, the number of female volunteers reported⁵² was 22,510 (59%) with an average of 23 female volunteers in each volunteer involving organisation. For male volunteering the total was 15,575, with an average per organisation of 18. Almost 19% of volunteers play a role in the governance of their organisation.

49 There were 1,022 volunteering involving organisations in the survey.
50 *Mapping Volunteer Involving Organisations in Northern Ireland*, Volunteer Now, 2010 and *Mapping Volunteer Involving Organisations in Northern Ireland, Phase 2*, Volunteer Now, 2011.

51 There were 1,022 volunteering involving organisations in the survey
52 The gender breakdown of volunteers was only available for 38,085 volunteers.

Table 8.2 Numbers of volunteers by organisational income bands

Income band	Mean	Number of volunteers	Number of organisations	% volunteers
Over £5 million	90	1,348	15	3
£1,000,001-£5 million	76	3,274	46	7
£500,001-£1 million	87	4,608	55	10
£250,001-£500,000	116	8,356	79	19
£100,001-£250,000	88	11,556	135	26
£50,001-£100,000	38	4,441	120	10
£10,001-£50,000	26	5,000	199	11
£5,001-£10,000	19	1,901	102	4
Up to £5,000	17	3,582	209	8
None	11	701	62	2
Total		44,767	1,022	100

The numbers of volunteers reported in the survey are dominated by the five income bands between £10,000-£50,000 and £500,000-£1 million, which represent over three quarters of all volunteers. Two income bands in particular dominate the distribution of volunteers. Although the £100,001-£250,000 band represents 13% of the total respondents, it accounts for 26% of total volunteers, whilst the £250,000-£500,000 income band represents 8% of organisations and 19% of volunteers.

Table 8.3 Volunteers by organisation main sub category

Sub sector	Mean	Total
Young people	141	9,442
Health and wellbeing	69	5,819
Sport/recreation	291	4,372
Education/training	58	3,912
Disability	53	3,695
Community development	19	3,020
Children and families	21	2,879
Arts/voluntary and community sector	24	1,637
Older people	22	1,510
‘Other’	33	1,450
Advice services	31	1,337
Volunteer development	115	1,034
Community relations	27	1,012
Remaining sub-categories	-	3,907
Total		45,026

Respondent organisations were asked to identify the sub-categories which best described the work of the organisation and to rank the categories from one to five. By taking the first ranked sub-category for organisations it is possible to identify the breakdown of volunteering by the main sub-categories of organisational work. In terms of the number of volunteers, the category ‘young people’ is significant, accounting for just over 20% of total volunteers. The second and third ranked categories, ‘health and wellbeing’ and ‘sport/recreation’, between them account for 23%.

Table 8.4 Numbers of volunteers involved in governance by organisational income bands.

Income band	Mean	Number of volunteers	Number of organisations	% volunteers in governance
Over £5 million	5	108	12	1
£1,000,001-£5 million	5	349	36	4
£500,001-£1 million	5	496	53	6
£250,001-£500,000	4	632	68	8
£100,001-£250,000	5	1,146	115	14
£50,001-£100,000	5	1,105	117	14
£10,001-£50,000	4	1,562	182	19
£5,001-£10,000	4	782	84	10
Up to £5,000	4	1,558	191	19
None	4	380	46	5
Total		8,118	768	100

Table 8.4 very clearly demonstrates that typically in an organisation of any income band the number of volunteers involved in governance tends to be four or five. Typically the percentage of volunteers involved in governance tends to decrease as organisational income rises. In terms of volunteers involved in governance in the sub-sectors, the community development sub-sector provides 1,587 volunteers, followed by children and families (979), young people (590), health and wellbeing (597), older people (573) and arts (519).

Table 8.5 Over the next 12 months does your organisation intend to increase/decrease the numbers of volunteers?

	Number of organisations	%
Increase	534	46
No change	380	33
Decrease	23	2
Don't know	214	19
Total	1,151	100

The importance of volunteering in the voluntary and community sector is demonstrated by the fact that 46% of respondents reported that they intend to increase the number of volunteers in their organisation over the next 12 months, whilst a third of respondents intend maintaining volunteering at current levels. Just under a fifth of respondents were unsure about levels of volunteering in the next year.

Mapping Volunteering Involving Organisations in Northern Ireland

Between 2010 and 2011, NICVA undertook two major surveys on volunteering on behalf of Volunteer Now⁵³. The surveys built on a number of previous surveys into volunteering in Northern Ireland, the first of which was published in 1995 by the Volunteer Development Agency⁵⁴ and provided the first comprehensive picture of volunteering in Northern Ireland. The 2007 report, *It's All About Time*⁵⁵, was also reported on in *State of the Sector V*.⁵⁶

Mapping Volunteer Involving Organisations in Northern Ireland (2010) reported on 1,609 survey responses and addressed a number of key questions which included:

- What kinds of organisations involve volunteers?
- How many volunteers are involved?
- What procedures are in place when new volunteers are recruited?
- What policies and practices are in place when volunteers are involved in organisations?

⁵³ Mapping Volunteer Involving Organisations in Northern Ireland, Volunteer Now, 2010 and Mapping Volunteer Involving Organisations in Northern Ireland, Phase 2', Volunteer Now, 2011.
⁵⁴ The Volunteer Development Agency was replaced by Volunteer Now in April 2010.
⁵⁵ It's All About Time, Volunteer Now, 2007.
⁵⁶ State of the Sector V, NICVA, 2009.

- What levels of support are available to volunteers?
- What are the different roles carried out by volunteers?

