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

SQW

Dormant Assets NI

Delivered by
THE NATIONAL LOTTERY COMMUNITY FUND

Contents

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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.

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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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1. Introduction

1.1 This second interim evaluation report presents emerging findings and learnings from the evaluation of The National Lottery Community Fund's Dormant Assets Northern Ireland (NI)[1] Phase One Grant Programme (hereafter referred to as the 'Grant Programme'). It provides interim evidence of how the Grant Programme is contributing to improving the resilience of the voluntary, community and social enterprise (VCSE) sector in NI. It highlights emerging evidence on what has worked well in delivering and achieving outcomes, and sets out some of the enablers and challenges experienced by grant holders.

1.2 Findings in this report will be relevant for The National Lottery Community Fund, its stakeholders, and VCSE organisations, including those funded via the Grant Programme.

Dormant Assets NI

1.3 Dormant Assets NI is a funding scheme delivered by The National Lottery Community Fund. It is **designed to support the capacity, resilience and sustainability of the VCSE sector in NI**. Phase One of Dormant Assets NI comprised two elements: a Grant Programme, and a strategic investment initiative. The evaluation focuses on the Grant Programme only.

1.4 Dormant Assets NI is funded through the Dormant Bank and Building Society Accounts Act (2008), which established a system for distributing dormant bank and building society accounts to good causes in the UK via an independent body called Reclaim Fund Limited. The Act applied to cash in UK accounts that had been dormant for at least 15 years, and where banks and building societies were unable to trace the account owner. In 2022, the Scheme was expanded to include assets from the insurance and pensions, investment and wealth management, and securities sectors.

1.5 **The National Lottery Community Fund is the sole named distributor of Dormant Assets money,** distributing funds across all four nations of the UK. The scheme allows for Devolved Administrations to issue policy directions regarding distribution in Scotland, NI and Wales. Throughout 2019, in the absence of a Devolved Administration in NI, the Department of Finance Permanent Secretary engaged closely with government departments, The National Lottery Community Fund and also the wider VCSE sector to develop appropriate policy directions, given the accumulation of funds over the 10 years since the Act came into place.

1.6 In September 2019, the Department of Finance NI directed The National Lottery Community Fund to establish a scheme to use dormant account funds in NI, to build capacity, resilience and sustainability in the NI VCSE sector. The policy directions issued by the Department of Finance stated that this funding:

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[1] Previously known as the Dormant Accounts Fund

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"Should benefit the third sector in Northern Ireland, through projects/work primarily delivered by voluntary, community and social enterprise organisations to increase capacity, grow resilience and encourage sustainability."[2]

1.7 Following direction from Department of Finance NI to establish the programme, The National Lottery Community Fund delivered an **extensive period of consultation with the VCSE sector in NI**. This was to understand the most pressing issues facing the sector and how the programme could best meet the needs of VCSE organisations. Following consultation, a Strategic Action Plan was agreed by the Department of Finance and laid before the Assembly in September 2020.

1.8 **When launched in January 2021, £20.6m of dormant assets had been accumulated for NI.** As more bank and building society accounts and other financial assets become dormant, additional funding becomes available (approximately £1-2.5m each year), such that £24.7m had been accumulated by the closure of the Grant Programme in March 2023[3]. Given that The National Lottery Community Fund receives annual releases of dormant asset funds, a phased approach is being taken to supporting the sector, based on ongoing learning and reflection.

1.9 The aim of Dormant Assets NI is to support the VCSE sector in NI to be more resilient and prepared for the future, by funding projects to increase capacity and sustainability. It has sought to achieve the following outcomes through funding initiatives and adopting a 'test and learn' approach:

- VCSE organisations will be more confident about their ability to adapt to current and future challenges

- VCSE organisations will be more financially resilient

- VCSE organisations will have increased skills and capacity

- Improved strategic planning in the VCSE sector

- Increased collaboration within and across sectors.

1.10 Following the expansion of the Dormant Assets Scheme across the UK in 2022, and a subsequent stakeholder engagement exercise, the Department of Finance agreed that the existing policy directions remained appropriate. These policy directions are informing the Phase Two Access to Resilience programme, which aims to address barriers to capacity building in VCSE organisations, and achieve meaningful and inclusive participation. Access to Resilience is providing funding to support organisations (i.e. network, umbrella, membership

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[2] Spending Directions to The National Lottery Community Fund
[3] The National Lottery Community Fund (2023) Dormant Accounts Annual Report 2022-23

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or community anchor organisations) to improve access to the help they provide to small, underrepresented VCSE groups in NI.

1.11 The policy directions are also informing the development of Phase Three of Dormant Assets NI. Neither the Access to Resilience programme nor Phase Three activities are within the scope of this evaluation, but learning from this evaluation will be taken on board by The National Lottery Community Fund to inform future funding programmes, including subsequent phases of Dormant Assets NI funding.

The Grant Programme

1.12 The Grant Programme was **launched in January 2021**. Its basis in the Dormant Assets NI Strategic Action Plan means that its aims and intended outcomes align.

1.13 By its closure in March 2023, the Grant Programme had received over 700 applications and had awarded nearly £20m to 244 VCSE sector organisations.

The Grant Programme evaluation

1.14 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 aims of the evaluation are to:

- Provide evidence about the extent to which the Grant Programme and its funded projects are contributing to improving the resilience of VCSEs in NI

- Share what can be learnt regarding effective practice in sector capacity building, resilience and sustainability.

1.15 The evaluation has adopted a theory-based approach underpinned by the programme's Theory of Change (see Annex A). **The evaluation is being undertaken in three 'Waves' between March 2024 and May 2025**, with each Wave engaging grant holders who were awarded their grant at least one year prior. This approach seeks to ensure that enough time has passed since grant award to explore learning and impacts emerging.

Purpose of this report

1.16 **This report is the second interim evaluation report**. It presents emerging findings and learnings regarding the Grant Programme. Insights are largely focused on grant holders and unsuccessful applicants who were awarded or applied for a grant between February and June 2023 (i.e. Wave 2 of the evaluation fieldwork). In all, there were 40 grant holders and 103 unsuccessful applicants included in this Wave of the evaluation. Where relevant, insights are also drawn from those who were awarded or applied for a grant before February 2023 (including insights captured as part of Wave 1 of the evaluation). This is predominantly for

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the purposes of comparison, or to present evidence of outcomes/impacts emerging, including contextualised insights captured as part of case study development.

1.17 A summary of the data collection and analysis approach adopted is presented below.

Figure 1-1: Second interim evaluation report - data collection and analysis approach
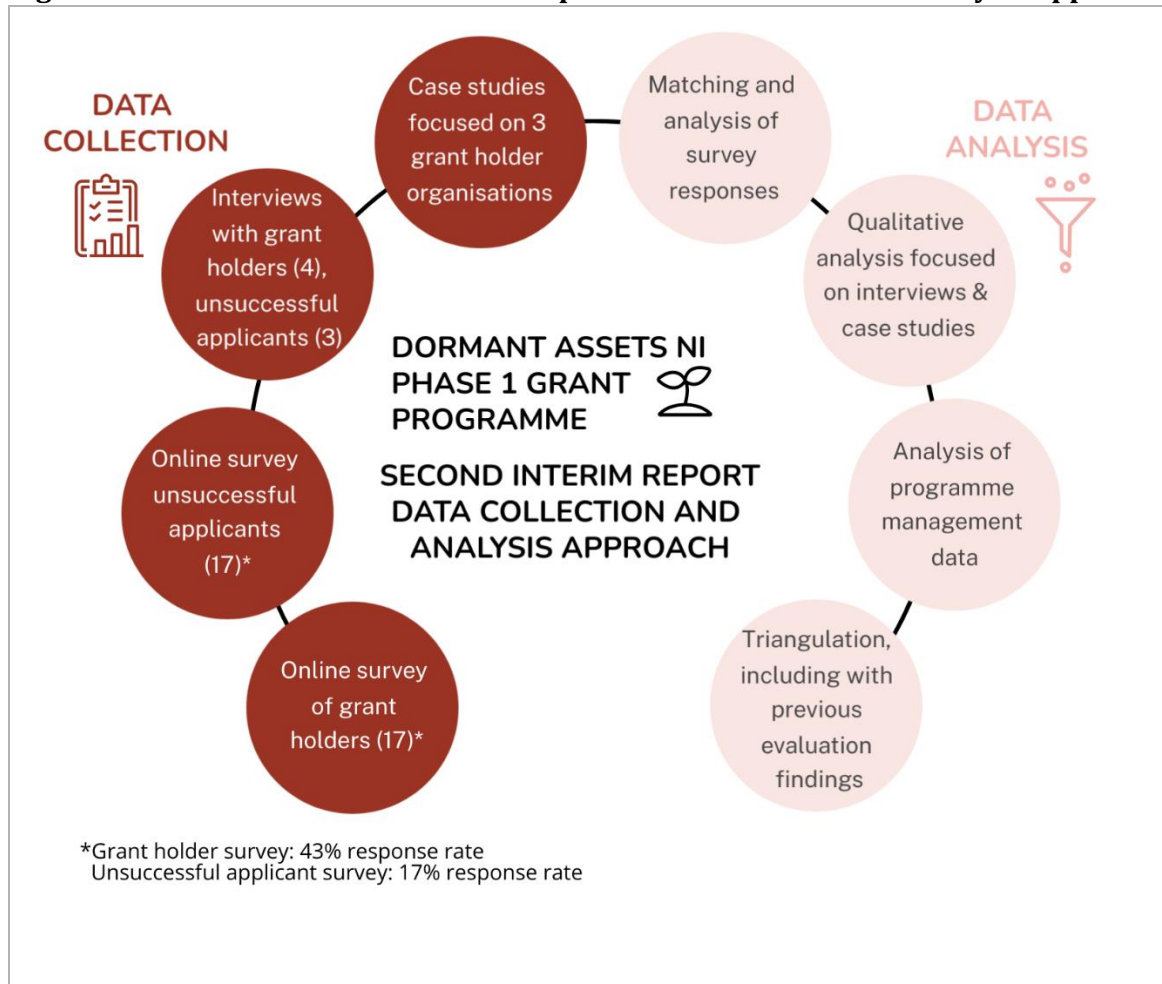
Source: SQW

1.18 A detailed overview of evaluation methods, sampling and approach is presented in Annex A.

Considerations

1.19 This report should be read with the following considerations in mind.

- **This is an interim report which presents emerging findings**. It does not seek to comprehensively address each research question, nor does it seek to provide a full evaluative assessment of the programme against its Theory of Change.

- **This report has relied on self-reporting**. While care has been taken to reduce bias and to triangulate evidence from multiple data sources where possible, it is not possible to independently verify the accuracy of the evidence.

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- **Sample sizes are small at this interim stage.** This interim report has not sought to present insights from all grant funded organisations or applicants, and we have not undertaken comparison across Wave 1 and Wave 2 for every line of enquiry. A full compilation and triangulation of data from across all three Waves of data collection will be undertaken at final reporting stage. This means that conclusions cannot be drawn at this stage around overall patterns or trends (including any insights based on organisational characteristics).

- **Interview and case study feedback was not quantified**. Interviews were qualitative and semi-structured. This means that all conversations explored slightly different topics in depth, as they were informed by survey responses and issues about which the interviewee had the most to say.

- **Case studies are intended to showcase examples of outcomes and learning.** Case study organisations were selected in collaboration with The National Lottery Community Fund, having been identified as organisations which could best share learning with other VCSE organisations. They therefore are not intended to be representative of the programme or sector as a whole.

- **Care has been taken to accurately match survey and management data**. Organisation names were used as the unique identifier to enable us to match survey, application and award data. In some cases, the organisation name given in response to the survey was not detected in the data. Where this occurred, a manual search was undertaken, alongside an online search (e.g. to identify whether an organisation was operating under a different name). One organisation responding to the unsuccessful applicant survey could not be identified in the management data, and therefore was excluded from the analysis.

1.20 The following terminology is used throughout the report:

- '**Grant holders**' is used to refer to VCSE organisations awarded a grant, and '**unsuccessful applicants**' is used to refer to VCSE organisations who applied for a grant but were not successful.

- '**Grant Programme**' is used to refer to The National Lottery Community Fund's Dormant Assets NI Phase One Grant Programme (which includes grant funding and wider activities such as learning events). '**Project**' is used to refer to the delivery of all grant funded activities by grant holders, and '**activity**' is used to refer to specific elements of project delivery.

Acknowledgements

1.21 This report was compiled by an SQW research team comprised of Lauren Roberts, Jane Meagher, Joanne Barber, Bill Carroll, Luke Bailey-Withers and Ana Luísa Pires Fernandes. The

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team was supported by evaluation partner Maureen O'Reilly who has provided expert input into the evaluation, including the development of this report.

1.22 Our thanks go to the programme grant holders, unsuccessful applicants and stakeholders who have contributed their time and insights to the evaluation, particularly the three grant holder organisations who participated as case study subjects.

1.23 Our thanks also go to Jenny Fitzgerald, David Mulholland and Sarah Cheshire at The National Lottery Community Fund who have provided direction and support for the evaluation activity.

1.24 Without the time and input of all of these individuals, this evaluation would not be possible.

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2. Engagement and funded activity

2.1 This section summarises the reasons why VCSE organisations applied to the Grant Programme, the types of activities which projects have been funded to deliver, and progress to date in project delivery. This has been compared with data collected during Wave 1 of the evaluation, to identify any changes in the nature of applicants and their projects as outlined at application, and how delivery and outcomes emerging may have evolved over time.

2.2 A summary of survey respondents, as well as a detailed analysis of their responses, is available in Annex C.

Reasons for applying to the Grant Programme

2.3 Grant holder survey respondents identified the main challenges they were seeking to address in applying to the Grant Programme (see Figure 2-1). The majority of (11 of the 17) grant holder respondents were the main contact for their organisation's Dormant Assets NI application, and so were able to comment on their reasons for participation.

Figure 2-1: Which challenge(s) did you hope to address with your Dormant Assets NI application? (N=11). *Responses were not mutually exclusive.*

Source: SQW analysis of grant holder survey (Wave 2)

2.4 Nearly all (ten out of 11) of those who responded indicated that they hoped to address **challenges in generating/diversifying income**, a higher proportion than observed in response to the Wave 1 survey (those who received their grant award before February 2023), when around half of grant holders responding hoped to address challenges in generating/diversifying their income.

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2.5 Four survey respondents identified reduced funding and/or public donations as a key issue. Some interviewees identified **an overreliance on one or two different sources of income**, meaning they were vulnerable to potential reductions in these funding streams and beholden to the requirements of these funders.

2.6 Some noted how the **limited availability of funding within the VCSE sector persists**, particularly following the Covid-19 pandemic (with emergency support funding now ended) and the collapse of the NI Executive (creating an uncertain funding environment). Public donations are also reported to have become increasingly limited, with ongoing challenges associated with the cost-of-living crisis. Combined, these factors have increased funding pressures for VCSE organisations, leading them to seek to identify opportunities for new income streams.

2.7 Other challenges that survey respondents hoped they could address through grant funding related to having **limited time and/or resource to conduct strategic planning**. Interviewees reported that challenges relating to income generation and uncertainty in the funding landscape have led to organisational leaders being focused on addressing immediate challenges, leading to limited capacity for strategic planning. Through the Grant Programme, applicants were seeking capacity for senior staff to address longer-term strategic priorities.

2.8 **Recruiting staff and/or volunteers** was also identified as a key challenge by four survey respondents. Several interviewees highlighted challenges with recruiting staff with the right skills, particularly given the fixed-term nature of the employment contracts they were able to offer. To address this, some applied for the Grant Programme to bring in external expertise and/or upskill existing members of staff. Interestingly, the proportion of grant holders citing issues with recruiting staff and/or volunteers increased between this Wave of the survey and the first Wave.

2.9 **A similar pattern was reflected among unsuccessful applicants surveyed.** Of the 15 respondents to this question, two thirds (ten) wanted to address challenges in generating/diversifying income. Other commonly reported challenges included limited time and/or resource to conduct strategic planning (seven), and difficulties in managing core organisational costs (four). No unsuccessful applicants responding to this survey cited recruiting staff and/or volunteers as a key challenge they hoped to address through the grant funding.

