Dormant Assets NI: A second 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

Second interim report: executive summary

SQW

Dormant Assets NI

Delivered by
THE NATIONAL LOTTERY
COMMUNITY FUND

Executive Summary

Introduction

1. 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 is delivered by The National Lottery Community Fund. 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 evaluation of the Grant Programme. The evaluation will run to May 2025.

3. This is a summary of the emerging findings from the evaluation's second interim report. It explores the emerging evidence of how the Grant Programme is contributing to improving the resilience of the VCSE sector in NI, setting out what is working in delivering and achieving outcomes. It draws on online surveys and semi-structured interviews with grant holders and unsuccessful applicants who had received or applied for a grant before June 2023. It also draws on programme management data and three case studies with grant funded organisations. Insights from a final wave of data collection will be triangulated with all evidence captured through the evaluation to inform the final report in May 2025.

Key Findings

Grant holders were making good progress in delivering projects, but some required extended delivery timelines, enabled by the flexible approach to grant funding

4. Grant holders were seeking to address key organisational challenges in applying to the grant programme. These were commonly challenges in generating or diversifying income streams, with some identifying an overreliance on one or two different sources of income, and difficulties in accessing the limited funding available for VCSE organisations in NI. Other key challenges included limited time or resources to conduct strategic or long-term planning, and issues in recruiting staff, particularly those with the necessary skills.

5. As a result, the different project activities that grant holders intended to fund using the grant broadly aligned with the challenges they aimed to address. Most grant holders sought to generate or diversify their income streams, deliver strategic planning and governance improvement activities, improve their digital capacity, and/or recruit staff to deliver activities related to improving sustainability and capacity.

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6. A quarter of all funded projects have been completed, with the remaining projects continuing. Some grant holders have formally extended their project delivery timelines, enabled by the flexibility of the Grant Programme. Capacity and recruitment challenges have led to delays in delivery for some grant holders. Of those surveyed, all but one grant holder had delivered, or intended to deliver, all planned project activities in full.

Grant holders have achieved a range of outcomes, including outcomes they did not expect

7. Grant holders reported developing new ways of working, including the implementation of new and more efficient operational processes, such as electronic management systems, booking systems and internal communication processes. These had often resulted in knock-on outcomes (e.g. more freeing up of staff time and increased collaboration). New ways of working were also reported to have enabled improved networking and relationship building.

8. There was emerging evidence of improved staff knowledge, skills and confidence. Grant holders reported a shift towards a culture of improvement, and survey responses indicate that engagement with wider project activities, such as improving operations, diversifying income streams, developing digital capacity, and collaboration, have indirectly enhanced staff skills, knowledge and/or confidence.

9. Some grant holders have successfully generated additional income through new sources, predominantly through generating sales, increasing unrestricted income (e.g. retail sales, admission costs, events and membership fees). Unrestricted income has been used to stimulate further growth through reinvestment into other organisational activities. Additional income has also been generated through the receipt of additional grant funding.

10. Through developing new strategies and processes for their organisation, grant holders have been better able to plan for the future, including through the development of sustainability plans, and improved financial and strategic planning processes. Grant holders also reflected on the outcomes of digitising their systems and processes, reporting improved organisational transparency, improved efficiency and income generation opportunities. Some grant holders also reported implementation of marketing and publicity plans/processes, leading to increased organisational visibility and increased reach and engagement through social media.

11. There was some emerging evidence from grant holders of improved ability to capture and assess their impact on the local community and economy, enabling them to better demonstrate their social value.

12. Nearly half (seven) of 16 survey respondents said that at least some of the outcomes they had achieved were unexpected. When asked to elaborate, grant holders tended to focus on the scale and success of their grant funded projects as being unexpected, rather than specific outcomes experienced.

The Grant Programme is making progress towards its stated aim of improving sustainability, capacity and resilience for VCSE sector organisations.

13. Most grant holders engaged felt that their organisations would be more sustainable after their projects, and some grant holders reported that they had already made substantial progress towards becoming more sustainable. This was often through improvements in internal processes, sometimes attributed to the recruitment of new staff through the grant funding.

14. Emerging evidence indicated that some grant holders were already becoming more resilient, or expected to in future, particularly through the diversification of income and increase in unrestricted income already generated. Resilience was also realised in other ways, including leveraging social value to attract additional financial resources, and strengthening social capital and networking with other organisations.

15. In most cases, the evidence indicated that the Grant Programme had successfully enhanced the capacity of funded organisations in the short to medium term. However, where capacity was achieved through the recruitment of new staff to deliver grant funded project activities, it was unclear whether long-term planning and contingency measures were in place to maintain this capacity once the grant funding ends. That said, there were other ways through which grant holders increased capacity which have the potential to offer longer-term benefits, including streamlining systems and processes, and staff skills and knowledge development.