Volunteering

The total number of volunteers reported by organisations was 96,464 with the majority (76,424 or 79%) coming from the voluntary and community sector. This represented a slight over-representation of the sector as it accounted for 72% of organisations in the sample. Also over-represented were sports clubs/groups, which totalled 3% of organisations in the sample and accounted for 4,601 volunteers (5%). The church/faith based sector, which represented 12% of organisations, accounted for just over 8,000 volunteers (8%).

The distribution of volunteers was dominated by organisations with an income of over £1million (7%) which accounted for 40% of volunteers, highlighting the greater capacity of larger organisations to accommodate volunteers. However, the impact of income on volunteering was not uniform as the two bands from £250,001-£1million, with 120 organisations (9%), had 11,368 volunteers (12%).

The second largest population of volunteers was found in the £10,001- £100,000 income band, which accounted for 24% of volunteers. In comparison, organisations with an income of less than £1,000 accounted for just over 3% of volunteers. Groups with an income below £10,000 represented 44% of the sample, yet accounted for just fewer than 10% of the total number of volunteers.

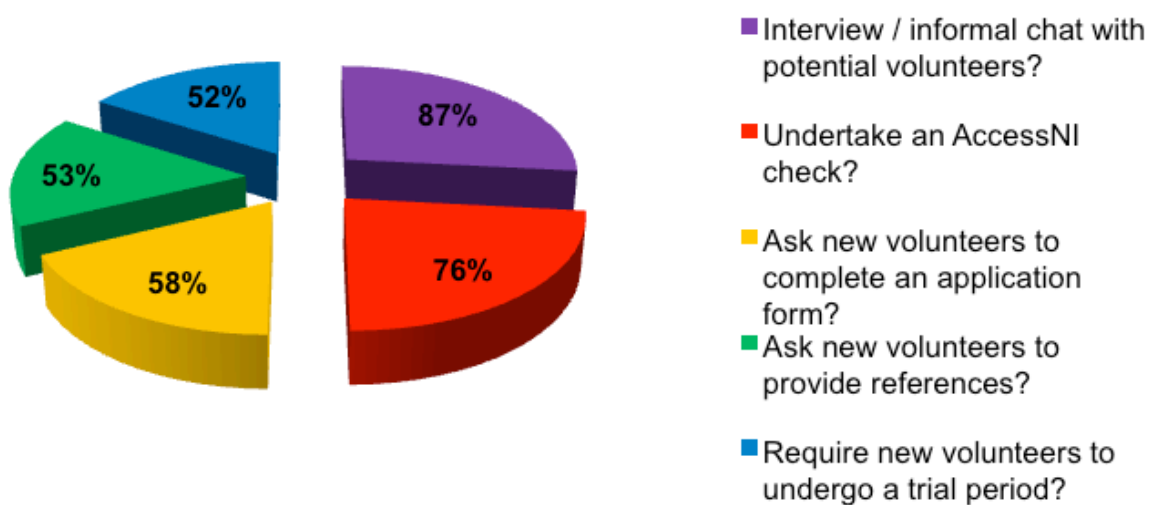
The report highlighted the challenge of enabling smaller income groups to attract greater number of volunteers

The report also highlighted the different types of volunteering opportunities on offer. Using the volunteering opportunities as categorised on the Volunteer Now website⁵⁷ respondents were asked to identify the range of volunteering opportunities on offer. The five most popular types of opportunities offered by organisations included administration/office work (55%), committee/trust member (44%), working with children (37%), fundraising/flag days (36%), working with young people (36%) and advice/information (31%).

57 <http://www.volunteernow.co.uk>

Formal application and monitoring processes

Figure 8.1 When recruiting new volunteers does your organisation do any of the following?



A comparison with *It's All About Time* on the five main aspects of the formal application and monitoring process indicated that for each of the procedures covered in Table 8.4, there had been an increase in coverage between 2007 and 2010. There was a significant increase in undertaking Police record checks on potential volunteers, up 17% on the 2007 figure to 76%.

Table 8.4 Volunteer management

Once recruited, do new volunteers receive any of the following?	2010 (%)	<i>It's All About Time</i> ,2007(%)
An induction with regard to the organisation	87	84
A named person to go to for support	86	81
Training to carry out their role	80	76
Copy of/information about child protection policy	79	72
Support and/or supervision meetings	73	69
Copy of/information about health and safety regulations	72	69
Copy of/information on equal opportunities policy	60	61
Copy of/information about insurance cover	53	57
A written role description	48	53
A written volunteer agreement	35	39

Ten elements of volunteer management were identified in *It's All About Time* and replicated in the survey. The rank order of employing the various elements remained constant over the two periods with an induction remaining the most popular practice in organisations (87%) followed by ‘a named person to go to for support’ (86%) and training for volunteers to carry out their role (80%). A written volunteer agreement (35%) and a written role description (48%) were the least popular approaches to volunteer management, particularly in the lower income groups, despite being regarded as indicators of good practice in organisations. The research highlighted the need to engage with the range of organisations across the various sectors to ensure that there is sufficient capacity to develop fully the range of volunteer management procedures.

Each of the top six ranked practices has become more prevalent over time, which suggests a positive response across the various sectors to the need to embrace good practice. The four lowest ranked approaches (covering information of the equal opportunities policy, information about insurance cover, a written role description and a written volunteer agreement) have however decreased in coverage. The decline in providing information on equal opportunities provides a particular challenge vis-à-vis ensuring diversity in volunteering and demonstrating a community relations impact.

A breakdown of the sample by the nature of the organisations indicated that in general the different elements of volunteer management are more in evidence in the voluntary and community sector than in the overall group. In general, the church/faith based sector and the sports clubs/groups sector tended to score lower across a range of best practice indicators. Although this may be a result of the relatively small sample size for some sectors, the report suggested that these sectors merited further study. The statutory sector generally scored above the sample average, suggesting that the sector has well developed procedures and may be well placed to increase the levels of volunteering opportunities it currently offers.