Programme delivery

2.10 The different project activities grant holders intended to fund using the grant **broadly aligned with the challenges they aimed to address**.

2.11 **Generating/diversifying their income streams**, an activity nearly all respondents intended to undertake (16 of the 17), was the most common challenge for the funding to address that was identified by grant holders.

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2.12 Qualitative findings suggest that there were a number of different ways in which grant holder organisations sought to increase their income and diversify their sources of income. These spanned commercial opportunities (e.g. setting up a shop, increasing activity with private sector organisations) and broadening public sector partnerships (e.g. securing funding from different funding bodies, developing workstreams which received public sector funding support etc.).

2.13 Grant holders also commonly intended to deliver strategic planning and governance improvement activities (eight), improve their digital capacity/digitisation of processes or materials (seven) and recruit staff to deliver activities related to improving sustainability and capacity (six).

2.14 The most common types of activities grant holders intended to deliver were similar to those identified by Wave 1 survey respondents, although the balance between activities was more mixed in Wave 1. For example, in Wave 1, activities to increase income/diversify income streams were reported by 57% of grant holders, recruitment of new staff by 55%, and improved digital capacity/digitalisation of processes by 53%. As with Wave 1, investment in facilities was the least commonly selected activity type response option.

Figure 2-2: Which of the following activities did you intend to fund using the grant? Please select all that apply (Wave 2 =17, Wave 1 = 58). *Responses were not mutually exclusive.*
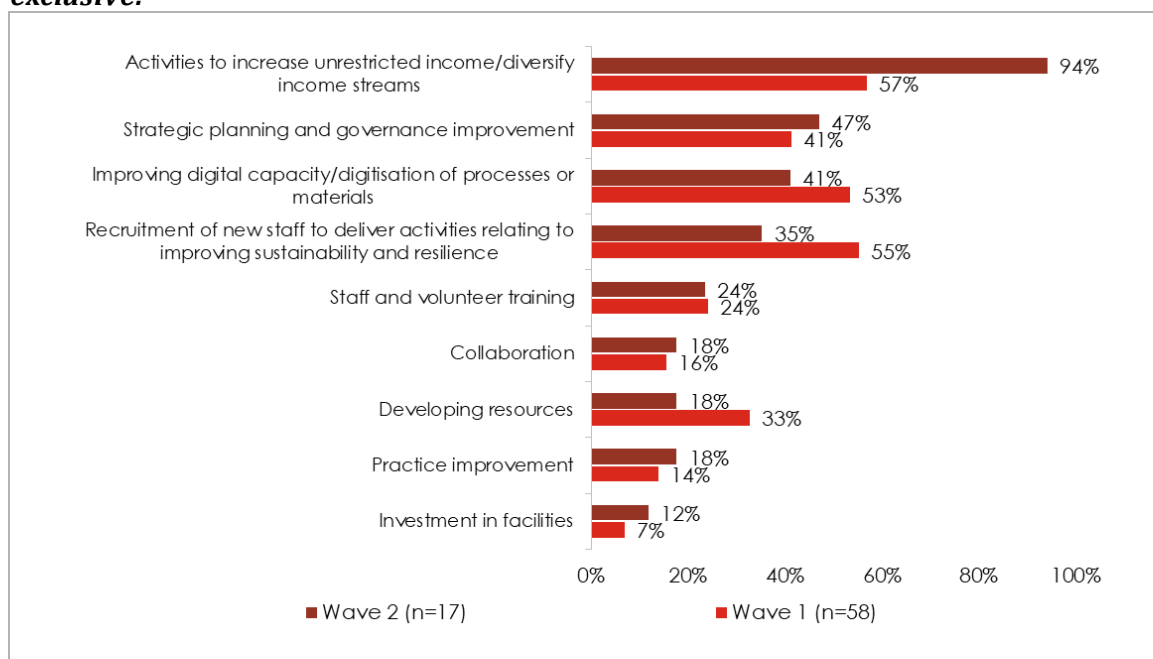
Source: SQW analysis of grant holder survey (Waves 1 and 2)

2.15 Considering grant holder responses across both Waves, there appear to be some patterns in relation to organisation type and the types of activities planned. A couple of patterns identified in the data include:

- Medium-sized organisations were more commonly seeking to recruit new staff (58%, 28 out of 48) compared to large organisations (32%, 7 out of 22)

- Organisations based outside of Belfast were more commonly seeking to improve digital capacity and/or digitise processes or materials (71%, 20 out of 28) compared to those based in Belfast (46%, 18 out of 46).

Progress to date

2.16 Monitoring data show that, as of December 2024, 63 grant holders had completed their Grant Programme funded projects, representing 26% of all awards. This is up from 34 grant holders since the first interim evaluation report in May 2024. The total value of completed projects is now £4.84m. The remaining 181 grant funded projects are ongoing, with a total value of £15m[4].

2.17 There have been some changes to projects since the first interim evaluation report.

- While the majority of projects (209 out of 244, 86%) have retained their original planned timelines, some (35) projects have changed their project delivery timelines. Five of these projects have shortened their delivery timeline (and one of these was granted reduced funding as a result[5]), while 30 projects have extended their delivery period (none have received increased awards). The average project extension is roughly six months, although five projects have been extended by at least one year.

- At initial application stage, only 85 projects were expected to take over three years, but this increased to 101 by the first interim report (May 2024) and 109 by December 2024. While the maximum grant length was set at three years, the flexible approach to the grant funding, and capacity and/or recruitment challenges, led to delays in delivery. These issues are further explored later in this report.

Table 2-1: Anticipated length of awarded projects over time

Project length	Count (Feb 2024)	Count (May 2024)	Count (Dec 2024)
Less than six months	3	0	0
Six months or more, less than a year	9	5	3
A year or more, less than two years	50	40	40

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[4] While some of this £15m will have been spent, data on spend to date per project is not available.
[5] This project could not could not utilise the grant as intended over its original timescales, as the organisation ceased to operate following grant award.

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Project length	Count (Feb 2024)	Count (May 2024)	Count (Dec 2024)
Two years or more, less than three years	97	98	92
Three years or more, less than four years	78	97	105
More than four years	7	4	4

Source: SQW analysis of grant holder management data

2.18 Survey responses reflect some of the amendments to project delivery identified in the monitoring data. Of those grant holders who responded to the Wave 2 survey, most (15) had partially delivered their planned project activities, and the remainder (two) had delivered, or were in the process of fully delivering the project activities planned. All but one of the respondents who had partially delivered activities still intended to deliver their project in full.

2.19 In contrast, unsuccessful applicants reported how they had largely been unable to progress their planned project activities without Grant Programme funding. Of those who responded to the Wave 2 survey, ten (of the 17) unsuccessful applicants had so far been unable to deliver their project, although eight of these still planned to deliver eventually. This is similar to unsuccessful applicants from Wave 1, where the majority of survey respondents (69%, 33) had been unable to deliver their planned project, but more than half of these (18) were planning to deliver the project at some stage.

2.20 The seven unsuccessful applicant respondents who had been able to deliver project activities funded these through a range of sources, with six of these respondents stating they had used more than one approach to resource their planned activities. These included using grant funding from other sources (five), drawing on in-kind support such as volunteering (four), utilising earned income (two), and using non-grant funding from external sources (two, e.g. donations or crowdfunding). Similarly, grant funding from other sources and in-kind support were also the two main sources of alternative resource for Wave 1 unsuccessful applicants.
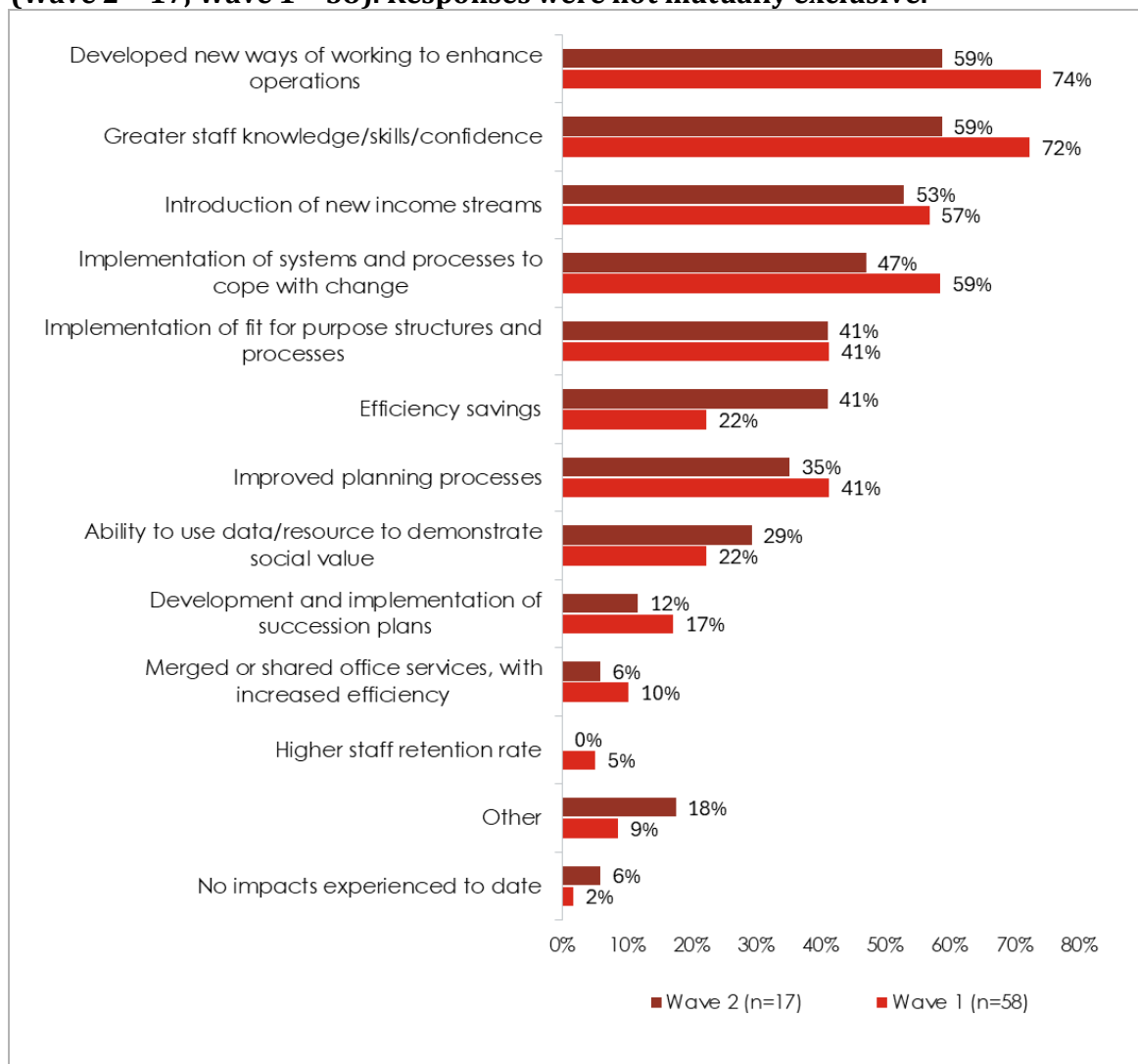
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3. Outcomes and impacts

3.1   This section summarises the outcomes achieved by grant holders, including any unanticipated outcomes experienced. It also reflects on the extent to which these outcomes can reasonably be attributed to the Grant Programme. It sets out anticipated and experienced impacts related to increased sustainability, resilience and capacity.

3.2   This section draws on learning from the surveys of grant holders and unsuccessful applicants, as well as insights captured via interviews and evidence from case studies.

Outcomes achieved

3.3   As presented in Figure 3-1, the types of outcomes identified by grant holders responding to the Wave 2 survey were largely consistent with the outcomes identified by grant holders responding to the Wave 1 survey. The most commonly reported outcomes by grant holders were the **development of new ways of working, greater staff knowledge, skills and confidence** (each identified by ten of 17 respondents) and the **implementation of new income streams** (nine respondents).

3.4   However, it is notable that in the second Wave of the survey, a **lower proportion of respondents reported achieving these outcomes** when compared with the first survey. While these results should be interpreted with caution, given that the sample sizes were both small and variable, this was also perhaps not surprising. Those responding to the Wave 2 survey had, in some cases, benefitted from less time to experience outcomes than Wave 1 respondents (who had received their grant funding up to two years prior to the survey).

3.5   One respondent to the Wave 2 survey said they had not yet experienced any outcomes or impacts to date (consistent with the Wave 1 survey findings). When asked to identify any other outcomes or impacts, two respondents said they felt it was too early to see or measure all of the outcomes they expected.

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Figure 3-1: What outcomes has your organisation experienced as a result of the grant? (Wave 2 = 17, Wave 1 = 58). Responses were not mutually exclusive.

Outcome	Wave 2 (n=17)	Wave 1 (n=58)
Developed new ways of working to enhance operations	59%	74%
Greater staff knowledge/skills/confidence	59%	72%
Introduction of new income streams	53%	57%
Implementation of systems and processes to cope with change	47%	59%
Implementation of fit for purpose structures and processes	41%	41%
Efficiency savings	41%	22%
Improved planning processes	35%	41%
Ability to use data/resource to demonstrate social value	29%	22%
Development and implementation of succession plans	12%	17%
Merged or shared office services, with increased efficiency	6%	10%
Higher staff retention rate	0%	5%
Other	18%	9%
No impacts experienced to date	6%	2%

Source: SQW analysis of grant holder survey (Wave 1 and 2)

3.6 The outcomes identified by survey respondents were largely reflected in qualitative feedback from interviewees, case study participants and qualitative survey responses.

Developing new ways of working

3.7 Grant holder interviewees and case study participants identified new ways of working they had been able to implement as a result of the grant. Importantly, **many of these new ways of working (often seen as outcomes in themselves) had resulted in knock-on outcomes**. For example:

- One case study organisation reported the implementation of a number of new structures and processes. Examples included monthly team meetings, several electronic management systems, and organised team events. While the postholder recruited using

grant funding has now left the organisation, these processes have been sustained and are credited with enabling the organisation to operate more efficiently, freeing up capacity.

- One grant holder interviewee in the arts and culture sector stated that they had improved their booking processes for group visits. Whereas previously the organisation would receive booking confirmations with little context, they have implemented an account management system through which all those booking group visits have a more personalised approach with an account manager within the organisation. They said that this made the experience for visitors less transactional and enabled the organisation to develop better relationships with external visitors.

- One survey respondent explained that introducing new ways to communicate internally, such as using Microsoft Teams, had increased collaboration within their organisation.

3.8 New ways of working were also reported to have **enabled improved networking and relationship building**. Often, this was through the use of grant funding to employ another member of staff, either explicitly for this reason, or as a result of the role freeing up strategic or senior capacity. For example:

- One grant holder interviewee in a leadership role stated that as a result of increased capacity, they had been able to join local forums and travel further afield to cultivate relationships (both within and outside of NI).

- A senior leader at a case study organisation said that the funding of an Operations Manager post enabled them to spend time engaging with strategic partners at local, national and international levels. These engagements were reported to have built the profile of the organisation and led to their involvement in several strategic projects.

Greater staff knowledge, skills and confidence

3.9 Interestingly, there was **less qualitative evidence regarding improvements in staff knowledge, skills and confidence**, even though it was one of the most commonly identified intended outcomes in the survey (and also featured prominently in qualitative evidence collected during the first Wave of fieldwork). That said, consultees from one case study organisation did discuss a **shift towards a culture of improvement**. In this example, there was an explicit link made between training activities and the development of knowledge and skills.