16. Overall, as a result of the outcomes and impacts achieved (or expected), most grant holders engaged with felt that the Grant Programme had resulted in transformative change for their organisation. Others felt this might take time to realise.

Grant holders experienced a range of enablers and elements of effective practice which supported the delivery of projects and achievement of outcomes

17. Internal organisational factors were most commonly identified by survey respondents as having positively influenced their ability to deliver projects and achieve outcomes. These included effective project planning (e.g. setting clear and achievable aims and outcomes) and effective internal engagement (e.g. achieving leadership and management buy-in to project delivery, and involving staff in delivering project activities to support buy-in).

18. Engagement with The National Lottery Community Fund was also highlighted as an important enabler. Grant holders highlighted the flexibility of the Grant Programme design, which enabled them to align their projects to the organisational outcomes sought. They also highlighted the flexible programme management and broader support received from Funding Officers.

19. Effective resourcing was key in supporting project delivery. Grant holders considered increased internal resource to deliver projects to be a key enabler in delivering wider

activities. This was achieved through recruiting another member of staff to deliver specific activities according to organisational needs, or training existing staff.

20. Grant holders also emphasised the value of bringing in the right skills to support delivery, through commissioning consultants to provide expert advice, support and/or training, or recruiting the right people for new roles to support delivery of grant funded projects.

21. For some grant holders, strengthening their existing engagement with partners and/or engaging in new collaborations and networks enabled progress, although grant holders typically reported engaging with organisations from other sectors, rather than other organisations within the VSCE sector.

Grant holders also experienced challenges and barriers to delivery, which were largely attributed to external factors

22. External contextual factors outside of grant holder control were deemed to have had the greatest negative influence on their ability to deliver projects and achieve outcomes, including broader socio-economic conditions and the political climate. Most recently this related to increased National Insurance contributions announced by the UK Government in Autumn 2024.

23. Time and resourcing constraints also led to challenges in delivery. Some grant holders experienced limited availability and capacity of staff to deliver project activities, and resourcing constraints led to some organisations facing challenges in delivering to initial timescales.

24. For those organisations who intended to appoint new staff, recruitment was a common challenge. Many projects sought to recruit Business Development Managers (or equivalent/similar posts), which meant that multiple VCSE organisations were seeking similar skills at the same time from a limited pool of suitable candidates.

25. Some grant holders also noted barriers to engaging with the private sector, anticipating a greater level of engagement with and interest from corporate partners than they received.

26. Grant holders reflected on factors which would need to be overcome in order to achieve longer-term impacts. Consistent with findings in the first interim evaluation report, some grant holders affirmed that they would need to secure additional funding to achieve outcomes and impacts associated with sustainability, resilience and capacity. Some evidence suggested that long-term sustainability was not fully planned for by organisations when applying for the grant.

Interim learning and next steps

27. Grant holders most commonly applied to the Grant Programme to address resource based challenges, including staff recruitment, reflecting the current socio-economic context for VCSE organisations in NI. As a result, the range and nature of projects funded broadly mirrored the challenges that grant holders hoped to address. However, project activities varied, given the flexible nature of the Grant Programme which directed grant applicants to consider what project activities would best meet their individual challenges.

28. This second wave of fieldwork highlighted what works well in delivering projects to build capacity, resilience and sustainability, which other VCSE organisations may learn from. These factors centre on effective project planning processes, adequate skills and resource for project delivery, building relationships and collaborating, developing leadership and management capabilities, and building unrestricted income. These factors align with findings from the evidence base of effective practice identified in the first interim evaluation report. However, there was less detailed evidence around grant holders' ability to demonstrate their impact and social value.

29. The Grant Programme has continued to be successful in generating outcomes and impacts for VCSE organisations in receipt of grant funding. The evidence indicates that outcomes experienced are often mutually reinforcing. It is important to note however that the achievement of outcomes has varied, based on both how projects have been delivered, organisational characteristics and wider contextual factors.

30. Consistent with the findings of the first interim evaluation report, many of the outcomes and impacts reported can be attributed to the grant funding. Grant holders either reported they would not have achieved the outcomes at all without the grant, or not to the same quality, pace and scale. However, where postholders' funding is not sustained, it is not yet clear whether grant holders will be able to sustain outcomes achieved as a result of recruiting new staff to deliver grant funded projects.

31. The final wave of evaluation fieldwork will commence in February 2025, culminating in a final evaluation report in summer 2025.

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