Mapping Volunteering Involving Organisations in Northern Ireland – Phase 2

In 2011 NICVA produced a second major volunteering report on behalf of Volunteer Now which built on the previous body of work. 1,218 organisations⁵⁸ across Northern Ireland responded to the survey, either by post or online, and additional data from 301 church/faith based groups were also added to the research and included in the church/faith groups report. Whilst addressing the key questions identified in the previous mapping report, this research went further with an additional body of questions aimed at addressing recruitment and retention issues relating to volunteers.

58 The research covered those organisations which did not take part in the first mapping exercise, ensuring that the Phase 2 report did not cover any respondent organisations from Phase 1.

Volunteering

The total number of volunteers reported by organisations is 92,898 with the majority, 52,925 (59%) coming from the voluntary and community sector. This represents a slight under-representation of the sector as it accounted for 61% of organisations in the sample. Three categories are over-represented in terms of volunteers: the church/faith based sector; the statutory sector, and the catch all ‘other’ category.

The distribution of volunteers was again dominated by 9% of organisations with an income of over £1million, which accounted for 37% of volunteers, highlighting the greater capacity of larger organisations to accommodate volunteers - a trend reported in the previous report. The two income bands from £250,001 to £1million were also over-represented, with 184 organisations (16%) accounting for 24,972 volunteers, 28% of the total.

The second largest population of volunteers is to be found in the £10,001-£100,000 income band, accounting for over a quarter of organisations but only 17% of volunteers. Groups with an income below £10,000 represent 34% of the sample, yet account for just 8% of the total number of volunteers. This research again highlighted the challenge with regard to enabling smaller income groups to attract greater numbers of volunteers.

The research again highlighted the different types of volunteering opportunities available. Using the same approach as the Phase 1 report, the most popular types of volunteering opportunities reported by

organisations were governance (59%), fundraising (58%), administration/office work (56%), working with young people (41%) and event management (40%).

Formal application and monitoring processes

Table 8.5 When recruiting new volunteers does your organisation do any of the following?

	2011 %	2010 %
Ask new volunteers to complete an application form?	55	58
Interview/informal chat with potential volunteers?	87	87
Ask new volunteers to provide references?	48	53
Undertake an AccessNI check?	66	76
Require new volunteers to undergo a trial period?	48	52

A comparison between Phase 1 and Phase 2 on the five main aspects of the formal application and monitoring process indicated that for each of the procedures there has been a decrease in coverage since Phase 1, with a marked decrease by 10%⁵⁹ in the use of Police record checks. Two hundred and eighty-four organisations, over three quarters of which are in the voluntary and community sector, employed all five application and monitoring procedures. Generally, as was reported in Phase 1, the evidence suggested that the likelihood of each of the procedures being employed by organisations increased with organisation income levels.

59 It should be noted, however, that trends and variability in results may well be due to variations in the research approach over the period and to variation in populations of interest for the research.

Volunteer management

Table 8.6 Volunteer management

Once recruited, do new volunteers receive any of the following?	Yes (%)	Yes Phase 1 (%)
An induction with regard to the organisation	82	87
A named person to go to for support	85	86
Training to carry out their role	76	80
Copy of/information about child protection policy	71	79
Support and/or supervision meetings	70	73
Copy of/information about health and safety regulations	67	72
Copy of/information on equal opportunities policy	56	60
Copy of/information about insurance cover	50	53
A written role description	47	48
A written volunteer agreement	37	35

Ten elements of volunteer management were again addressed in Phase 2. The rank order of employing the various elements remained relatively constant over the two periods, however, ‘a named person to go to for support’ (85%) moved from second to first in the ranking, followed by ‘an induction with regard to the organisation’ (82%). Ranked third again was ‘training for volunteers to carry out their role’ (76%). A written volunteer agreement (37%) and a written role description (47%) were again the least popular approaches to volunteer management, particularly in the lowest income groups. All the listed practices were less evident over time with the exception of a written volunteer agreement.

Recruitment and retention of volunteers

A key theme developed in the Phase 2 report was the difficulty organisations faced in both the recruitment of volunteers generally and in the recruitment of volunteers specifically with the required skills and experience. Additionally, organisations reported difficulties in the retention of volunteers. Over 70% of respondent organisations had some difficulties in recruiting enough volunteers in the previous 12 months - a trend particularly evident in a number of categories; sports clubs/groups (81%), credit unions (79%) and church/fait h based organisations (75%).

Almost three quarters of organisations (75%) reported having some difficulties in recruiting volunteers with the skills/experience required. This was again more evident in sports clubs/groups (83%), credit unions (79%) and church/faith based organisations (75%).

Just under half of all respondent organisations (49%) reported some difficulties in providing sufficient induction and/or training to volunteers. This issue was most evident in sports clubs/groups (56%) and in social enterprises (53%).

Just over half of all respondent organisations (53%) reported volunteer retention difficulties with sports clubs/groups (58%) and the voluntary and community sector (54%) reporting most difficulty. Overall, sports clubs/groups appeared to be facing the most challenges in terms of recruiting volunteers, recruiting volunteers with the skills and experience required, providing induction and training for volunteers and in the retention of volunteers.

The research also set out to review the different types of volunteering opportunities available in organisations. Five of the six most popular volunteering opportunities reported in Phase 1 are again in the top six. The six most popular types of volunteering opportunities were governance (59%), fundraising (58%), administration/office work (56%), working with young people (41%), event management (40%) and working with children (37%). The Phase 2 report again identified the greater capacity of some larger organisations to involve volunteers although the impact of income on volunteering remains inconsistent with what one might

expect.⁶⁰ The clear challenge, the report suggested, was to focus efforts on building capacity in the smaller income groups to enable them to both attract and support, greater numbers of volunteers.