3.10 The survey responses indicated that **wider project activities were also likely to have influenced improvements in staff knowledge, skills and confidence**. The delivery of staff and volunteer training was only identified by four grant holder survey respondents, but greater staff skills/knowledge/confidence was reported as an outcome by ten respondents. This suggests that engaging in other grant-funded activities - such as improving operations, income streams, digital capacity, and collaboration - may have indirectly enhanced staff skills,

knowledge and/or confidence. This reflects Wave 1 survey results. Furthermore, survey respondents who reported achieving new ways of working also reported achieving greater staff knowledge, skills and confidence, which indicates correlation between the two outcomes.

Introduction of new income streams

3.11 Many grant holders have successfully generated additional income through new sources. This has predominantly been through **generating sales, increasing unrestricted income (e.g. retail sales, admission costs, events and membership).**

- Through a combination of increased admissions and memberships, one progress report shared by a grant holder interviewee reported an additional £63k in unrestricted income over their original projections in the 2023-24 financial year, which their grant funded project contributed to. This has increased the proportion of income coming into the organisation from non-grant sources.

- One case study organisation also stated that an increased proportion of income generated through non-grant sources was a key outcome of the grant, noting that unrestricted income now accounts for 68% of their overall income (compared with c30% before the grant).

3.12 Unrestricted income has been used to **stimulate further growth through reinvesting in other organisational activities.** For example, one grant holder stated they had used the income generated through their grant funded project to increase staffing roles and expand to new premises, supporting increased delivery opportunities. Other grant holders reported similar reinvestment opportunities.

3.13 Additional income has also been generated through the receipt of **additional grant funding**. This was largely attributed to those in new roles funded by the grant, or freed up capacity for senior leaders to secure this funding. For example, one case study organisation secured funding for a new regional partnership in NI. The new regional partnership is a c.£90k collaboration between the case study organisation, a local university and a local VCSE network, who are working together to help foster partnerships between community groups and academia, in an effort to support more equitable practice across the VCSE sector.

3.14 It is important to note that some of the outcomes around new income streams **are small scale at this point, and have not yet resulted in a positive return on investment** from the grant. This was exemplified by one case study organisation, which received a £31k grant and has, to date, generated £5k of sales from establishing a shop on their premises. However, this is not to say that they will not generate a positive return on investment over time. The case study organisation was also in the process of establishing an online shop, expected to increase sales further.

3.15 While 16 (of 17) survey respondents stated that they intended to use the grant funding to diversify their income streams, only nine had successfully done this to date. This may indicate that **there are more organisations progressing towards this aim who may be successful in future**. For example, one survey respondent reported plans to expand their social enterprise by launching a social supermarket, and expected this to boost their income.

3.16 It was also notable that most of the survey respondents who had introduced income streams operated across NI and were based in Belfast. While this evidence should be interpreted with caution given the small sample sizes, it suggests that those VCSE organisations which operate on a smaller scale, or outside of the capital, might be more constrained in their ability to introduce new income streams over a 1-2 year timescale.

Implementation of systems, structures and processes, and improved planning processes

3.17 Through developing new strategies and processes for their organisation, grant holders have been **better able plan for the future**. Often, this was achieved through the addition of new roles using the grant. As noted, this freed up time and resource for senior leads to undertake strategic activities (e.g. bringing in administrative support), or those in the funded roles delivered activities themselves. For example, one organisation used their grant to employ a Business Development Manager. This individual delivered a five-year business plan and involved senior leaders in the organisation in developing this. This was reported to have positively impacted the skills of senior leaders in developing such strategies, leaving a legacy benefit.

3.18 Two grant holder interviewees reflected on the outcomes of **digitisation of their systems and processes**. One noted that this meant they were better able to report on and track their impact, improving transparency to funders. Digitisation was reported to have saved considerable time in generating key statistics required by funders, and they hoped it would enable the organisation to better demonstrate its impact going forward. Another in the arts and heritage sector said that digitisation had enabled them to offer online pre-bookings, increasing income generation opportunities, and also meant that they could effectively capture Gift Aid donations. The centralised database that this grant holder developed was reported to have allowed them to communicate more effectively with their stakeholders, supporters, and funders.

"The grant has provided us with the opportunity to review our existing digital systems before introducing new ones to the organisation. It has also provided an opportunity for our Digital / Comms team[s] to work more collaboratively with each other."

Grant holder survey respondent

3.19 Some grant holders had also **improved their financial and strategic planning processes**. For example, one organisation employed a Business Development Manager who increased

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the level of financial transparency in the organisation, through improving visibility of real-time financial data. This led to tangible changes in ways of working, with the organisation now undertaking profit and loss analysis on a weekly basis. As a result, the organisation reduced their monthly spend through changing suppliers (as some of the supplies were expensive compared to the organisation's revenue). They also phased out a loyalty scheme which had cost the organisation over £50k, and was not shown to be profitable.

"It is as much about saving on spend, as it is [about] bringing in income."

Grant holder interviewee

3.20 Some grant holders reported **implementation of marketing and publicity plans/processes**. This was reported to have led to **increased organisational visibility**, which enabled the development of new relationships. One grant holder stated that their social media presence had resulted in new relationships with funders, including a private organisation who approached them to provide a donation. While the grant holder acknowledged that this provided short term funding, they felt it had already helped greatly, and were encouraged that they'd made additional new connections with individuals.

3.21 Other grant holders reported **increased reach and engagement through social media**. For example, one case study organisation reported significant growth in their social media reach, which they attributed to their recruitment of a Communications and Marketing Manager through the grant. This included increased reach on Facebook (a 47.6% increase in reach between July 23 and July 24) and Instagram (a 160.6% increase).

3.22 For one case study organisation, **greater visibility on social media resulted in increased unrestricted income for the organisation**. They employed a Digital Marketing Assistant to help support the growth of their social enterprise offer, including working with others to develop branding and promote the offer on social media. The organisation increased the number of workplaces it engaged by tenfold as a result of the rebrand and promotion, generating additional non-grant income for the organisation.

Ability to use data to demonstrate social value

3.23 Two of the four grant holders interviewed commented on their improved ability to demonstrate their impact or social value. Both said they had **implemented processes to capture evidence around their impact** on the local community and economy. One noted that they had over 40k visitors to their premises in the 2023-24 financial year, but did not know anything about visitor characteristics or their experience of engaging with the organisation. They have since begun to capture data to explore their local impact.

Unanticipated outcomes

3.24 Nearly half (seven) of 16 survey respondents said that at least some of the outcomes they had achieved were unexpected. When asked to elaborate on the outcomes not expected at the outset, grant holders tended to focus on **the scale and success of their grant funded projects as unexpected, rather than specific outcomes**. This included four grant holders who commented on how seamlessly the new staff they had employed through the grant had adapted to the organisation/role, and the positive magnitude of impacts the new staff had delivered. One noted how reliant they now were on the person they hired and the skills they brought to the organisation.

"The Business Development Manager, due to her extensive skills and experience, has identified gaps where we are under resourced and has supported staff with developing initiatives."

Grant holder survey respondent

3.25 Two grant holders reflected that they had **exceeded their expectations in what they were able to achieve**. One received more grant and corporate funding than expected. The other has been able to develop strategically and improve their governance and operations processes much more efficiently through recruiting an Operations Director, noting they had originally "set their expectations too low."

3.26 Case study organisations and grant holders also reflected on unexpected outcomes in interviews. An example included that the Grant Programme had resulted in a **cultural shift within their organisation**. One grant holder noted that the grant had encouraged them to get out of the "grant mindset" and become more entrepreneurial, considering different ways to bring in income whilst still aligning with their ethos. This included viewing their existing assets (e.g. physical premises) as opportunities to maximise, rather than as a means to an end. Another grant holder reflected this too, noting that they were now charging for events that they may not have charged for otherwise, which they noted had required a shift in mindset for some of their staff.

3.27 Another grant holder reported that an unexpected outcome for them centred on **professional relationships**. They commissioned a consultant to support the delivery of some of their grant-funded project activity. Based on this relationship, the consultant subsequently became a Trustee for the organisation, enabling their skills to be retained for the organisation.

3.28 Interestingly, one grant holder reported that change occurring as a result of the grant had resulted in a **negative unexpected outcome** for them, as they lost a member of staff who was unwilling to adapt to the digitised processes they put in place. This meant that they had to recruit a new member of staff. The grant holder noted that perhaps improved staff support with the change process could have mitigated this outcome.

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Attribution

3.29 **Grant holders largely attributed the outcomes they achieved to the grant funding**. Nearly two thirds of grant holders responding to the survey (ten of 16) said that they would not have been able to achieve the outcomes they reported at all without the grant (a similar proportion to the Wave 1 survey). No grant holder said that they would have achieved outcomes to the same quality, pace, and scale. Notably, most organisations who said they would have achieved outcomes, but not to the same quality, pace and scale, were VCSE organisations operating in the community sector[6].

3.30 Unsuccessful applicants had anticipated achieving similar outcomes to those that had been achieved by grant holders. Around **one third (six) of unsuccessful applicant survey respondents said that they were not able to achieve these outcomes at all** without the grant. The remainder said they had achieved outcomes (11), but these had taken longer to achieve, were of lower quality, and/or were at a smaller scale. The proportion of the unsuccessful applicant respondents who said they had been able to achieve outcomes was higher in this Wave 2 survey than in Wave 1.

3.31 While this was not directly commented on by unsuccessful applicants, it is feasible that Wave 2 applicants benefitted from enhanced application guidance and support which had been developed and published by The National Lottery Community Fund during the delivery of the Grant Programme. Organisations which applied at a later date within the funding round were able to see details of projects already funded. This may have enabled greater understanding as to the types of project activities which can build resilience and sustainability, even if they were not ultimately awarded a grant.

3.32 One of the unsuccessful applicants interviewed provided detail around the outcomes they had achieved, and how they felt these had been of poorer quality and smaller scale compared to what would have been possible with grant funding. They drew on existing reserves to fund an Income Generation Officer to support them in diversifying their income sources. While their reserves were limited, they decided to fund this because they felt there were no other options for them if they were to remain operational. Their existing reserves stretched to employing an Officer for two days a week, which led to them securing some modest grant funding (£20k) and developing relationships with a local community foundation, with whom they are collaborating to submit further funding bids. However, the interviewee reflected that if they had received the grant, they would have been able to fund more time for the Income Generation Officer, which they anticipated would have resulted in greater yields.

3.33 The impact of not receiving grant funding was reflected across unsuccessful applicant interviewees and survey respondents:

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[6] According to The National Lottery Community Fund management data

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- **Financial pressures forced organisations to stretch their resources thin**, often covering shortfalls with overtime or reallocating funds from one area to another. This led to limited or even reduced capacity to expand services or deliver existing ones at the scale they had hoped for, and was reported to have affected organisational ability to function effectively.

- **Long-term plans** to develop new facilities, explore joint social enterprise opportunities, or expand co-operatives have been **delayed or derailed altogether** in favour of securing more immediate, short-term funding.

- Another significant issue is the reported **difficulty in retaining staff and volunteers**. There were instances cited of staff and volunteers leaving due to burnout or the financial strain of working without adequate compensation.

- Additionally, the lack of funding is reported to have led to **missed opportunities for collaboration** for one survey respondent. They noted that they had not been able to progress as planned in the development of shared premises with partners, or been able to work with others in the VCSE sector to consider joint social enterprise projects.

- The **emotional toll of not receiving funding** was reported to have been significant for some organisations. Despite receiving positive feedback on their application, several applicants expressed feeling demotivated and disillusioned by being unsuccessful.

3.34 That said, two unsuccessful applicants interviewed stated they had **benefited in other ways from their involvement with the Grant Programme**. One reported that they had used the feedback they received on their application to refine and clarify their funding needs. Another said they had benefited from the interim evaluation findings webinar held in October 2024, which they planned to draw on to support any future bids.

"I attended a seminar on the findings of the evaluation, which set out research on the obstacles VSCE organisations are facing, which was excellent. It would be useful [for us] to draw on some of that information in funding bids."

Unsuccessful applicant interviewee

Emerging and anticipated impacts

3.35 Grant holders described a range of emerging and anticipated impacts of the Grant Programme. These are explored below, with particular emphasis on understanding progress towards **sustainability, capacity, and resilience.**

3.36 It is important to note certain limitations identified in the evaluation evidence:

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- Often, grant holders did not explicitly reference the terms sustainability, capacity, or resilience in discussing emerging or anticipated impacts, although these factors can be inferred.

- In some cases, grant holders explicitly mentioned improving or expecting to improve their sustainability, capacity, or resilience, but did not clearly articulate how or why these impacts had occurred (or would do so). These scenarios were more common among survey respondents, while grant holders interviewed tended to offer more in-depth explanations.

Sustainability

3.37   Most grant holders engaged felt that their organisations would be more sustainable in the future after progressing in the delivery of projects, and some grant holders reported that they **had already made substantial progress towards becoming more sustainable**, and that they will become even more so in the future.

3.38   One way through which grant holders reported that their organisational **sustainability had increased** was through the **improvement of internal processes**. What this looked like for grant holders varied. Some grant holders talked about improved internal communication (e.g. use of Microsoft Teams, which supported better internal collaboration), whilst others focused on the digitisation of processes, for example introducing new websites or online booking systems.

3.39   **Improvements in internal processes which contributed to enhanced sustainability were sometimes driven by the recruitment of new staff** through the grant funding. Nearly all grant holders who used the funding to hire new staff reported positive impacts, including those associated with sustainability. For one case study grant holder, the improvement in internal processes had been sustained even after the funded role ended. For some, recruitment of staff to support the delivery of project activities **supported the organisations to focus on more long-term strategic planning** linked to organisational sustainability.

"The funding is for 2 years but the work I've done is for a 5 year plan. (…) [previously], there was no sustainability model. Every year, the income was exactly the same in their existing 5 year plan. I came and said 'this is not how you look at being sustainable'. This grant has helped with that longer sustainability, there are wider sources of income [being generated] now."

Grant holder interviewee

3.40   However, **it remains uncertain whether the organisations will have the capacity for strategic and long-term thinking** once the tenure of the funded post(s) ends.

3.41   Some grant holders **expect to improve sustainability based on impacts that are not fully realised yet**, but that they expect to achieve in the future. For example:

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- One case study organisation developed a new Volunteer Strategy and a Strategic Plan. They expect that this will increase the number of people encouraged to volunteer with their organisation.

- A survey respondent highlighted several longer-term impacts they aim to achieve simultaneously. These included fostering strong collaboration and partnerships, reducing reliance on grant funding, increasing unrestricted income, and building a highly skilled volunteer base.

Resilience

3.42 There was some evidence indicating that grant holders were becoming more resilient. For example, one case study organisation reported they were already experiencing increased resilience through a programme launched using the grant funding. This Self-Directed Support funded service seeks to fill the gap in statutory support that ends when individuals turn 23[7]. The programme has generated **significant demand (and associated revenue)**, which the grant holder believes has contributed to their enhanced resilience.

3.43 Grant holders generally believed that they would become more financially resilient in the future, particularly through the **diversification of income** and **increase in unrestricted income already achieved** (see outcomes above).

3.44 Resilience was pursued through various other means alongside new revenue streams. A grant holder interviewee reported that they expect to achieve resilience through **leveraging their social value to attract additional financial resources**. They expect their Social Value Impact study, conducted with the support of the grant funding, will serve as a key piece of evidence in future grant applications.

3.45 Some grant holders anticipated they would become more resilient in future by strengthening their **social capital and networking with other organisations**. One survey respondent explained that by enhancing their social capital, they anticipate that they will be able to attract valuable resources, both financial and non-financial**:**

"[It will] enhance our social capital to draw in resources (both financial and non-monetary programme resources, including knowledge acquisition / access to networks and influential leaders)."

Grant holder survey respondent

3.46 The case study organisation who successfully secured funding for the Ideas Fund (see Annex B for more detail) expected the relationships and networks formed to outlast the 2-year funded programme. As a result, it was anticipated that this longer-term partnership would

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[7] Self-Directed Support provides a personal budget to people who have been assessed as being in need of social care support, which can be arranged to be paid by a Trust to a service.

lead to **stronger resilience for the VCSE sector more widely,** by fostering collaboration and continuing the translation of ideas and knowledge from academia into VCSE organisations.

