Dormant Assets NI: An interim evaluation of the Phase One Grant Programme

Supporting the capacity, resilience and sustainability of the voluntary, community and social enterprise sector in Northern Ireland

Executive Summary

SQW

Dormant Assets NI

Delivered by
THE NATIONAL LOTTERY COMMUNITY FUND

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Introduction

1. Dormant Assets NI is delivered by The National Lottery Community Fund. The aim of Dormant Assets NI is to support the voluntary, community and social enterprise (VCSE) sector in Northern Ireland (NI) to be more resilient and prepared for the future, by funding activity that increases capacity and sustainability. Dormant Assets NI funded a Phase One Grant Programme (hereafter referred to as the 'Grant Programme'), in which 244 organisations received grant funding totalling £19.9m.

2. In November 2023, SQW (an independent research consultancy) was commissioned by The National Lottery Community Fund to undertake an independent evaluation of the Grant Programme. The evaluation will run to 2025. This is a summary of the emerging findings from the evaluation's first interim report. It provides early evidence of how the Grant Programme is contributing to improving the resilience of the VCSE sector in NI and sets out what is working in delivering and achieving outcomes. It draws on online surveys and semi-structured interviews[1] with grant holders and unsuccessful applicants who had received or applied for a grant at least a year prior to February 2023. It also draws on programme management data, interviews with key stakeholders, and a rapid review of wider evidence. Two further waves of data collection will culminate in a second interim report in December 2024 and a final report in May 2025.

Key findings

The Grant Programme has been delivered flexibly and responsively, which has been appreciated by the sector

3. Applicants to the programme were encouraged to apply for up to £100k of grant funding over 1-3 years to deliver activities to improve their organisation's sustainability, capacity and financial resilience. The National Lottery Community Fund was not prescriptive about the type of activities which could be funded, and instead asked that applications were tailored to the needs of the applicant organisations and their specific challenges in relation to sustainability and resilience. This flexible and responsive approach was valued by grant holders. It also aligns with learning from the wider evidence base, which indicates that building capacity, resilience and sustainability in the VCSE sector require a tailored and holistic approach, recognising the diversity and complexity of the sector and its organisations.

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[1] The survey of grant holders yielded 58 useable responses, and the survey of unsuccessful applicants yielded 49 useable responses. Semi-structured interviews were held with 12 grant holders and four unsuccessful applicants who responded to the surveys and opted-in to the interview process.

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4. Applicants were motivated to apply for this Grant Programme given its focus on funding core organisational strategic activities and longer-term organisational sustainability, as opposed to stand-alone operational projects. This type of grant funding was said to be lacking for the sector.

5. Grant holders have delivered a wide range of activities using Grant Programme funding. Most commonly, activities have centred on diversifying income streams, recruiting staff to deliver activities relating to improving sustainability and resilience, and improving digital capacity or digitising processes/materials. Most grant holders have used funding to support the delivery of a combination of activities.

There are five emerging areas of effective practice in supporting grant-funded delivery, as identified by grant holders

6. Grant holders identified key elements of their activities which they felt had been particularly effective in supporting delivery and progress towards outcomes. These were:

- Undertaking research and scoping activities prior to delivery, which meant that grant-funded activities could commence more quickly

- Maintaining a flexible approach to delivery, including in response to learning and emerging challenges. This flexible approach was enabled by the programme design

- Bringing in required skills to support delivery, expanding organisational skills and expertise and complementing other planned activities

- Increasing internal capacity to support the delivery of activities (e.g. through recruitment of new staff and/or training existing staff)

- Involving existing staff or partners in delivering activities, which supported buy-in, engagement and a sense of shared "ownership" of organisational processes and systems.