⁶⁰ It might be expected that with increasing organisational income there would be an increase in the capacity of organisations to involve volunteers, however, this does not hold across all the income bands.

9. Forecasts

As part of the *State of the Sector* research, organisations were asked to give their views on a number of areas which may have an impact on the sector and their organisations over the next 12 months (this survey was conducted in May 2011). The data presented in this section illustrate organisations' views on what changes or fluctuations they expect to see in relation to staff, volunteers and beneficiaries, the economic conditions of the voluntary and community sector (especially as public sector funding cuts begin to bite), fluctuations in service provision and campaigning and lobbying. It also examines what organisations perceive to be their main threats to or weaknesses in delivering services. A total of 1,387 organisations responded to these questions on the *State of the Sector VI* survey

29.1% of organisations believe that the general health of their organisation will worsen over the next year. This is an increase of 9.7% since 2005. This clearly indicates that respondents believe that the next 12 months will be a very challenging time for their organisation.

8.6% of organisations anticipate employing more staff within the next year. This is a significant decrease on the percentage of organisations that responded in 2005 (26.6%).

This research found that 62.9% of organisations anticipate working in collaboration with other organisations.

6.6% of organisations responded that they anticipate a merger between themselves and another organisation.

As a result of the current economic environment, 17.4% of organisations anticipate reducing their services in the next 12 months. This is an increase of 11.5% since 2008.

Nearly 3% of respondents have indicated that they anticipate closing in the next 12 months. This research was conducted at a time when the cut in public sector funding was only starting to be visible; the impact of cuts over the next three years will be significant, and the number of organisations that anticipate closing could increase dramatically.

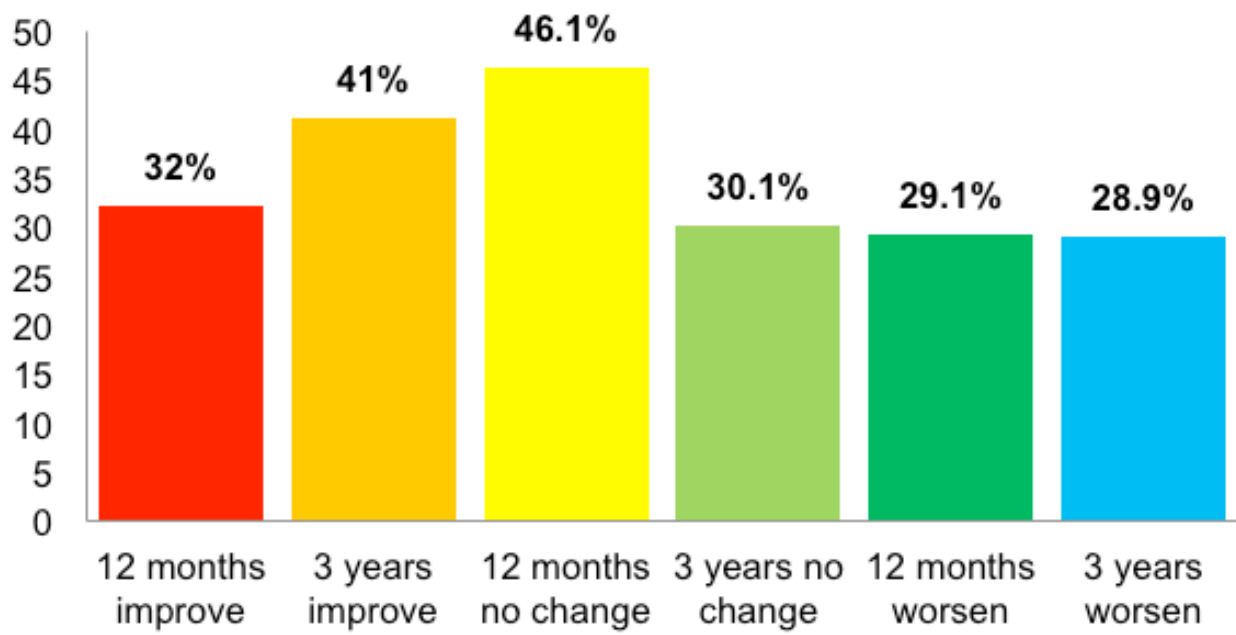
Economic barriers are considered to be the biggest obstacle for organisations in terms of achieving success (73.3%). A further 12.8% of respondents believe their most inhibiting factor will be social.

General outlook

This research asked organisations about their general situation, whether it will improve or worsen over the next 12 months and again over the next three years. What can clearly be seen in Figure 9.1 below is that fewer organisations believe there will be an improvement in their situation over the next 12 months (32%) compared to the next three years (41%). In essence these respondents believe that the next 12 months will be more challenging for their organisation, however, in three years' time their situation will have improved. Fewer than 30% of respondents believe that their

situation will worsen over the next 12 months to three years. These findings differ to those reported in NCVO's *Quarterly Charity Forecast Survey* (2nd Quarter, 2011) which found that 43% of organisations surveyed in May and June 2011 believed that their general situation will worsen over the next year compared to 29.1% in this *State of the Sector* research. In addition a high number of respondents (46.1%) in this research believed that the general situation of their organisation will not change in the next 12 months whereas NCVO reported that 36% of its respondents believed the same.