Capacity

3.47 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. For example, one case study grant holder explained that they had to scale back a key opportunity for income generation which their staff member employed through the grant funding had scaled up. This opportunity was expected to offer an alternative source of income for the organisation, but due to a lack of capacity and resources to effectively manage the opportunity once the funding had ceased (as the post did not become self-sustaining as originally envisaged), the opportunity was not able to be fully exploited.

3.48 That said, aside from recruiting new staff, there were other ways through which grant holders increased their capacity which have the potential to be experienced long-term. For example, some grant holders were able to improve their capacity by **streamlining systems and processes** (for example, through implementing more efficient electronic management systems), or developing their staff through **skills and knowledge development** activities, as described above.

3.49 In addition, increases in capacity have often been directed towards planning for the long-term, networking, and increasing visibility, and towards the development of new services or funding applications. If organisations are able to maintain the new systems, income streams and processes, then recruitment will have contributed to the organisations' sustainability.

"I would love to stay. My director is saying you're not going anywhere! My role is about sustainability."

Grant holder interviewee

Transformative change

3.50 Overall, as a result of the outcomes and impacts achieved (or expected), most grant holders felt that **the Grant Programme had resulted in transformative change for their organisation**. For example, one grant holder said they felt like a 'different charity' as a result of the grant, due to the change in both infrastructure and the cultural shift that occurred.

3.51 Others hoped that the grant would result in transformative change, although stated that this would likely take time to realise.

"Transformational change will take a long time. The 1% changes add up. It is too early to tell, but it is still my hope. The 1% quick wins keep you motivated along the way, and when you slowly start to see the changes you realise the impact, and it doesn't happen overnight. What was brilliant about this fund is that it is three years, so I think that has been really helpful."

Grant holder interviewee

3.52 However, one grant holder felt that the grant did not deliver transformative change, although they noted that from their perspective, they did not see this as the purpose of the grant. They applied for the grant to put in place the building blocks that would lead to transformational change. This was reflected by another grant holder, who acknowledged that a grant alone cannot generate transformational change for an organisation; they reported that there needed to be other blocks in place - notably, a culture receptive to transformation, a conducive socio-economic climate and political environment.

3.53 Perhaps unsurprisingly, the organisation who felt the programme had not delivered transformative change received a substantively smaller grant than other interviewees, and stated they had access to long-term funding resource.

4. Programme learning

4.1 This section outlines how grant holders and unsuccessful applicants defined the concepts of resilience and sustainability. It also sets out interim learning around what works in delivering grant-funded projects, alongside the key enablers and barriers experienced to both delivering projects and achieving outcomes. It draws on insights from survey responses, interviews and the case studies.

Reflections on resilience and sustainability

4.2 Interviewees were asked to reflect on what 'building resilience' and 'building sustainability' meant to them, in the context of the VCSE sector. Interviewees defined the two concepts in a variety of ways, but crucially, the evidence indicated a lack of consensus on the definition of either term (particularly the latter).

Resilience

4.3 Interviewees **largely defined resilience in relation to *financial* resilience**, and VCSE organisations' ability to *"make ends meet"*, particularly in relation to extenuating circumstances such as the Covid-19 pandemic and the cost-of-living crisis. One interviewee described financial resilience as a *"weak area for [our] sector,"* stating that organisations that focus on providing support to people and communities may be less experienced or less focused on ensuring their organisation is financially resilient:

"Financial resilience [is about] understanding cashflow, etc. [...] The need to be commercially astute, and understand marketing concepts, and tender writing, and e-commerce, and all of that. When you're people-focused, you tend not to give resourcing to that."

Grant holder interviewee

4.4 Another interviewee reflected on resilience in more general terms, and related it to their organisation's **preparedness for the future** and ability to *"weather the storm"* – not only in terms of funding, but also in the recruitment of staff (particularly voluntary staff) and other challenges facing the sector.

4.5 Other interviewees defined resilience as being related to **dynamism and flexibility**, and an organisation's ability to be responsive and agile in a challenging sector. In contrast with the views expressed above, one interviewee specifically noted that resilience should not be conceptualised as purely related to finance and funding:

"To me, nothing is ever going to be fixed because money is invested in it. We are operating in a very dynamic environment. Political uncertainty, several government collapses, cost-of-living crisis, challenges around availability of statutory funding which is declining in Northern Ireland

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- it is increasingly obvious that charitable trusts and foundations are overwhelmed and oversubscribed. Resilience means an organisation is dynamic and better able to respond to its external environment. [...] A one-off investment isn't going to fix an organisation for the future; it is down to organisational attitude and ability to be flexible and adaptable, and prepare for risks."

Grant holder interviewee

Sustainability

4.6 Several interviewees described sustainability as being **related to diversification**: diversification of income streams, diversification of business models, and even in some cases diversification of the service offered. However, a couple of interviewees also reflected that sustainability **required efficiencies to be made through cutting costs**, as well as generating additional unrestricted income. One of these signposted to a research piece on understanding sustainability by IVAR[8], which noted that definitions of sustainability carry a number of assumptions related to organisational survival, over-reliance on "balance sheets" and the use of the term as a "funder-led diagnostic".

4.7 Sustainability was also defined as a **process rather than an outcome.** An organisation may never "become" truly sustainable, but certain forms of support – such as grant funding – allow the resource and capacity to think more strategically and contribute to an organisation's sustainability process:

"One post won't keep us sustainable forever, but it frees up the time to seek other funds, and to have the time to invite people in, have a conversation, meet some of our people. Even the fact that we can never be wholly sustainable [...] It was great that [our funding is over] three years, all those things give you a bit of breathing space [...] It is an ongoing process."

Grant holder interviewee

4.8 This conceptualisation of sustainability as a process rather than an outcome was also linked by interviewees to the precarity and short-term nature of funding in the VCSE sector.

4.9 Some interviewees defined sustainability as being related to **revisiting and reflecting on an organisation's purpose and whether it is meeting the needs of its community**, including reflection on the overall relevance of the organisation. For example, one interviewee noted:

"Sustainability doesn't mean something should exist forever; it means that organisations take action to ensure that the needs of service users continue to be met."

Grant holder interviewee

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[8] https://www.ivar.org.uk/sustainability/

4.10 A number of grantees used the terms sustainability and resilience interchangeably, or saw the two concepts as intrinsically interlinked, as evidenced from one interviewee below:

"[Sustainability] is about changing business models. The nature of work they [VCSE organisations] do – e.g. mental health, addiction – is never self-sustaining, so will have to always rely on grants etc., but [increasing unrestricted income] should help them become more resilient."

Grant holder interviewee

What works and key enablers

4.11 Grant holders commented on learning around what works in delivering their grant funded projects, alongside key enablers which supported delivery and outcomes achievement. Many of these elements aligned with and built on learning from the first interim evaluation report, including a review of the evidence base around effective practice in achieving sustainability, resilience and capacity for VCSE organisations.

4.12 Grant holders responding to the survey reflected on factors which positively influenced their ability to deliver grant-funded projects and achieve subsequent outcomes (see **Error! Reference source not found.**).

Figure 4-1: Factors with the greatest positive influence on grant holders' ability to deliver grant-funded projects and/or achieve outcomes. Responses were not mutually exclusive. Excludes 'N/A' responses.
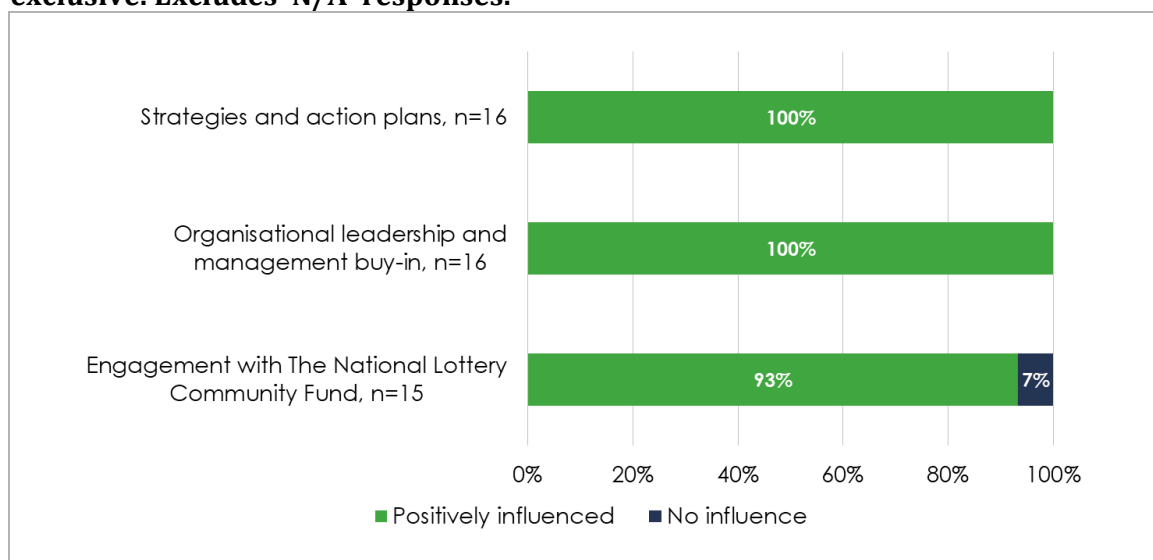
Source: SQW analysis of grant holder survey (Wave 2)

Project planning and internal engagement

4.13 **Internal organisational factors were most commonly identified by survey respondents as having positively influenced their ability to achieve outcomes**, which was consistent

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with Wave 1 findings. All grant holder survey respondents identified strategies and action plans, and organisational leadership and management buy-in, as positive influences.

4.14 Expanding on internal project planning processes, grant holder interviewees and case study participants reported that **setting clear and achievable aims and outcomes** was considered key to successful delivery. Grant holders felt that projects worked well when the overall aim of the project was clearly defined, with clear links to organisational challenges and priorities.

4.15 Alongside leadership and management buy-in, **involving existing staff in delivering project activities** was an important enabler to delivery. For one case study organisation, this was reported to have helped to secure buy-in to changes made due to grant funded projects, and supported skill development. It was also credited with ensuring staff were equipped with the necessary skills and knowledge to continue delivering project-related activities post-grant funding.

Learning for VCSE organisations: delivery of effective project planning processes

Case study learning indicates that effective project planning, from the beginning and throughout, can support more successful project delivery. This includes:

- **Setting clear and achievable aims and outcomes**. The Crescent Arts Centre, a case study organisation, reported that the overall aim of their project was clearly defined, and project activities were designed to address a specific challenge being faced by the organisation. The focus on delivering a 'tangible' output (i.e. a new product range) was reported to have offered a stimulating change from the organisation's usual focus on behavioural change.

- **Considering timelines (for implementation and outcome realisation) and sustainability planning at the outset.** Learning from Developing Healthy Communities, a case study organisation, suggests that it takes time for new roles and postholders to become embedded into an organisation, and for the benefits of strategic activity to be realised. Developing a timeline with flex, and ensuring adequate time for activities to be sustained, is key.

- **Maintaining a flexible approach to delivery.** The Crescent Arts Centre listened to the advice from external consultants to 'learn by doing,' rather than using resource to develop (a) strategic plan(s).

- **Aligning project activities to organisational strategic priorities.** The Cresent Arts Centre aligned their activities to their wider priorities, notably ambitions to become more responsive to the local community and tourists. This included commissioning the designs of local artists only – including the artwork of some organisational staff – to be used on the products they sold through their retail display.

- **Embedding activities to support resilience, capacity and sustainability into organisational plans.** Bolster Community, a case study organisation, has made a commitment to develop a marketing plan and further investment in sales and marketing activities on a planned and sustained basis. They have also committed to building on this work by exploring ways to further diversify funding; this is outlined in the organisation's 2025-2030 Strategic Plan.

Programme management

4.16 **Engagement with The National Lottery Community Fund was also highlighted as an important enabler** in delivery and outcomes achievement, and was identified by a higher

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proportion of respondents in this second Wave of the survey (93% in Wave 2 compared with 66% in Wave 1). Specifically, grant holders highlighted the following aspects of the programme, which were similar to those identified in the first interim evaluation report:

- **The flexibility of Grant Programme design**. Grant holders discussed how the flexible design of the programme allowed them to align their project delivery, and therefore subsequent outcomes achieved, to organisational priorities. This approach was valued by grant holders, and was often compared to other grant programmes whereby projects must align with more tightly defined criteria.

"A lot of the time, you have to fit the project to the programme, whereas [the Grant Programme] fits us and our needs. There isn't anything else out there which would fund something like this."

Grant holder interviewee

- **The flexibility of Grant Programme management.** Qualitative feedback from survey respondents and interviewees highlighted the importance of allowing flexibility to amend planned project activities/milestones during delivery. This ensured projects remained aligned with organisational needs and supported achievement of outcomes. For example, one case study organisation had planned to develop a strategic plan, but changed their approach following the advice of external consultants. This led to them focusing on 'learning by doing' rather than spending time and resource on planning. They felt they were supported by The National Lottery Community Fund to adapt their approach to one that better suited their needs.

- **Support from The National Lottery Community Fund Funding Officers**. The guidance and support from Funding Officers was frequently reported to be a key enabler to the delivery of projects (and subsequent outcomes) by interviewees.

Effective resourcing and skills

4.17 Increasing organisational capacity was often both an aim and desired outcome of the Grant Programme. Consistent with findings in the first interim evaluation report, grant holders considered **increasing internal resource to deliver projects** to be a key enabler in delivering wider activities. For some grant holders, this involved recruiting another member of staff to deliver specific activities according to organisational needs, and to free up time for other staff members to deliver activities to support organisational sustainability and resilience.

4.18 However, if organisations appoint another member of staff, and are seeking to retain this role post-funding, the evidence indicates that this needs to be **complemented with sustainability planning from the outset of the grant award**. Otherwise, it can result in capacity challenges when grant funding ends (see challenges below). While applications to the Grant Programme were expected to include income generation projections to cover salary costs (if the role was intended to be sustained longer-term), this income generation may not

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have necessarily materialised due to challenges in project delivery and impact (discussed in the next section).

4.19 Some grant holders also sought to increase organisational capacity through **training existing staff, to build their capacity to deliver planned project activities**. This approach was considered critical in ensuring staff could sustain and grow one organisation's new venture post-grant funding.

Learning for VCSE organisations: developing leadership and management capabilities

One case study organisation outlined how the grant funding had supported the development of leadership and management capabilities. Developing Healthy Communities used the grant funding to fund an Operations Manager, who implemented a number of new structures and processes, including training and development plans for staff. These included leadership and management qualifications for senior members of staff. One example included a senior staff member undertaking an ILM Level 5 Leadership & Management qualification, improving their leadership skills and developing their strategic thinking.

These new structures and processes were credited with:

- **Ensuring that the right conditions were created allow for new knowledge and capabilities to be put into practice by leadership and management staff**. This included protecting staff time for implementing change, investment into new technologies which facilitate change, or collaborating with other organisations experiencing similar challenges to benefit from their learning.

- **Embedding a continuous learning culture**, encouraging all members of staff (including those who may be future leaders) within the organisation to pursue training opportunities which are relevant to their role.

4.20 Grant holder interviewees and case study organisations emphasised the value of **bringing in the right skills to support delivery**. Expanding their skills and expertise was reported to have been key; this was consistent with insights from Wave 1 of the evaluation.

- For some, this was achieved through commissioning consultants to provide expert advice, support and/or training. For example, one case study organisation commissioned a retail consultant to support with sales development. This project activity was reported to have complemented other planned project activities, including digitisation, marketing and communications. Having the right skills to support the delivery of projects was considered by grant holders to be critical to their success.

- For others, it involved recruiting the right people for new roles to support delivery of grant funded projects. The importance of recruiting employees with the right skills, expertise and experience was emphasised by a case study organisation, who stated how the recruited individual's broad ranging knowledge and skills across many functional areas, ability to learn quickly, and ability to think strategically were all central to successful project delivery.

