

State of the Sector

October 2011 forecast report

In October 2011 SCVO conducted a State of the Sector forecast survey to gauge opinion across the sector about what the future holds. Many of the 275 respondents are unsure about the future and uncertainty over funding and government policy emerged as key themes.

Headline findings

- 90% of organisations **expect the economic situation for their organisation to worsen or stay the same** in the next 12 months
- 47% of organisations **are unsure or concerned about the overall future** of their organisation
- 25% of organisations **have reduced in size** – up from 6-8% the previous year

Organisational growth

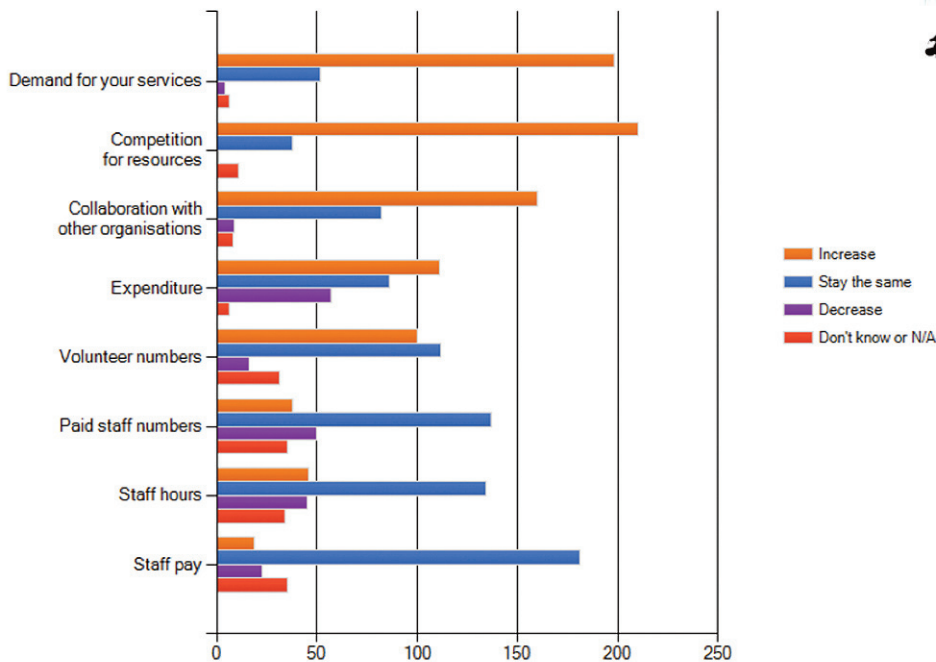
- Three quarters of respondents said their **organisations has grown or remained the same size** over the last 12 months. However, **one quarter** have seen a **reduction in size**
- 70% of organisations **expect their organisation to stay the same size or reduce**

Service demand and staffing

- Almost all respondents expect that **demand for their services and competition for resources will increase** over the next 12 months. They also expect to **collaborate more** with other organisations.
- Most respondents think that the **number of paid staff** will remain the same and 15% expect to see increases but **19% expect to see decreases**

Financial environment	Confidence and capacity
45% of respondents feel that the financial situation for their organisation will worsen over the next 12 months	Half of respondents were optimistic about their capacity to meet new challenges . However, 45% were unsure or concerned about their organisation's capacity to meet new challenges , up 15% from 33% last year
46% think it will stay the same ; 10% think that it will improve	76% of organisations expect demand for their services to increase in the next 12 months
2% think the financial situation for the third sector in Scotland will improve over the next 12 months	44% of organisations are unsure or concerned about their board's capacity to meet new challenges
More than half of larger organisations (with incomes over £1m) expect their financial position to deteriorate and one third expect their staffing numbers to decrease	

Over the next 12 months, do you think your organisation will see increases or decreases in the following:



Future planning

- **86%** of respondents are planning to **develop new income sources**
- **67%** are planning to develop **new services** over the next year
- **50%** are also planning to **focus more on business development**
- **30%** are planning to join a **new partnership or consortium**, down from 51% in 2010
- **22%** of organisations **say they plan to restructure** over the next 12 months
- **2.5%** are planning to **wind up**. This is down from 4% in the previous year

Is your organisation planning to do any of the following over the next 12 months?
(please tick all that apply)