Figure 9.1 General situation of the voluntary and community sector



Base: 1137 (54 missing), 1008 (183 missing)

Staff

With many organisations in the voluntary and community sector trying to manage the impact of the current economic environment, many have been forced to review staffing levels, and in some case make redundancies. In this research organisations were asked if they are going to maintain their current staffing levels over the next 12 months. Although nearly two thirds of respondents (65.1%) reported that they will maintain their current staff levels, 14% indicated that they anticipate altering their staff levels. In total, 8.6% of organisations anticipated employing additional staff, while 5.4% of respondents indicated that they will be making staff redundant within the year. This is lower than the results in NCVO's *Quarterly*

Charity Forecast Survey (2nd Quarter, 2011)⁶¹ which reported that nearly one quarter of responding organisations (24%) intend to increase their number of staff, while 29% plan to shed staff within the following three month period.

Organisations were asked if they intended increasing or decreasing the number of management posts in the next 12 months. Only 8.2% of organisations stated that they anticipate increasing the number of management posts, while 5.4% predict decreasing them.

Volunteer practices

This survey sought the views of respondents in relation to further fluctuations in volunteer management practices within their organisations over the next 12 months. 44% of respondents indicated that they will be increasing their volunteer management practices, while 2.9% believe that they will decrease these practices.

Beneficiaries

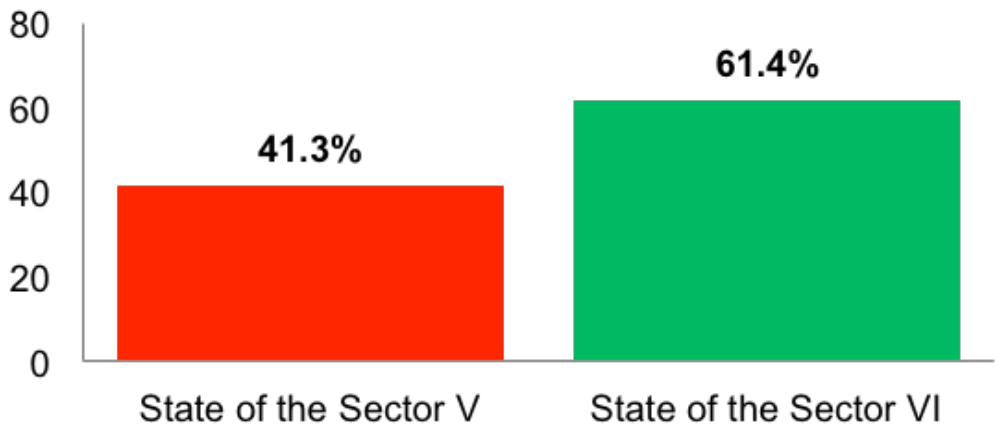
As the economic condition of the voluntary and community sector becomes more volatile, it is vital that the impact on the sector, and on the people it works with, is examined. Through various research projects undertaken by NICVA, including Viewfinder 10⁶² and the impact of Public Sector Cuts⁶³, organisations reported that they are experiencing greater demand for their services at a time of rising costs and

funding cuts. Similar findings are reported in this research with 68.4% of respondents stating that they do not anticipate maintaining their current number of beneficiaries over the next 12 months. However, although there is an increase in demand for services in the sector, not all organisations believe that they will be increasing their number of beneficiaries. 8.1% of organisations reported that they anticipate reducing the number of beneficiaries who use their services in the next 12 months.

Campaigning and lobbying

As with *State of the Sector V*, this survey sought the views of respondents in relation to future campaigning and advocacy activities. In 2008, 41.3% of respondents indicated that they hoped to increase their campaigning and advocacy activities in the 12 months that followed. Unsurprisingly, in this survey more organisations (61.4%) anticipate increasing their campaigning and advocacy activities in the next 12 months. Similarly, in this survey 3.9% of respondents stated that they are likely to decrease their campaigning and advocacy activities compared to 2.4% in 2008.

Figure 9.2 Comparison of campaign and lobbying between *State of the Sector V* and *State of the Sector VI*



Competition for funding

In a time of public funding cuts and the concomitant reduction of income, organisations were asked if they believe that there will be an increase in competition for funding in the next 12 months. An overwhelming 86% of respondents indicated that they believe there will be an increase in competition for funding in the next year. This question was also asked by NCVO in its Forecast Survey which reported that 64% of respondents expect their organisations to compete more with other organisations over the next year.

Table 9.2 Competition for funding

	No	%
Yes	956	86.0
No	77	6.9
Not applicable	78	7.0
Total	1,111	100

Base: 1,111 (80 missing)

61 NCVO Quarterly Charity Forecast Survey (June 2011).
62 Viewfinder 10, NICVA, September 2011.
63 CutsWatchNI, May-September 2011, NICVA, <http://www.nicva.org/cuts/list>

Income and expenditure

As mentioned repeatedly through this research, voluntary and community organisations are finding themselves in an unpredictable economic environment with reductions in both funding and donations. As a result of this, organisations were asked if they anticipate increasing their income in the next 12 months. Just over a quarter of respondents (25.3%) indicated that this would be the case, however 43.7% of respondents indicated that they anticipated a decrease in their organisational income.

In addition, organisations were asked about their expenditure over the next 12 months. 58.1% of respondents believe that there will be an increase in their organisational expenditure while 17.2% believe that there will be a decrease. This differs markedly to the findings in the NCVO *Quarterly Charity Forecast Survey* (2nd Quarter, 2011) which reported that one third of organisations expected their expenditure to increase while 49% of organisations expected their expenditure to fall within the next year.