Relationships and collaboration

4.21 For some grant holders, **strengthening their existing engagement with partners and/or engaging in new collaborations and networks** enabled progress. This activity was often complemented by increases to internal capacity - either through recruitment or upskilling existing staff. For example, one interviewee (whose role is grant-funded) engaged widely with stakeholders in the tourism sector to develop relationships and promote the organisation. This engagement also led the organisation to implement changes such as extending opening hours, which was reported to have generated additional income. Collaboration was also important for one of the case study organisations who, with the support of an external consultant, launched a new service during the grant-funded period in partnership with a Health and Social Care Trust.

4.22 **Grant holders typically reported engaging with organisations from other sectors, rather than other organisations within the VSCE sector.** While the first interim evaluation report found evidence that this was as a result of a sense of competition, this was not evident in this second Wave of evaluation activity. When asked about collaboration with others in the sector, most grant holders said they did not do so because it did not fall within the remit or scope of their projects. This reflects learning from the grant holder survey; when asked about challenges, no respondent in Wave 2 said they were seeking to address challenges in networking or engaging with other VCSE organisations.

4.23 There was some evidence of collaboration across the sector, although this was collaboration focused on delivery, rather than collaboration to directly support organisational sustainability or resilience. One of the case study organisations collaborated with another VCSE organisation (also a Dormant Assets NI grant holder) following several workshops held by The National Lottery Community Fund to share learning between Dormant Assets NI grant holders. The organisations have collaborated on a project to integrate arts and culture in addressing health challenges.

Learning for VCSE organisations: relationship building and partnership working

Case studies highlighted that successful delivery of project activities can be supported through strong relationships with partners, and the development of new collaborations. **This can include with stakeholders from other sectors,** which can lead to improved organisational visibility, knowledge transfer and new opportunities. This was enabled by increasing internal capacity, including through recruiting specialists, or through upskilling existing staff in stakeholder engagement skills.

For example, Bolster Community (a case study organisation) has forged strong relationships with Southern Health and Social Care Trust to deliver programmes focused on diversifying income sources. This was supported by an increased focus on external facing business development and marketing activity. They emphasised that this was especially important for organisations which provide support to the community and may otherwise neglect this element in lieu of service provision. Their business development and marketing activity was supported by adopting a hybrid approach involving a mix of consultancy/bought in support and part-time in-house roles.

Partnership working can also involve other VCSE sector organisations, to share knowledge or collaborate on project delivery, bringing mutual benefits (e.g. to support shared income generation). For example, Developing Healthy Communities (a case study organisation) funded an Operations Manager who supported their Chief Executive to secure funding and deliver activity for the Ideas Fund regional partnership in NI. The new regional partnership is a c.£90k collaboration between Developing Healthy Communities, Ulster University and the North West Community Network (a VCSE network), who are working together to foster partnerships between community groups and academia, in an effort to support more equitable practice across the VCSE sector.

Engaging with wider programme activities, like The National Lottery Community Fund's learning events, can support the generation of new connections with other VCSE sector organisations. Following attendance at an online workshop in late 2022, Developing Healthy Communities developed new connections with the Derry Playhouse (another Dormant Assets NI recipient) leading to collaboration in its Creative Healthy City work to integrate arts and culture in addressing health challenges.

Challenges and barriers

4.24 Alongside what works, grant holders also outlined a range of challenges or barriers, both to the delivery of their planned projects and the subsequent outcomes achieved. Survey

respondents identified specific factors which had the greatest negative influence on their ability to both deliver projects and achieve outcomes (see Figure 4-2).

Figure 4-2: Factors with the greatest negative influence on grant holders' ability to deliver grant-funded projects and/or achieve outcomes. Responses were not mutually exclusive. Excludes 'N/A' responses.
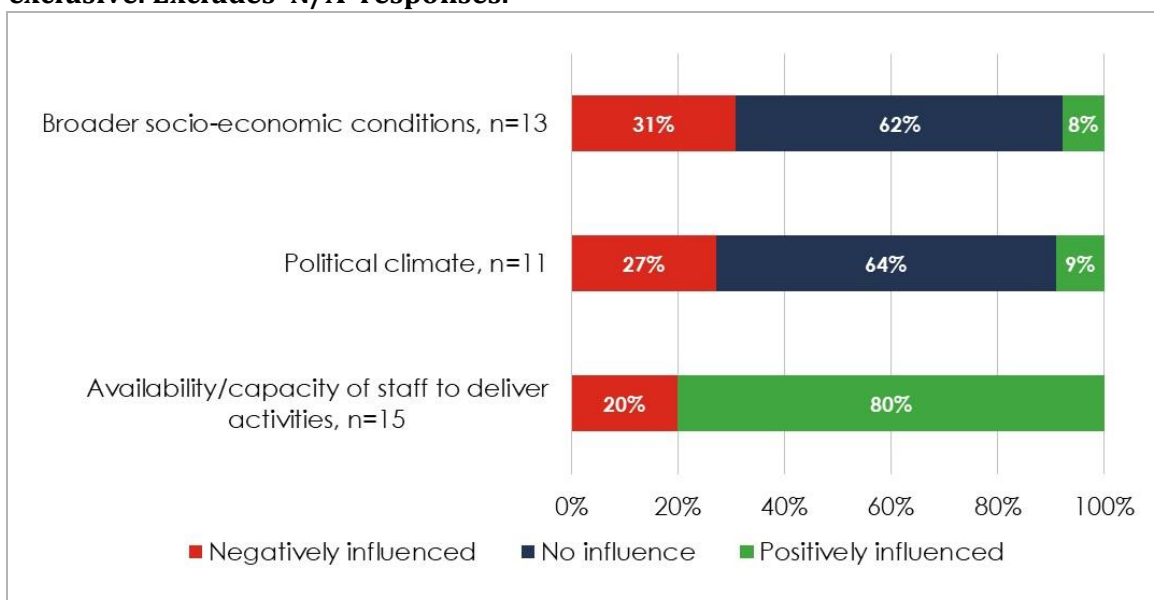
Source: SQW analysis of grant holder survey (Wave 2)

External contextual factors

4.25 Consistent with findings from the Wave 1 survey, **external contextual factors outside of the grant holders' control were deemed to have had the greatest negative influence on their ability to deliver projects and achieve outcomes**. These included broader socio-economic conditions (31%) and political climate (27%). However, a greater proportion of respondents said these two factors had no influence (62% and 64%).

4.26 The influence of external factors was explored in more detail with interviewees. For example, one interviewee noted the difficulties they faced recovering from the Covid-19 pandemic, and more recently, the impact of the increase in employer National Insurance contributions announced by the UK Government in the 2024 Autumn Budget.

Time and resourcing

4.27 The **availability/capacity of staff to deliver project activities** (20%) was the third most frequently identified challenge to achieving outcomes by grant holder survey respondents, although it was notable that a significantly greater proportion of respondents felt that this had a positive influence on their ability to achieve outcomes.

4.28 Grant holders facing these issues elaborated on them. As noted in Chapter 2 of this report, resourcing constraints have led to some organisations facing **challenges in delivering to**

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initial timescales. As a result, they have had to review and increase their timescales for delivery. Several grant holders reflected that they did not fully understand the time it would take to deliver their project. One case study organisation reflected on the importance of setting timelines which enable staff with limited time to contribute to delivering project activities.

Recruitment

4.29 For those organisations who intended to appoint new staff (e.g. Business Development Manager, Marketing and Communications Officer), **recruitment was a common challenge**. Grant holders explained that recruitment is a wider issue facing NI's VCSE sector, with a limited pool of candidates with the required expertise/skillset. At a programme level, this existing issue was exacerbated by the fact that multiple projects were seeking to recruit for similar roles and skills at the same time. For several grant holders, this meant they had to either extend the recruitment period, or engage with external consultancies and/or recruitment agencies (which incurred costs).

4.30 One grant holder reflected on the challenges of recruiting the right person for the role. They mentioned how they had recruited for a role, but that the person recruited was not entirely suitable, as they did not have a good cultural understanding of how the VCSE sector operated. As a result, this postholder required significant mentoring, which reduced the capacity of more senior staff members (instead of freeing up their time). The individual has since left the post, and the organisation is now seeking to recruit a replacement, informed by learning from the first instance.

4.31 However, there are examples of grant holders mitigating against recruitment challenges. Barriers to recruitment were faced by one of the case study organisations who had planned to recruit a Business Development Manager. In response to unexpected challenges they adapted and took a hybrid approach – bringing in external consultant support and hiring a part-time Communications and Marketing Manager - which was reported to have been effective in achieving outcomes. The learning regarding this approach to overcoming recruitment challenges was also shared with other VCSE organisations.

4.32 One survey respondent shared a similar experience, whereby they had acquired interim resource before finding a suitable person for the role.

"We have had significant delays due to recruitment challenges. However we were able to put an interim staffing solution in place which increased our capacity whilst we continued to try to recruit. This minimised the impact of the delay and gave us space to re-evaluate the role before attempting to recruit again. We have now recruited to an amended role and [the] candidate is due to start in two weeks."

Grant holder survey respondent

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Learning for VCSE organisations: investment in skills and training

The case studies exemplify that project delivery can be supported with the right skills, knowledge and buy-in. This can include through:

- **Bringing in required skills to support delivery**. If internal skills are lacking, projects can be supported through commissioning consultants to provide expert advice, support and/or training, or recruiting staff with specialist skills. If the latter, it is important that new recruits are cognisant of the nuances of applying skill sets within the VCSE sector. The Developing Healthy Communities case study highlights how the Operations Manager (whose post was funded by the Grant Programme) brought broad ranging knowledge and skills across many functional areas, as well as an ability to learn quickly and think strategically, all of which were deemed critical to the outcomes realised.

- **Involving existing staff in delivering project activities**. While their capacity needs to be considered, this approach can help to support buy in and engagement, alongside upskilling existing staff. This was an approach adopted by The Crescent Arts Centre, which invited all full-time staff to participate in the product development process for its new retail display. This supported buy-in to the grant funded project, and post-grant is expected to support staff commitment to the new venture.

- **Increasing internal resource to deliver projects**. Training existing staff to build their capacity to deliver on planned project activities could work better than recruiting new staff when seeking to increase internal capacity. The evidence indicates that this approach is more likely to be sustainable for organisations over the long term. This learning is consistent with the wider evidence base[9]. If new staff are employed to increase internal resource, this needs to be done alongside a sustainability plan for the role. As part of the Developing Healthy Communities project, the Operations Manager worked with DHC's existing staff to create learning and development plans and then supported staff to undertake relevant training, in turn enhancing their longer-term organisational capacity.

Private sector engagement

4.33 Some grant holders sought to build relationships via the private sector. However, a couple of grant holders noted **barriers to engaging with corporate partners**. In one case, the organisation had anticipated a greater level of interest from corporate partners than it

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ultimately received. In another case, the grant holder stated that corporate partners they engaged with expected access to the CEO or another senior staff member.

Challenges to achieving impacts in future

4.34 Grant holders also 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.** This included securing funding to retain staff who were recruited using the grant, alongside funding requirements to support new ways of working. Some evidence suggested that long-term sustainability was not fully planned for when applying for the grant. For example, one survey respondent noted:

"We will require further funding to finance the Business Development Manager role as it is currently funded for 24 months only."

Grant holder survey respondent

4.35 One case study organisation illustrated this challenge in more detail. They appointed a full-time Operations Manager using the grant funding. The Operations Manager modernised a number of organisational policies and processes, and also freed up the Chief Executive's time for strategic activities (such as engagement with key stakeholders). However, the case study organisation reflected that funding the Operations Manager post for a longer period may have enabled to role to become self-sustaining, by providing more time for the postholder to further develop income streams for the organisation. As this was not possible, the role ended, causing subsequent capacity challenges for the organisation.

4.36 Linked to this, some grant holders sought to generate income through accessing additional funding pots, thereby seeking to diversify their income profile, rather than seeking to increase their own unrestricted income. Accessing additional grant funding was often a by-product of increased capacity as a result of the Grant Programme, rather than a stated aim. However, as indicated in Chapter 3, while those who successfully achieved additional grant funding have improved their short-term resilience, it is not clear as to whether this will help deliver longer-term financial resilience. These grants are typically restricted and time limited which increases the risk to organisational sustainability.

4.37 However, some grant holders reflected on the need to diversify their own funding streams going forward, which is likely to be supported by their experience of the grant.

4.38 Other factors identified by grant holders included:

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[9] See following link for more information: https://www.sqw.co.uk/about-us/news/DAF_Evaluation_Blog

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- **The need to improve networking**, including with other VCSE organisations. One grant holder survey respondent stated they needed to be more proactive at networking and engaging in peer learning opportunities. Another survey respondent hoped to share learning with other similar organisations, including in neighbouring villages.

- **The need for further training and knowledge development**, for example, to develop knowledge about public procurement. One survey respondent noted that ongoing skills development is necessary to support the longevity of their organisation.

4.39 In addition, one grant holder commented on the need for commissioners and funders to ensure that funding programmes were appropriate for organisations they were seeking to support, and reflect their specific needs and challenges. This suggests that **the Grant Programme approach of flexibility for individual organisations remains appropriate**. Consistent with learning at the beginning of this section, to make progress towards improving sustainability, resilience and capacity, it is also important that the VCSE sector understands these terms, and that there is support to ensure they can be applied to meet individual organisational needs and challenges.

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Learning for VCSE organisations: building unrestricted funds through income generation and cost reduction

Increasing income generation (e.g. through selling products, monetising events) can be effective in achieving a sustainable flow of unrestricted income. This was exemplified by case study evidence. Two case study organisations sought to generate income through product sales, and have been successful in doing so. They both used the grant funding to build their capacity in relevant sales skills (e.g. marketing and branding), and both expected to be able to grow their sales further going forward.

- Bolster Community brought in sales development expertise using a hybrid approach, commissioning a retail consultant and hiring a part-time Communications and Marketing Manager. These roles supported the development of the Bolster Buddies service, aimed at promoting independence and improving life skills for young people. The service now generates an income of £150,000 for Bolster Community. They also began to offer evidence-based training programmes for parents and children, which has raised £300,000 of additional income. They reported that their generated income now accounts for 68% of their overall income (an increase from around 30%).

- The Crescent Arts Centre has developed a small retail display to provide another source of unrestricted income for the organisation. The display includes products developed by local artists, such as postcards, notebooks, tote bags and art materials for sale. This was supported by consultancy support which was funded through the grant. Whilst modest to date (c. £5k in aggregate), the shop is already generating an income for The Crescent which can be reinvested into the organisation. Looking forward, the ambition is to increase sales through an online shop on their website which will have a broader product offer.

Reducing costs and creating a more efficient organisation is another route to building unrestricted income. For one grant holder, the Grant Programme funded a Business Development Manager post, who has reviewed the organisation's supplier base, identified opportunities for savings, and introduced accounting processes which provide greater financial transparency.

While those who successfully achieved additional grant funding improved their short-term resilience, it was not clear as to whether this will help deliver longer-term financial resilience. Case study learning indicates that sustaining the delivery of activities associated with any new grant funding pots can be particularly difficult if staff employed to generate this type of income are no longer in post.

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5. Interim reflections

5.1 This report has sought to identify interim learning around what works and emerging outcomes and impacts of the Grant Programme. Reflections on the key research questions relating to these themes are summarised in this section, alongside an overview of gaps and further lines of enquiry to explore in the final phase of the Grant Programme evaluation.

Reflections

Motivations, project delivery and what works

5.2 Organisations applied to the Grant Programme typically to help tackle financially based challenges, with issues in generating and diversifying income, and some grant holders seeking to offset reductions in funding or public donations. These issues are largely reflective of the current socio-economic context for VCSE organisations in NI. They reported feeling more financially vulnerable following reduced Covid-19 related funding sources, the collapse of the NI Executive and increasing cost of living pressures. Recruitment was also a challenge motivating applications, given the short-termism of funding across the sector. VCSE organisations also experienced a lack of time or resource to conduct strategic planning activities, often focusing on 'firefighting' immediate challenges rather than planning to address longer-term strategic priorities.