The emerging evidence indicates that the Grant Programme is supporting VCSE organisations to achieve their desired outcomes, and is beginning to contribute to improved organisational resilience, capacity and sustainability

7. This is an initial interim report and is drawn from insights from a sample of grant holders only. However, those grant holders engaged largely attributed outcomes to the programme, noting they would not have achieved them at the same quality, pace or scale otherwise (if at all). Outcomes reported by grant holders included:

- New ways of working to enhance operations (e.g. diversifying workstreams or developing new partnerships), resulting in increased organisational income

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- Development of staff confidence, skills and knowledge, including changing staff mindsets, improving practical knowledge to support new ways of working, improved delivery skills and increased staff morale

- Implementation of fit-for-purpose systems and processes supporting change and future thinking, including digitisation, rebranding, marketing campaigns and new policies and processes.

8. Some grant holders reported outcomes they did not expect, including efficiencies gained by introducing digital systems, the speed at which they generated new income streams, and the success of some of the new projects that were introduced. Some grant holders reported a ripple effect of the Grant Programme on their partners, including others in the VCSE sector (e.g. through employing local organisations to support grant-funded activities).

9. The contribution of the Grant Programme to these outcomes is also evidenced by the experience of unsuccessful applicants. Nearly half of unsuccessful applicant survey respondents said that they were not able to achieve any of the outcomes they were seeking when applying for the grant (43%).

10. Emerging evidence indicates the Grant Programme is beginning to achieve its aim of improving VCSE sector resilience, capacity and sustainability. Some grant holders commented on improved financial resilience due to grant funding supporting them to secure a sustainable income or leverage new opportunities, increased capacity to think longer-term and deliver succession planning, and increased visibility and credibility of their organisation going forward.

Both internal and external factors have influenced grant holders' ability to deliver activities and achieve outcomes

11. Factors that positively influenced delivery and outcomes achievement were largely internal organisational factors, including leadership and management buy-in, having appropriate strategies and action plans in place, and effective community and stakeholder engagement. Grant holders also emphasised the Grant Programme itself as an enabler (not just the grant provided), as a result of the flexibility of programme management, the ability for funded organisations to take risks, and the added value of the learning events held by The National Lottery Community Fund.

12. In contrast, factors identified as negatively influencing grant holder ability to deliver activities and achieve outcomes were largely external and outside of grant holder control. These included the political and broader socio-economic climate, the collapse of the NI Executive in 2022 (which was reported to have reduced funding opportunities for the VCSE sector), and increasing costs.

13. Other challenges cited by grant holders included a lack of capacity to deliver grant-funded activities (with capacity often being underestimated), lack of leadership support, and specific challenges relating to the activities they planned to deliver. These centred on recruitment challenges, issues with sustaining and developing partnerships, and challenges in keeping up with market changes and technological advances.

14. Some grant holders noted that although the Grant Programme has made a difference, it is likely that further funding will be required to continue their progress towards sustainability.

Interim learning and next steps

15. The Grant Programme received a considerable number of applications, suggesting demand for this type of grant fund. Motivations for applications were reflective of the broader socioeconomic context for VCSEs in NI, notably the short-termism of VCSE sector funding, increasing costs and cost of living challenges.

16. The programme's aims aligned with the sector's key challenges. Crucially, the Grant Programme was seen as a rare opportunity for VCSE organisations to access funding which would support organisational strategic activity and sustainability planning, as opposed to short-term project funding.

17. Encouragingly, the activities delivered by grant holders have reflected the wider evidence base of effective practice. Overall, grant holders report making good progress in delivering Grant funded activities. The flex of the programme was valued by grant holders.

18. Funding remains a key challenge for some grant holders. The purpose of the Grant Programme was to generate transformative change for organisations in the VCSE sector to alleviate issues around funding, leading to sustainable, financially resilient organisations. It is interesting, therefore, that funding is still considered a significant challenge.

19. Interim evaluation evidence has uncovered gaps in the current evidence base and further lines of enquiry which the following waves of activities will aim to address. The next wave of evaluation activity will begin in August 2024, culminating in a second interim report in December 2024. The final wave of evaluation fieldwork will take place in 2025, culminating in a final evaluation report in summer 2025.

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Contact

For more information:

Lauren Roberts
Director, SQW
T: 0161 475 2117
E: lroberts@sqw.co.uk

3rd Floor
1-13 Wellington Road North
Stockport
SK4 1AF

www.sqw.co.uk