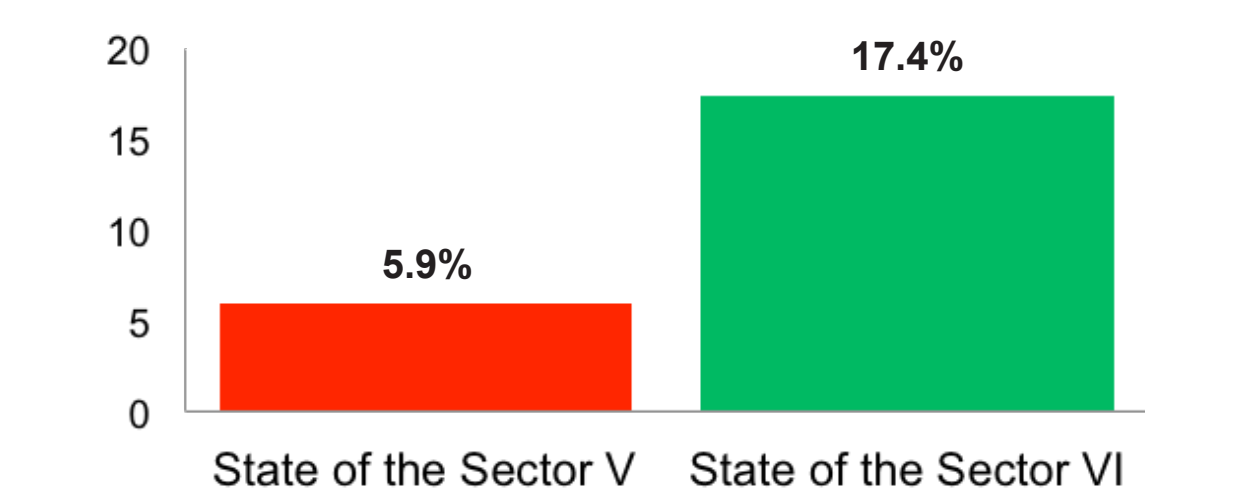
Services

In *State of the Sector V* organisations were asked a series of questions on the provision of services and the likely changes they would face in the following 12 months. It reported that 46.8% of organisations anticipated increasing or expanding service provision within this time period. This research reported that 37.7% of respondents anticipate an increase in service delivery in 2011. The difference in results could be attributed to the current economic climate. When *State of the Sector V* was circulated

the full extent of the economic downturn had not yet been realised. NCVO’s *Quarterly Charity Forecast Survey* (2nd Quarter, 2011) reported that 43% of responding organisations plan to maintain their current level of services in the following three months, while 39% reported that they mean to increase services. Both the findings in this research and NCVO’s *Quarterly Charity Forecast Survey* may indicate increased demand from beneficiaries, especially in debt advice and advice on welfare benefits, with no accompanying increase in resources.

In both 2008 and 2011, organisations were asked if they anticipated reducing their services in the following 12 months. 5.9% of organisations in *State of the Sector V* believed that they would have to reduce their service provision. This has increased to 17.4% in *State of the Sector VI*. Again this could be due to the uncertainty around potential cuts in funding and possible reduction in donations. NCVO’s *Quarterly Charity Forecast Survey* (2nd Quarter, 2011) reported that 19% of responding organisations anticipated decreasing their service provision in the following three months.

Figure 9.2 Comparison of service reduction between *State of the Sector V* and *State of the Sector VI*



As a result of the current challenges facing the voluntary and community sector, organisations were asked if they were anticipating closing any of the services they provide in the next 12 months. Fewer than 10% of respondents (9.3%) stated that they anticipated closing services.

Collaborative working and mergers

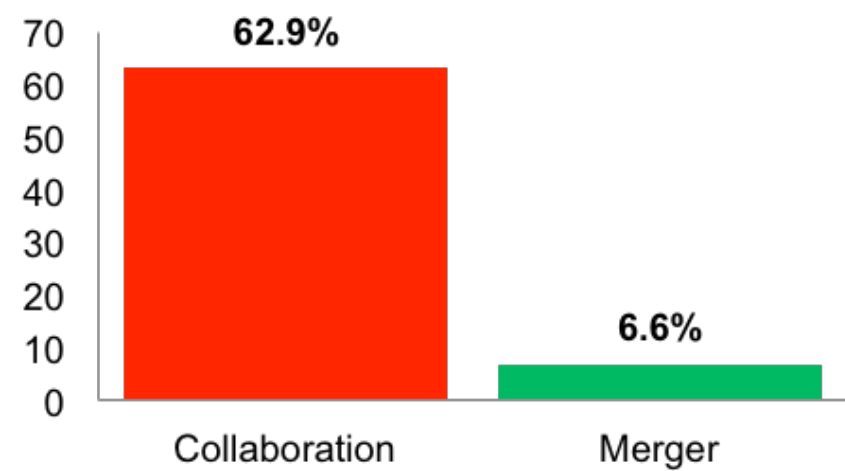
In recent years there has been enormous interest in collaborative working, especially as the economic downturn continues to bite, with more and more charities viewing merger or collaboration as an increasingly attractive option under economic pressure. This new climate has required organisations to pursue innovative and creative ways to carry out their activities, remain on a sound financial footing and, in some cases, survive.⁶⁴ With a decrease in investment income, lack of uplifts in some funding streams and cuts to public funding, organisations have had to evaluate their future sustainability. Research conducted across the sector over the past three years has found that the general view of collaborative working has, and continues to be, very positive. In *State of the Sector V*, 61.2% of respondents stated that they had a positive attitude toward collaborative working⁶⁵. More recently in Viewfinder 10, NICVA (2011) the majority of organisations (86.5%) also reported a positive attitude towards working in collaboration within the sector with 84% of respondents stating that they work in collaboration with other organisations. This research found that organisations believe collaboration will be important over the next 12 months, with 62.9% of organisations anticipating that they will work in collaboration with other organisations.

64 Charity mergers the USA way, 2009, <http://www.thirdsector.co.uk/news/Article/927521/charity-mergers-usa-way>
65 *State of the Sector V*. NICVA. 2009

These results are similar to those reported in NCVO's *Quarterly Charity Forecast Survey* (2nd Quarter, 2011) which found that 71% of responding organisations expect to collaborate more over the next 12 months.