5.3 The range and nature of project activities varied and broadly mirrored the challenges that grant holders hoped to address. This is not surprising, given the flexible nature of the Grant Programme which directed grant applicants to consider what project activities would best meet their individual challenges. However, the proportion of grant holders who said they were undertaking activities designed to increase unrestricted income and diversify income streams increased substantially between Wave 1 and Wave 2 of the evaluation.

5.4 While sample sizes were small, and therefore caution needs to be taken in interpreting these findings, they *could* be attributed to two key reasons. The first is that when reviewing applications, The National Lottery Community Fund may have put a greater emphasis on increasing resilience through unrestricted income sources (than, for example, recruiting new staff to deliver projects, due to learning from recruitment challenges experienced by earlier grant holders). Additional guidance was issued by The National Lottery Community Fund during the Grant Programme application window, and the requirement for applications for grants over £40k to submit a business plan was introduced part-way through programme application window. The second is that the challenging financial context, as described above, is likely to have put organisations under increasing pressure to source funding from non-public sector or grant sources.

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5.5 Evidence from this second interim report extends learning from the first around what works well in delivering grant funded projects, which other VCSE organisations may learn from. These factors centre on:

- Delivering effective project planning processes, including setting clear and achievable aims and outcomes, considering timelines and sustainability planning at the outset, maintaining a flexible approach to delivery, aligning project activities to organisational priorities, and embedding activities to support resilience, capacity and sustainability into organisational plans

- Ensuring adequate skills and resourcing, including bringing in required skills to support delivery, increasing internal resource to deliver project activities, and involving existing staff in delivering project activities

- Building relationships and collaborating, including with existing partners or via new networks

- Developing leadership and management capabilities, through implementing training and development plans for leadership

- Generating income and/or reducing costs to build unrestricted income.

5.6 Encouragingly, the findings around project activities delivered (and factors which work well) align with many findings from the evidence base of effective practice identified in the first interim evaluation report[10]. The key exception relates to demonstrating organisational impact and social value, of which there has been limited evidence to date around what works. There was also limited evidence emerging from grant holders regarding investment in volunteer recruitment and training (although this was mentioned by at least one grant holder).

5.7 There were a few notable findings which emerged from the evidence around what works. Recruiting a new member of staff to bring in skills and increase internal resource does not necessarily work well in all cases; if the new staff member does not have the necessary skills they can require time for support, reducing internal resource. Training existing staff or bringing in external experts to build capacity to deliver project activities can work better, and the emerging evidence indicates that organisational capacity is more likely to be sustained.

5.8 In addition, contrary to findings in the first interim report, the issue of competition being a key reason for a lack of collaboration with other VCSE organisations did not emerge from this cohort of grant holders. Instead, the lack of collaboration with peers was attributed to a

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[10] The effective practice identified included the diversification of income sources, the delivery of strategic, operational and financial planning, investment in staff recruitment and training, relationship building and partnership working, and demonstrating organisational impact and social value.

perceived lack of any need to do so for their grant funded project. The potential benefits of this could perhaps usefully be highlighted to the sector, to raise awareness of this as a possible area of focus.

5.9 However, significant challenges to the delivery of grant funded projects have remained consistent with those identified in the Wave 1 fieldwork, including the socio-economic conditions outlined above. Grant holders also cited challenges in terms of the availability and capacity of their staff to deliver their project activities, with many underestimating the resource implications of the funding.

5.10 Notably, for those seeking to recruit new staff to deliver project activities, the ability to recruit was a significant barrier to delivery, although some sought to mitigate this through bringing in consultancy support instead. The fact that multiple organisations in receipt of grant funding were seeking to recruit similar candidates at the same time meant that demand for certain skills (e.g. Business Development in a VCSE context) outweighed the supply of labour with relevant skills. The National Lottery Community Fund may wish to consider if they can further support organisations presenting with similar needs on future programmes (e.g. provision of bespoke expert advice to help determine the most impactful use of grant funding, perhaps followed by advocating for job sharing and/or offering capacity-building support across organisations).

5.11 As a result, progress for some grant holders has been slower than anticipated – since May 2024, eight organisations have formally adjusted the length of their projects in agreement with The National Lottery Community Fund, to deliver over a longer period of time.

Emerging outcomes and impacts

5.12 The Grant Programme has continued to be successful in generating outcomes for VCSE organisations in receipt of grant funding, most commonly through the development of new ways of working, improving staff knowledge, skills and confidence, and the generation of new income streams. On the latter, while some new income streams generated were reported to be small scale, often it was the proportion of unrestricted income relative to grant-sourced income and its potential going forward that was seen to be the key outcome, rather than the amount of unrestricted income generated to date.

5.13 Positively, there is emerging evidence of progress towards, and achievement of, the key anticipated impacts of the Grant Programme. Grant holders reported:

- Improved sustainability, including as a result of improvements in internal processes

- Increased resilience, through increasing unrestricted income, leveraging their social value and networking with other organisations to attract financial and non-financial resources

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- Increased capacity, through streamlining systems and processes, and recruiting and/or developing staff.

5.14 Where grant holders had not yet experienced positive impacts, generally, they expected to in future.

5.15 The evidence indicates that outcomes experienced are often mutually reinforcing. For example, the development of new ways of working has led to operational efficiencies and improved relationships; increased visibility on social media has led to increased opportunities for income generation; and the development of new strategies and processes has resulted in improved skills at leadership level.

5.16 It is important to note however that the achievement of outcomes has varied, based on both how projects have been delivered and organisational characteristics. For example: according to survey responses, those operating across NI and who were based in Belfast were more likely to have generated new income streams (although sample sizes are small at this point, and will continue to be monitored during the final Wave of the evaluation). While The National Lottery Community Fund prioritised funding for organisations from underrepresented areas and sectors, there remained challenges in engaging rural organisations (which are typically smaller) with projects focused on longer-term sustainability. The Access to Resilience programme has been designed with this in mind, funding support organisations to improve access to the help they provide to small, underrepresented VCSE groups in NI[11].

5.17 Grant holders also experienced outcomes which were unexpected. The scale of outcomes achievement was often reported to be unexpected, with some grant holders noting that grant funded projects had exceeded their expectations in terms of the outcomes generated. More broadly, unexpected outcomes experienced by grant holders tended to be softer, less measurable outcomes including changes to organisational culture and enhanced professional relationships.

5.18 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. Outside of self-reported evidence, the experience of unsuccessful applicants also points to causal links between the grant funding and outcomes achieved. Unsuccessful applicants had largely been unable to progress planned projects without the grant funding, although some did use other sources of income to try to progress some project activities (including from other grant sources, in-kind support and earned income). This means that

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[11] See following link for more information: Access to resilience | The National Lottery Community Fund

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any outcomes have also taken longer to achieve, are of lower quality, or are smaller scale than anticipated if they had been grant funded.

5.19 However, it is not clear whether grant holders will be able to sustain impacts achieved as a result of recruiting new staff to deliver grant funded projects. Indeed, some have already struggled to do so, having to scale down project activities focused on sustainability and resilience as a result of being unable to sustain funded posts after the grant funding ended.

5.20 It is important to note that those contributing to the evaluation conceptualised and defined 'resilience' and 'sustainability' in a range of ways. Therefore, their understanding of success against these desired impacts may not completely align with the evaluation's assessment of programme success.

5.21 While there is a lack of consensus on how resilience and sustainability are defined, this may not necessarily be a negative finding. Using funding to address what an individual organisation considers sustainability and resilience to look like is in keeping with the Grant Programme's approach to funding projects which meet organisational needs. It may be useful for The National Lottery Community Fund to consider whether future programmes should continue to enable organisations to define what improved sustainability and resilience looks like for them, or whether further advisory support may be useful to help organisations identify the best routes to improve resilience and sustainability.

Next steps

5.22 This report presents interim evaluation evidence for the Grant Programme based on the second Wave of data collection activity. This has uncovered some gaps in the evidence base and further lines of enquiry which the final Wave of evaluation activities will aim to address. These include:

- Further details regarding any variations by organisation type, size or geography in delivery and outcomes achieved. A full dataset will increase the scope to identify any patterns or trends across the full cohort.

- Additional learning around the effectiveness of recruiting new staff to deliver projects. The current evidence is mixed, and somewhat contradictory. The next phase of evaluation activity will seek to explore the differences in outcomes achieved for those who used the grant funding to employ new staff members, and those who did not.

- The extent to which grant holders considered using additional income generated to build healthy reserves, or to reduce reliance on grants for existing work. Evidence to date indicates that additional income generated has largely been used to support further growth.

- Whether organisations have sought to revisit their staffing model in light of efficiencies generated. Feedback from grant holders has largely focused on income generation to support sustainability and resilience, alongside some (more limited) indication that organisations have created efficiencies and cut costs. However, it is not clear whether those efficiencies have led to cost savings in terms of staffing.

- Learning in relation to the skills and knowledge required to develop partnerships with private sector organisations, including the relative benefits associated with pursuing these partnerships against the resource requirements from VCSE organisations.

- Further exploration of the extent to which collaboration was considered or pursued by grant holders, and the barriers to collaboration with other VCSE organisations.

- How (and to what extent) the Grant Programme has supported: the development of leadership and management capabilities; demonstrable impact measurement and social value; and investment in volunteer recruitment and training. Evidence to date has been limited in these areas.

- How grant holders evidence the outcomes and impacts they have reported. While these have been articulated and self-reported in this report, it is unclear whether these outcomes are being systematically measured and captured by organisations.

5.23 The next Wave of evaluation activity will begin in February 2025, culminating in a final report in May 2025.

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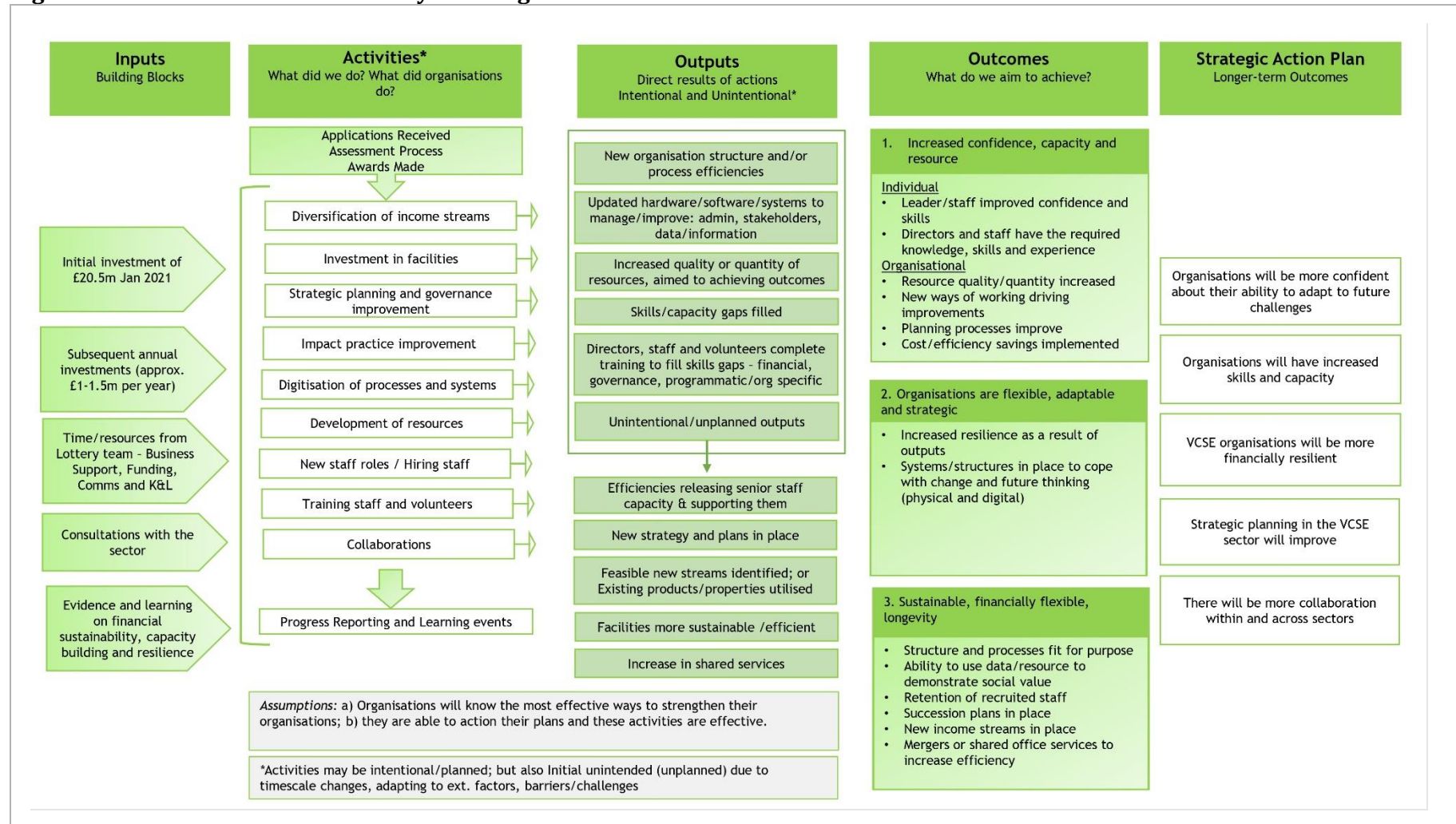COMMUNITY FUND

Annex A: Methods

Approach overview

A.1 This evaluation follows a theory-based approach, using the programme's Theory of Change (ToC) presented in Figure A-1 overleaf. The approach intends to explore the extent of changes generated by the programme and why and where the change occurs (and whom for). This approach is underpinned by realist evaluation principles, seeking to understand 'what works, for whom and in what circumstances.'

A.2 This interim evaluation has followed a mixed methods approach, drawing on both quantitative and qualitative data.

A.3 Evaluation data collection is being undertaken in three 'waves,' to ensure that enough time has passed since grant award or application submission to explore learning and impact, and to feed into the three reporting phases. This second interim evaluation primarily considers data relating to organisations within 'Wave 2', defined as those which received funding (or submitted their latest unsuccessful application) between February and June 2023.

A.4 The table below provides a breakdown as to the number of organisations per Wave of data collection.

Table A-1: Population size per data collection Wave

Wave	Number of grant holders	Number of unsuccessful applicants
Wave 1 (January 2021 – January 2023)	146	273
Wave 2 (February 2023 – June 2023)	40	103
Wave 3 (July – September 2023)	58	N/A

Source: SQW analysis of unsuccessful applicant and grant holder data

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Figure A-1: Dormant Assets NI Theory of Change

| Inputs
Building Blocks | Activities*
What did we do? What did organisations do? | Outputs
Direct results of actions
Intentional and Unintentional* | Outcomes
What do we aim to achieve? | Strategic Action Plan
Longer-term Outcomes |
|---|---|---|---|---|

Inputs – Building Blocks
- Initial investment of £20.5m Jan 2021
- Subsequent annual investments (approx. £1-1.5m per year)
- Time/resources from Lottery team – Business Support, Funding, Comms and K&L
- Consultations with the sector
- Evidence and learning on financial sustainability, capacity building and resilience

Activities*
Applications Received / Assessment Process / Awards Made
- Diversification of income streams
- Investment in facilities
- Strategic planning and governance improvement
- Impact practice improvement
- Digitisation of processes and systems
- Development of resources
- New staff roles / Hiring staff
- Training staff and volunteers
- Collaborations

Progress Reporting and Learning events

Outputs
- New organisation structure and/or process efficiencies
- Updated hardware/software/systems to manage/improve: admin, stakeholders, data/information
- Increased quality or quantity of resources, aimed to achieving outcomes
- Skills/capacity gaps filled
- Directors, staff and volunteers complete training to fill skills gaps – financial, governance, programmatic/org specific
- Unintentional/unplanned outputs
- Efficiencies releasing senior staff capacity & supporting them
- New strategy and plans in place
- Feasible new streams identified; or Existing products/properties utilised
- Facilities more sustainable /efficient
- Increase in shared services

Outcomes

1. Increased confidence, capacity and resource

Individual
- Leader/staff improved confidence and skills
- Directors and staff have the required knowledge, skills and experience

Organisational
- Resource quality/quantity increased
- New ways of working driving improvements
- Planning processes improve
- Cost/efficiency savings implemented

2. Organisations are flexible, adaptable and strategic
- Increased resilience as a result of outputs
- Systems/structures in place to cope with change and future thinking (physical and digital)

3. Sustainable, financially flexible, longevity
- Structure and processes fit for purpose
- Ability to use data/resource to demonstrate social value
- Retention of recruited staff
- Succession plans in place
- New income streams in place
- Mergers or shared office services to increase efficiency

Strategic Action Plan
- Organisations will be more confident about their ability to adapt to future challenges
- Organisations will have increased skills and capacity
- VCSE organisations will be more financially resilient
- Strategic planning in the VCSE sector will improve
- There will be more collaboration within and across sectors

Assumptions: a) Organisations will know the most effective ways to strengthen their organisations; b) they are able to action their plans and these activities are effective.