As well as asking organisations about their intention to work collaboratively in the next 12 months, they were also asked if they anticipated merging with another organisation. 6.6% of organisations responded that they anticipate a merger between themselves and another organisation. Not all organisations view working in collaboration and/or merger positively. Examining the CutsWatchNI research it has emerged that some organisations are being forced to merge by funders, when the organisation believes this will be detrimental to both the organisation and its service users⁶⁶. Although there are a few examples of these mergers, to date such circumstances have not been the main motivation for mergers.

Figure 9.3 Collaborating and merging in the next 12 months on for mergers.



Closure

For many organisations the current economic climate is putting even more stress on their ability to raise sufficient funds for delivering services. Some funding streams are being cut while others remain static at a time when utility, food and transport costs are rising. In some cases donations and legacies are decreasing and organisations are finding it difficult to manage this when they are already financially overstretched.

Some organisations at this time are faced with the most difficult of decisions - whether to close. Nearly 3% of respondents have indicated that they anticipate closing in the next 12

66 *State of the Sector V*. NICVA. 2009

months. Although this may not seem significant it is worth mentioning that the impact of the current cuts in public sector funding is only starting to be visible; the impact of cuts over the next three years will be significant. It could be argued that the situation would be far worse if not for the fact that organisations are being more innovative in relation to collaborative working and merger.

Devolution to the Northern Ireland Assembly

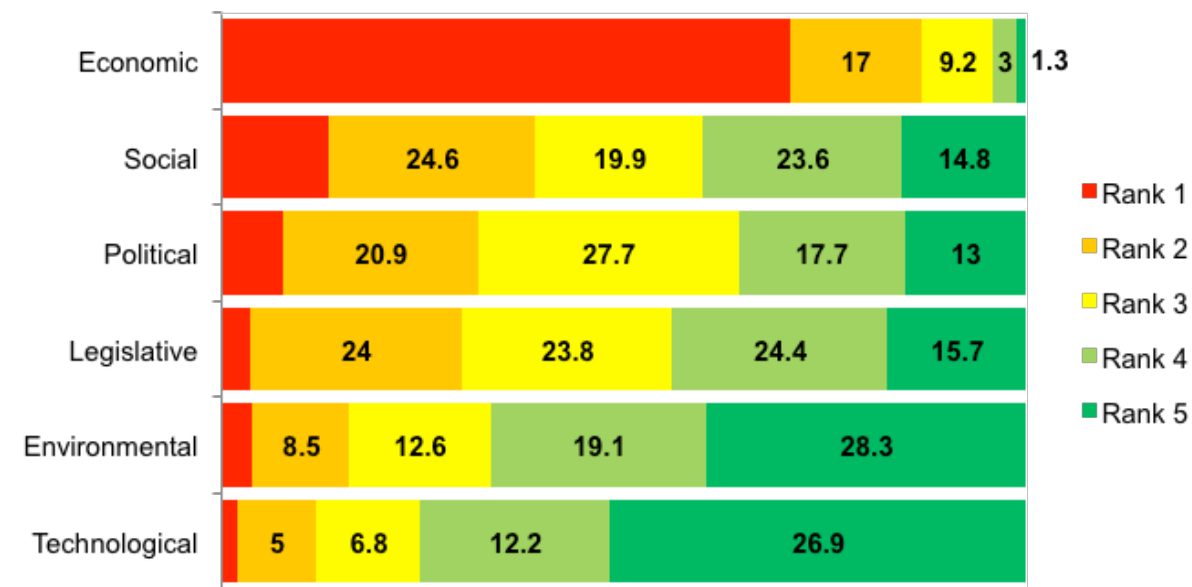
In *State of the Sector V* (2008) it was reported that devolution was viewed as the largest single event that has impacted upon the voluntary and community sector in Northern Ireland since 2005. Organisations believed it gave them the opportunity to engage directly with the institutions of government and to have a stronger voice in the development of policies. As part of *State of the Sector VI* organisations were asked if they thought the continued devolution of power to the Northern Ireland Assembly has been positive, neutral or negative within the past 12 months. In 2008, 37.1% of respondents believed that the continued devolution of power would be positive for the sector. In this research 22.4% have found the devolution of power to the Northern Ireland Assembly to be positive in the past 12 months. This indicates that a number of organisations that previously felt the continued devolution of power would be positive have not found this to be the case.

In addition to examining the impact of devolution over the past 12 months, organisations were asked if they expect devolved legislation to improve or worsen the operating environment for their organisation over the next 12 months. 16.3% of respondents reported that they expect devolved legislation will improve their operating environment while more organisations (18.1%) believe that it will worsen their operating environment over the next year. 29% believe there will be no changes as a result of devolved legislation.

Factors inhibiting organisations' success over the next 12 months

This research sought the views of organisations as to what factors they believe will inhibit their organisation's success over the next year.

Figure 9.4 Factors inhibiting success (%)



Base: Multiple response

Unsurprisingly, the majority of respondents (73.2%) view economic factors as the main factor which will inhibit their success over the next year. This most likely relates to the cuts in public funding, a downturn in donations and a change in the procurement mechanism for awarding contracts. 12.8% of respondents believe their most inhibiting factor will be social, while fewer than 6.6% reported that political, legislative, environmental or technological factors will inhibit their organisation’s success.

Appendix

Technical issues

The compilation of an accurate map of the voluntary and community sector in Northern Ireland continues to be a complex task, particularly in the areas of financial data such as overall income, expenditure and assets. Any subsequent disaggregation of this data is also difficult, as there is no centrally maintained database of organisations that has complete information on variables such as sub-sector or income. Like any organisational survey, traditional survey methods are hampered by non-response, and in particular item non-response. The level of item non-response and a lack of detailed information on the entire population on the major variables of interest and predictor variables make it difficult to apply statistical measures to correct non-response or over and under-sampling, so complete case analysis is the only possible option despite the limitations of this approach. These difficulties are compounded by the fact that missing data, as in all organisational surveys, is most likely systematic rather than random, with larger organisations more able to return a fully completed questionnaire. This complete case analysis inevitably leads to larger standard errors for estimates of proportions and means due to smaller sample sizes though, where possible, imputation based on logical rules was applied.

As a consequence of these difficulties, the task of compiling *State of the Sector VI* incorporated a number of distinct phases which include analysis of a range of surveys undertaken by NICVA including *State of the Sector V* and VI, Individual Giving 2010,

Salary Survey 2010, Viewfinder 10 and two surveys on Volunteering in Northern Ireland ⁶⁷. In addition, organisations' financial accounts and secondary data sources have been analysed, and population estimates and financial distributions have been augmented by data provided by the Charity Commission. Financial data is also difficult to acquire as many organisations are not required to produce formal accounts and many accounts available from the Companies House register are in an abridged version.

67 *Mapping Volunteer Involving Organisations in Northern Ireland*, (Volume 1 and 2), Volunteer Now. 2010 and 2011. Two reports on volunteering in Northern Ireland were undertaken by NICVA on behalf of Volunteer Now covering almost 200,000 volunteers.

Council area	%
Antrim	1.8
Ards	2.0
Armagh	3.1
Ballymena	3.3
Ballymoney	0.9
Banbridge	1.8
Belfast	27.6
Carrickfergus	2.0
Castlereagh	2.5
Coleraine	3.0
Cookstown	1.5
Craigavon	5.2
Derry	6.7
Down	3.4
Dungannon	3.5
Fermanagh	4.1
Larne	1.5
Limavady	1.3
Lisburn	4.2
Magherafelt	2.4
Moyle	0.9
Newry and Mourne	4.4
Newtownabbey	2.1
North Down	3.6
Omagh	4.1
South Down	0.1
Strabane	3.0

Table 2 Primary sub-sector of organisations (%)

Sector	%
Advice services	4.6
Animal welfare	0.2
Arts in the voluntary and community sector	6.2
Carers	1.3
Children and families	14.4
Community development	14.8
Community relations	3.7
Counselling/support	0.2
Criminal justice and community safety	0.9
Disability	6.7
Education/training	7.2
Equality	0.2
Health and wellbeing	8.4
Housing and homelessness	0.8
Human rights	0.3
Lobbying/policy	0.7
Men	0.5
Older people	6.4
Other	4.3
Poverty	1.8
Race/ethnicity	0.6
Rural development	1.8
Sport/recreation	1.3

Sector	%
Sustainable development	1.3
Transport	0.4
Urban regeneration	0.7
Volunteer development	0.8
Women	3.5
Young people	6.0
Total	100

Table 3 Primary beneficiary of organisation

Beneficiary	%
Addictions (drug/alcohol abuse)	1.4
Adult training	2.9
Asylum seekers/refugees	0.1
Carers	0.8
Children (5-13 year olds)	8.8
Community safety/crime prevention	2.3
Ethnic minorities	1.0
Ex-offenders and prisoners	0.6
General public	9.9
HIV/Aids	0.2
Homelessness	0.9
Interface communities	1.4
Language community	0.4
Learning disabilities	3.0
Men	0.6
Mental health	3.8
Older people	8.4
Other	10.0
Overseas/developing countries	1.7
Parents	1.6
Physical disabilities	3.3
Preschool (0-5 year olds)	10.8
Sensory disabilities	1.3

Beneficiary	%
Sexual orientation	0.3
Specific areas of deprivation	1.8
Tenants	0.5
Travellers	0.3
Unemployed/low income	1.5
Victim support	1.1
Voluntary and community sector	7.9
Volunteers	0.9
Women	4.1
Youth (14-25 year olds)	6.3
Total	100

Table 4 Workforce profile by sub-sectors

	Mean	% of all Staff
Advice services	13	4.0
Animal welfare	12	0.2
Arts/voluntary and community sector	5	1.3
Carers	5	0.4
Children and families	18	20.1
Community development	6	4.9
Community relations	8	1.5
Counselling/support	3	0.1
Criminal justice and community safety	28	1.8
Disability	64	24.2
Education/training	13	7.2
Equality	32	0.5
Health and wellbeing	17	8.0
Housing and homelessness	47	3.0
Human rights	7	0.1
Lobbying/policy	24	1.0
Men	9	0.1
Older people	48	8.8
Poverty	8	0.5
Race/ethnicity	7	0.2
Rural development	4	0.3
Sport/recreation	18	0.2
Sustainable development	6	0.3

	Mean	% of all Staff
Transport	8	0.5
Urban regeneration	3	0.8
Volunteer development	28	0.6
Women	64	1.8
Young people	13	5.3
Other	32	2.3

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State of the Sector VI is the latest edition in the *State of the Sector* research programme. The previous *State of the Sector* reports have developed the only comprehensive picture of the scale and scope of the economic activities of the Northern Ireland voluntary and community sector. The publication of each *State of the Sector* report represents another step in the evolution of this type of statistical analysis and as such adds to the already broad and in depth knowledge of the sector, by examining many of the key issues currently affecting and shaping it.

State of the Sector VI provides high level statistics on the various types of resources available to the sector and the relationship between voluntary and community organisations, government, funders and the general public. *State of the Sector VI* is invaluable to all those who need an up-to-date and reliable source of statistics and commentary on the voluntary and community sector in Northern Ireland. People working in the sector – academics, decision-makers, social science students and journalists – will all find this publication useful.

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