*Activities may be intentional/planned; but also Initial unintended (unplanned) due to timescale changes, adapting to ext. factors, barriers/challenges

Source: The National Lottery Community Fund, Dormant Assets Theory of Change

Research questions

A.5   The full evaluation is seeking to answer the following research questions[12]:

- What types of organisations applied for, and what type of organisations received, Grant Programme funding in NI? How do these profiles compare?

- What did organisations applying to the Grant Programme hope to achieve? To what extent were motivations reflective of the changing socio-economic context for VCSEs in NI?

- How effective were the processes and criteria for allocating funding?

- What is the range and nature of project activities that have been delivered using Grant Programme funding? How have these varied by organisation size, geography, grant size or theme? What has worked well/less well?

- To what extent do the Grant Programme and funded project activities reflect the wider evidence base of effective practice?*

- To what extent have organisations actioned their planned activities? What factors have helped or hindered this?

- To what extent has the Grant Programme supported organisations to achieve outputs/short-term outcomes (including improved capacity, resilience and sustainability)? To what extent are these evidenced? Has achievement varied in any way?

- To what extent would outputs/short-term outcomes have been achieved without funding from the Grant Programme?

- What enablers and barriers have influenced the achievement of outputs/short-term outcomes?

- To what extent have unsuccessful applicants made progress towards intended outputs/short-term outcomes without Grant Programme funding? What has enabled this if so?

- What can the Grant Programme do (either now or in the future) to support the achievement of outputs/short-term outcomes?

- Do organisations expect to achieve longer-term impacts in future?

Data sources

A.6   This evaluation collates and analyses evidence from a number of different sources, including:

- An **updated analysis of programme management data** for grant holder organisations

- **Two online surveys**:

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[12] Research questions have been updated to reflect the change in programme name

> ➢ With **grant holders** who were awarded a grant between February and June 2023[13]. The survey received 17 responses (15 complete and two useable partial responses), representing a 43% response rate.

> ➢ With **unsuccessful applicants** who applied for a grant but were not successful by application close (March 2023). The survey received 17 responses (15 complete and two useable partial responses), representing a 17% response rate.

Surveys were issued in late September 2024 and were open for three weeks. The surveys collected data in relation to motivations for application, types of project activities planned or being undertaken, and outcomes being achieved (or expected). Questions asked were similar to those asked in the first Wave of evaluation activity, to enable comparison.

- **Follow-on semi-structured online/telephone interviews** with four grant holders and three unsuccessful applicants, sampled and recruited through the online survey, and conducted in October-November 2024. Interviews built on themes identified in the survey in greater depth. Where shared by grant holders, programme reports were also reviewed.

- **Case studies** with three grant holder organisations who had either completed or had nearly completed grant-funded projects (all three case study organisations had been awarded a grant before February 2023). Case studies focused on outcomes, impacts and learning, and involved 2-4 interviews with organisational staff, and a review of key documentation. Case study organisations were identified by both SQW and The National Lottery Community Fund to demonstrate learning.

- **Findings from previous phases of the evaluation** (scoping and the first interim phase), which included online surveys and interviews with grant holders and unsuccessful applicants, interviews with The National Lottery Community Fund representatives and key stakeholders, and a rapid review of wider evidence.

Approach to data analysis

A.7 Linking data between sources – monitoring data, online survey responses, interview data and case studies – allowed for data to be analysed in combination with one another, to generate greater evaluation insight.

A.8 The results from the grant holders' and unsuccessful applicants' online surveys were exported from Smart Survey software into Excel. Duplicate or insufficiently completed responses were excluded. The responses were then matched to application and grant monitoring data, with organisation names as the unique identifier. This process enabled the analysis of survey responses based on totals and percentages for each survey question, as well

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[13] One grant holder responding to the survey was awarded a grant before February 2023, but was included in this Wave given a later expression of interest in evaluation engagement, following the evaluation webinar held in October 2024.

as key monitoring data characteristics (including geography and rurality, organisation type, size and sector).

A.9 Linking application data with survey responses allowed for the use of disproportionate stratified sampling in interview recruitment. This approach enabled the selection of interviewees based on organisational characteristics, ensuring a diverse representation of organisations within the sample. Criteria used to sample included geography, organisation type, organisation size, and VCSE sub-sector.

A.10 Interview and case study notes were analysed using MaxQDA software, which allowed text to be systematically tagged with agreed codes in order to identify common themes and reveal any emerging relationships in the data – thereby helping to ensure that our analysis is objective, comprehensive and auditable. Case studies were also written up to provide a narrative overview of key findings (see Annex B).

Annex B: Case studies

Bolster Community

Case study summary

- Bolster Community is a charity and social enterprise based in Newry and Kilkeel, which offers a range of support to the local community around three key workstreams – Ability (supporting children and young people of mixed ability), Family (supporting parents and families) and Seniors (supporting older people in the community).

- Bolster Community secured £100,000 funding from the Dormant Assets NI programme to diversify their income streams and strengthen their expertise in business development and marketing, via the recruitment of a Business Development Manager.

- The funding was awarded for the March 2022 – March 2025 period. In response to difficulties in recruiting a Business Development Manager, Bolster Community adopted a hybrid approach, bringing in sales and enterprise expertise via a retail consultant, and strengthening their marketing offer via the recruitment of a part-time in-house Communications and Marketing Manager.

- The funding also played a central role in supporting the delivery of the Bolster Buddies programme, which launched in May 2022. This is a Self-Directed Support (SDS)-funded service that provides Short Break Opportunities - young people with additional needs are supported to make candles for Bolster Community's ACORN social enterprise, while receiving support to promote their independence and improve their life skills. This hybrid approach – referred to by the organisation as "Candles & Care" – enabled the organisation to generate income while also providing support.

- As a result of the Dormant Assets NI funding and related programmes of activity, Bolster Community reported that their generated income (through Short Break Opportunities, ACORN and training programmes for parents and children) now accounts for 68% of their overall income, while previously this had been c30%. They also report significant growth in their social media reach. Bolster Community staff members highlighted the opportunity to focus on sustainability and longer-term growth as a key outcome brought about as a result of the grant funding.

Introduction

B.1 Bolster Community (previously known as Space NI) is a charity and social enterprise based in Newry and Kilkeel, which has been operating for 20 years. It provides support across three key workstreams – **Ability** (focused on supporting children and young people of mixed ability, including neuro-diverse young adults and young adults with learning disabilities), **Family** (focused on providing practical and therapeutic support to parents and children) and **Seniors** (focused on providing dedicated support to older people to tackle social isolation).

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They provide a range of support services across these three workstreams, in addition to running a social enterprise, ACORN. ACORN aims to generate profit for the charity via the sale of candles, diffusers and soaps, which are made by young adults with learning disabilities as part of a day opportunity, or 'Short Break Opportunity' service (Bolster Buddies) offered under the Ability workstream.

B.2   The organisation is funded through local Health and Social Care Trusts and other organisations buying their services, alongside grant funding, and generated income through programme and retail sales.

B.3   This case study is based on interviews with four members of staff at Bolster Community, conducted during an in-person visit to their Newry premises in November 2024, and a review of relevant documentation including Bolster Community's 2024/25 Annual Impact Report, their Strategic Plan 2025-2030, their Dormant Assets NI funding application and two progress reports, and evaluation survey response.

Delivery

B.4   Bolster Community's key aim for the Dormant Assets NI funding was to **diversify their income streams**, strengthen their expertise in **business development and marketing**, and **ensure the longer-term sustainability of their organisation**.

> **It's hard to think big when living small.**
>
> **Bolster Community Dormant Assets NI funding application**

"We often use the phrase 'it's hard to think big when living small' [...] We are at a stage in the growth of the organisation where we need dedicated staff with a focus on income growth to ensure our longer term sustainability and ability to meet the growing needs of our community."

Bolster Community Dormant Assets NI funding application

B.5   Bolster Community applied for £100,000 of funding from Dormant Assets NI, to cover a period of three years, with the **key goal of recruiting a Business Development Manager** (BDM). In addition to the BDM post, the funding was to be used to **buy in professional marketing and retail support** "to ensure sales and opportunities are maximised, to build a sustainable offer," and to s**upport attendance at trade fares/conferences and business-to-business retail shows**. Bolster Community had recently commissioned an independent review which found that the organisation would benefit from a hybrid approach to income generation of both sales and grant funding, which informed their application.

B.6   Bolster Community staff members spoke of the challenge of balancing service provision with business development and income growth:

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"It's the dilemma of our sector - and the VCSE sector more generally. We expect a lot of our staff, but taking the social enterprise to the level we took it required a whole new set of skills and resources we didn't have."

Bolster Community staff member

B.7 The BDM role was anticipated to help strengthen the capacity of the organisation, develop new social enterprise products and services, and explore new markets and funding opportunities; it was expected that social enterprise profits could also be reinvested into the organisation and fund staff training and development alongside other support programmes.

B.8 The organisation was awarded the full amount of Dormant Assets NI funding applied for, in March 2022. However, Bolster Community faced unexpected challenges in recruiting into the BDM role, which staff members noted as a wider issue in the VCS sector in NI over recent years, with a lack of potential recruits with business development expertise. They eventually changed their approach by **bringing in sales development expertise via a retail consultant**, and hiring a **part-time Communications and Marketing Manager**.

B.9 Staff spoke positively about this hybrid approach – working with the retail consultant allowed for external expertise to be flexibly fed in the organisation, while the Communications and Marketing Manager brought insight and knowledge to enhance day-to-day operations. The staff member recruited into this post noted the importance of external outreach:

"I can't imagine [the existing workforce of] Bolster [Community] juggling this – being able to do their jobs and offer services, and the role of comms and marketing, and outreach for both the charity and the enterprise. But it's such a big part of it – communicating with people and with businesses."

Bolster Community Communications and Marketing Manager

B.10 A key part of Bolster Community's story over this period has been the **Bolster Buddies service**, which came about as a result of collaboration with Southern Health and Social Care Trust, and involved working closely with the retail consultant. As part of the ACORN social enterprise, Bolster Community had previously brought in young adults from the community to volunteer as part of a Short Breaks Opportunity. Via this work, Bolster Community noticed that a number of this cohort required more consistent or longer-term support and were also entitled to Self-Directed Support (SDS) that they were not claiming:

"Through the social enterprise, we were taking in young adults to volunteer. But it transpired that they were in need of our support, rather than providing input."

Bolster Community staff member

B.11 Bolster Community staff met with staff from a local health and social care Trust who advised that this service would meet the requirements for an SDS-purchased service, and in May 2022,

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the Bolster Buddies service was launched. The service is aimed at promoting independence and improving life skills. Young people are paired with a Support Worker and become candle makers for the ACORN social enterprise. The service now generates an income of £150,000 (forecasted for this to be £180,000 by the end of this financial year) for Bolster Community. Staff noted that this hybrid approach – service provision paired with social enterprise, which they refer to as "Candles & Care" – as a key factor in their success over this period, and is expected to contribute to the organisation's longer-term sustainability.

B.12 In addition, Bolster Community began to offer evidence-based training programmes for parents and children over this period, such as the Friends Resilience programme, raising significant income (approximately £300,000) as part of a cross-border project. Currently the Public Health Agency and the Southern Health & Social Care Trust are commissioning a smaller number of these training programmes from Bolster Community.

Outcomes and impacts

B.13 Bolster Community staff members highlighted **the opportunity to focus on sustainability and longer-term growth** as a key outcome of the Dormant Assets NI funding, and the transformational impact this has had on their organisation.

❝

We were so tight on driving resource in and down – we did not have time to drive it up and out.

Bolster Community staff member

"It's a big culture change for the VCSE sector. That was made easier by the introduction of the Fund. For once, [through] having a dedicated fund aimed at financial sustainability, we could take a pop at things – we could attend trade fairs, make a pitch. Before this, we'd be arguing about representing our organisation at events. We were so tight on driving resources in and down – we did not have much time to drive it out and up. Dormant Assets NI gave us that conduit to think externally."

Bolster Community staff member

B.14 Dormant Assets NI funding has also played a key role in the success of the Bolster Buddies service: on the retail side, the consultancy and sales support is credited with leading to **sales** via the **development of an online shop and website**; while the Sales and Marketing Manager has focused on social media marketing to **create awareness of the service and the availability of SDS both to agencies and parents/carers**.

B.15 Bolster Community highlighted the delivery and expansion of the Bolster Buddies service as the most notable achievement over this period:

"[The] biggest outcome is the development of Bolster Buddies and long-term sustainability, both for us as on organisation, but also for the community. We're already taking over a second

premises. [It has had] a significant positive impact on people, on place – and the pound. We're now bringing money in to recruit staff."

Bolster Community staff member

B.16 In relation to **financial sustainability**, Bolster Community reported that their **generated income** (through the provision of training programmes, Short Breaks Opportunities, and ACORN) **now accounts for 68% of their overall income**. Previously this had accounted for c. 30% of their income, having received most of their income via grant funding.

B.17 Bolster Community has also seen **significant growth in their social media reach** over the period July 2023 – July 2024, attributed to their recruitment of a Communications and Marketing Manager, as follows:

- Bolster Community's overall Facebook reach has increased by 47.6% (126.6K engagements)

- Bolster Community's overall Instagram reach has increased by 160.6% (22.9K engagements)

- Bolster Community's Facebook visits have increased by 106.6% (76.8K).

B.18 In terms of longer-term impacts, the income brought in to the organisation via Bolster Buddies and related SDS payments has enabled the organisation to **increase staffing roles** and **expand to a new premises to offer opportunities to more young adults**. Bolster Community has also made **a commitment to develop a marketing plan and further investment in sales and marketing activities** on a planned and sustained basis. They have also committed to building off this work by exploring ways to further diversify funding; this is outlined in the organisation's 2025-2030 Strategic Plan, which has recently been published. Under Strategic Objective 3 ('to develop innovative solutions to address health disparities'), it notes the following aim:

"Diversify funding sources by exploring new revenue streams, including social enterprises and grants."

Bolster Community Strategic Plan 2025-2030

Learning

B.19 Bolster Community summarised some key learning points related to their experience of the Dormant Assets NI funding, as follows:

- The importance of focusing **on external facing business development and marketing activity**, especially for an organisation that provides support to the community and may otherwise neglect this element in lieu of service provision:

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"The thought of investing money in comms when it was all project [delivery] staff, and we needed more family support workers… but it's integral to where we are now."

Bolster Community staff member

- The potential to address the issues with recruitment for business development roles by adopting **a hybrid approach involving a mix of consultancy/bought in support and part-time in-house roles**.

  ➢ Bolster Community noted that they have shared this learning with other organisations across the sector, suggesting to them that they could consider bringing in consultancy or shorter-term skills-led contracts and interim business support, rather than focusing on recruiting for one key business development role. A number of those they have shared learnings with are reported to have gone on to successfully receive funding through the Dormant Assets NI Fund.

B.20 This learning aligns with the themes of effective practice identified in the First Interim Evaluation Report for Dormant Assets NI; namely the importance of diversification of funding sources and the need to prioritise relationships and partnership working across multiple levels.

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Crescent Arts Centre

Case Study summary

- The Crescent is an arts and cultural centre located in South Belfast. The organisation secured £30,950 from Dormant Assets NI to diversify its income streams. The project was expected to be delivered between November 2022 and July 2024.

- The grant was used to fund the development of a small retail display in the foyer of The Crescent's building in order to diversify its income streams. Specifically, the award was used for equipment/retail units and stock, artist costs, and consultancy support and training.

- The shop is already generating an income for The Crescent which can be reinvested into the organisation, achieving the key aim to diversify the organisation's income streams. The shop is also helping to promote / increase the visibility of the arts centre and has contributed to The Crescent's wider strategic ambitions to become more locally rooted and to improve its offer for tourists.

- As a result of the Dormant Assets NI funding, The Crescent has been able to deliver project activities associated with effective practice. These include:

  ➢ Maintaining a flexible approach to delivery.

  ➢ Bringing in required skills to support delivery where required.

  ➢ Involving existing staff in delivering activities to support buy-in and engagement.

  ➢ Increasing internal capability to support the delivery of activities through training existing staff.

Introduction

B.21 The Crescent is an arts and cultural centre located in South Belfast, half a mile away from Belfast city centre. The Crescent's core activity is delivering courses, events and workshops covering all art forms, ranging from watercolour painting and poetry to yoga and British Sign Language. The centre also delivers the annual Belfast Book Festival, a Music Programme, Artist Residencies and wider support in the community through a youth programme and engagement with schools, and provides office space to nine creative companies. The Crescent is a company limited by guarantee, which employs 14 FTE staff and has an annual turnover of approximately £900k. Most of its income is generated from delivering events and classes, and around a third is from public sector grants.

B.22 The Crescent secured £30,950 from Dormant Assets NI to diversify its income streams by establishing a shop. Specifically, the award was used for equipment/retail units and stock, artist costs, and consultancy support and training. The project was expected to be delivered between November 2022 and July 2024. However, as set out in more detail below, delays in delivery meant that at the time of writing a small amount of funding was still to be spent.

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B.23 This case study is based on a review of background documentation (including the interim progress report to The National Lottery Community Fund) and three interviews with key members of staff involved in the grant funded project.

Delivery

B.24 The rationale for applying to Dormant Assets NI was to enable the organisation to diversify its income streams. The idea of developing a retail offer to provide another source of unrestricted income[14] had emerged a few years prior to the funding opportunity, but it was considered too risky to pursue without external funding support. Whilst most of The Crescent's income is already unrestricted (i.e. from events/workshops), the organisation was seeking to further diversify its income streams to improve its resilience and sustainability.

B.25 The grant from the Dormant Assets NI programme was used to fund the development of a small retail display in the foyer of The Crescent's Grade II listed building (see Figure 1, below). This involved the following activities:

- The purchase and installation of retail units and equipment in the foyer

- Liaison with artists to commission the use of their artwork/images on products

- Design and purchase of a first Edition[15] of products such as postcards, notebooks, tote bags and art materials for sale

- Staff training and development including events attended by the CEO and Communications Manager relating to contract management/intellectual property, sales and picture libraries, and all full-time staff were invited to participate in the product development process and attend meetings with the consultants[16].

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[14] i.e. income which can be used for any purpose by the organisation, rather than grant funding which has to be used for specific activities in line with the grant contract

[15] An 'Edition' is the term used when describing the complete collection of multiple artworks created within a single given series

[16] Two consultants were engaged: one to support with research and analysis and contacting suppliers, and the other a business consultant to provide expert oversight.

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Figure B-1: The shop (left) and two postcards of The Crescent building (right)

B.26 There was one planned project activity which The Crescent decided not to progress: the development of strategic plans. Initial conversations were held with several consultants, and the advice was to 'learn by doing.' Rather than spending time and money on developing plans, they proceeded with developing a retail offer. As a result, there is £2,400 in outstanding grant funding to be spent by Friday 28 February 2025. The aim is to spend this on evaluation and development of recommendations for future Editions of the shop. Expenditure will include a detailed report looking at the shop's performance to date, and contribution to a second Edition of products as recommended by the report.

Outcomes and impacts

B.27 **The key aim to diversify the organisation's income stream has been achieved**. Whilst modest to date (c. £5k in aggregate), the shop is already generating an income for The Crescent which can be reinvested into the organisation. Looking forward, the ambition is to increase sales. They are in the process of developing an online shop on their website (which will have a broader product offer), linking the shop to other areas of sales e.g. gift vouchers for courses & workshops, and exploring how to expand the shop by reimagining and redesigning the layout of the ground floor of the building.

B.28 In addition to providing an income, the shop also provides other benefits. All products for sale have a direct link to the organisation/building. Through purchasing products, people help to **promote the arts centre and increase its visibility**. Second, it has **contributed to The Crescent's wider strategic ambitions** to become more locally rooted and to improve its offer for tourists. All the products are designed by local artists, including staff at the arts

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centre. Furthermore, whilst there is currently no exhibition(s) for visitors, staff can talk about the products, which provides some narrative on the history of the building and organisation.

B.29 At an individual level, the grant has **delivered benefits for local artists** through commissioning their work to be featured on the products. It has supported (emerging) artists financially and has increased the visibility of their work.

B.30 The overall aim of Dormant Assets NI Phase 1 was to improve capacity, resilience and sustainability amongst VCSE organisations. There has been progress against this aim in relation to The Crescent. The shop has diversified their income by providing an additional source of unrestricted income, and therefore the sustainability and resilience of the organisation has improved. Furthermore, the capability of the organisation has improved through staff gaining new skills and knowledge in product development and sales.

Learning

B.31 The key factors that enabled the delivery of the project included:

- The **overall aim of the project was clearly defined,** and the project activities were designed to address a specific challenge facing the organisation. The focus on delivering a 'tangible' output (i.e. a new product range) was reported to have offered a stimulating change from the organisation's usual focus on behavioural change.

- Linked to the above, **project activities were strongly aligned to wider strategic priorities,** notably ambitions for The Crescent to become more responsive to the local community and tourists. This included commissioning the designs of local artists only – including the artwork of some staff at The Crescent – to be used on the products.

- **Involvement of staff early in the process**. This helped to secure buy-in to the concept/process and supported skill development. It was also credited with ensuring staff are equipped with the necessary skills and knowledge to continue delivering the retail offer post-grant funding.

- **The design and delivery of the Dormant Assets NI grant programme was flexible and supportive**. For example, some project activities were delayed (as explained below) but The National Lottery Community Fund allowed the delivery timescales to be extended so that activities could be delivered in full.

B.32 The main challenge was that the project took longer to deliver than anticipated. This was attributed to several factors including:

- **Internal capacity constraints** – involving the team in delivery was important, but the team is small, and project related tasks were additional to their existing roles.

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- **Inexperience in retail/sales, which meant insufficient time was allocated to tasks** (e.g. contractual/copyright discussions, the process of ordering and modifying sample products) at the application stage.

B.33 **The key learning emerging is that it is important to set realistic timelines for delivering diversification projects**. At the project design stage, developing a timeline with flex for unexpected issues could help to mitigate against delays. It is also important that timelines allow staff with limited capacity to contribute to delivering project activities.

B.34 **Another challenge was the limited space in which to locate the shop**. The shop has been positioned along one wall in the foyer near the front desk. It is only a small area, but the building is Grade II listed which restricts the ability of the organisation to alter the building's structure. The ability to expand the shop in future is therefore constrained. This said, options to overcome this are being considered currently by the management team (see below).

B.35 As a result of the Dormant Assets NI funding, The Crescent has been able to deliver project activities associated with effective practice[17]. These include:

- **Maintaining a flexible approach to delivery**. For example, The Crescent listened to the advice from external consultants to 'learn by doing,' rather than using resource to develop a strategic plan(s). Flexibility was also enabled by the programme design, allowing additional time for activities to be delivered due to delays.

- **Bringing in required skills to support delivery where required.** The Crescent identified gaps in their knowledge and skills (such as copyright) and sought to fill these by appointing expert consultants and attending training sessions/events. Bespoke training received was reported to have been particularly relevant to both the organisation and the project.

- **Involving existing staff in delivering the project to support buy-in and engagement**. Involving staff in project activity from the outset was considered fundamental by The Crescent's management team. For example, all full-time staff were invited to participate in the product development process. This supported buy-in during the project, and post-grant is expected to support staff commitment to the new venture.

- **Increasing internal capability to support the delivery of project activities through training existing staff**. It was important for The Crescent to enhance internal capability (in product development and sales), so that staff could support with the delivery of grant funded project activities. This improved capability is also expected to help the organisation to sustain and grow their retail offer in future.

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[17] As set out in SQW's Dormant Assets NI evaluation first interim report

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Developing Healthy Communities

Case Study summary

- Developing Healthy Communities (DHC) is a Derry based charity with a mission to promote health and tackle health inequalities. They received a £95,597 award through the Dormant Assets NI programme to fund a full-time Operations Manager post from January 2022 to January 2024.

- The Operations Manager modernised a number of DHC's policies, procedures and processes. These have helped to increase DHC's organisational capacity through more efficient systems, upskilled staff and improved staff morale.

- The Chief Executive and the Operations Manager worked together on diversifying DHC's sources of income. This resulted in successful grant funding bids to the Rank Foundation and the Ideas Fund. The Operations Manager worked with a colleague to develop DHC's social enterprise offer, increasing its revenue from corporate organisations. Organisation leads think it unlikely that this funding diversification would have been possible without the Operations Manager, given DHC's capacity constraints.

- In taking on operational responsibilities, the Operations Manager freed up the Chief Executive to undertake strategic initiatives. This included greater engagement with the World Health Organisation's Healthy Cities in Derry and Strabane initiative, along with strengthening relationships with other key strategic partners and local community development organisations.

- DHC's experience of the Dormant Assets NI funding has resulted in four key areas of learning, which may be transferrable to other VCSE organisations. These are:
  - ➢ be clear at recruitment about the skills and competencies needed
  - ➢ sharing learning and networking with other VCSE organisations is valuable
  - ➢ consider the capacity and resourcing implications for follow-on work
  - ➢ consider timescales for implementation and outcomes realisation, and plan for sustainability, at the outset.

Introduction

B.36 Developing Healthy Communities (DHC) is a Derry based charity with a mission to promote health and tackle health inequalities. DHC is a small organisation, employing c.15 staff, and works with a range of partner organisations in helping to deliver its activities. The organisation works across Northern Ireland (NI) to deliver a number of different initiatives, including:

- **The World Health Organisation (WHO)'s Healthy Cities in Derry and Strabane** - bringing business, community and public sector leaders together to promote the importance of health inequalities in public sector decision-making.

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- **The Clear Project** – which supports a network of organisations working to prevent suicide, self-harm, and drug and alcohol misuse, through training, grants and capacity-building.

- **The Ideas Fund** – designed to help boost public health through developing and testing ideas for improved mental wellbeing.

- **Work Well, Live Well** – involving training of Workplace Health Champions, as well as consultancy and mentoring activities, to tackle health inequalities in the workplace.

B.37 DHC received a **£95,597 award through the Dormant Assets NI programme, awarded in August 2021**. The award was used to fund a full-time Operations Manager post from January 2022 to January 2024. Through the post, DHC aimed to bring in operational expertise to help modernise the organisation's ways of working, and to free up capacity of the Chief Executive to deliver strategic initiatives to support organisational resilience

B.38 This case study is based on interim and end of grant reports, DHC's own organisational impact report[18], learning shared at the Dormant Assets NI Learning Event (March 2024), as well as interviews with two key members of staff within the organisation.

Delivery

B.39 The Dormant Assets NI award **funded the salary for a full-time Operations Manager**, responsible for delivering DHC's operational activities, and enabling the Chief Executive to focus on strategic priorities. The Operations Manager was recruited externally. The Operations Manager transformed DHC's ways of working, including:

- Updating policies and procedures

- Creating staff training and development plans

- Conducting a workplace restructure

- Implementing new digital systems (e.g. Salesforce as a new Grant Management System, Xero as an electronic accounting system)

- Introducing a new communications strategy and new website

- Overseeing delivery of some of DHC's day-to-day activity (including acting as the development coordinator for the Ideas Fund).

B.40 The Chief Executive and the Operations Manager **initially focused on income diversification**. Despite some initial difficulties, suitable funding streams were identified and

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[18] Developing Healthy Communities Impact report 2023-24

applied for. This resulted in two successful bids, including three-year funding for a Digital Marketing Assistant from the Rank Foundation, and regional partnership funding from the Ideas Fund. It is considered unlikely that these funding opportunities would have been identified or had applications developed had the Operations Manager not been in post, given DHC's capacity constraints.

B.41 **The Operations Manager worked with the Health@Work NI Programme Manager to develop DHC's social enterprise offer** (called 'Team Health'), which provides bespoke employee health checks for employers. While this offer existed prior to the Dormant Assets NI funding award, it was only a relatively small part of DHC's work. The Operations Manager and the Programme Manager collaborated to develop branding and promotional materials, and developed the offer itself. The aim was to bolster an alternative source of income for DHC, and expand activities funded by the private sector.

B.42 DHC underwent a period of transition between September 2022 to March 2023. This included the appointment of a new Chief Executive, staff relocation and a subsequent workplace restructure. In March 2023, DHC experienced a cyber-attack. In response, the Operations Manager worked with a new IT infrastructure partner to **improve DHC's systems and protect the organisation from similar threats in future**.

Outcomes and impacts

Realised outcomes and impacts

B.43 As a result of project activities delivered by the Operations Manager, **DHC has implemented a number of new structures and processes**. Examples include monthly team meetings, several electronic management systems, and organised team events. While the Operations Manager has now left the organisation, these processes have been sustained and are **credited with enabling the organisation to operate more efficiently, freeing up capacity**.

B.44 The changes were also credited with enhancing **the organisation's culture of improvement**. For example, the training and development plans for staff helped to identify suitable training opportunities, which were then pursued. These included leadership and management qualifications for senior members of staff. As well as fostering an improvement culture, these were credited with equipping the organisation's leaders with enhanced skills and capabilities. One example included a senior staff member undertaking an ILM Level 5 Leadership & Management qualification, improving their leadership skills and developing their strategic thinking.

B.45 **Ensuring organisational financial stability was a key objective of the grant funded project activity**. The Operations Manager worked alongside others to review budgets and identify alternative funding streams (securing funding from the Rank Foundation and the Ideas Fund, as described above). The Digital Marketing Assistant remains in post and has helped to support the growth of DHC's social enterprise offer, including working with others

to develop branding and promote Team Health on social media. As a result, DHC increased the number of workplaces it engaged with for its workplace employee health check offer. Prior to the rebrand, Team Health only had a handful of workplaces receiving health checks; this increased tenfold as a result of the rebrand, generating additional non-grant income for the organisation. Team Health has since scaled down following the departure of the Operations Manager, due to lack of capacity and resourcing to manage the scheme.

B.46 In addition to securing funding for a Marketing Assistant post, the Operations Manager supported the Chief Executive to **secure funding and deliver activity for the Ideas Fund regional partnership** in NI. The new regional partnership is a c.£90k collaboration between DHC, Ulster University and the North West Community Network, who are working together to help foster partnerships between community groups and academia, in an effort to support more equitable practice across the VCSE sector.

B.47 The funding for and recruitment of the Operations Manager enabled the Chief Executive to **spend time engaging with strategic partners**, including Derry City and Strabane District Council, Ulster University, the NI Public Health Agency, and the WHO's Healthy Cities Network, as well as local community development organisations such as the Neighbourhood Renewal Health Improvement Project. These engagements are reported to have built the profile of DHC and led to their involvement in several strategic projects aiming to improve local health and wellbeing.

Long-term outcomes and impacts

B.48 The Ideas Fund regional partnership funding is for an initial two years, and the **relationships and networks established through the work are expected to have a longer-term legacy**. An output from this work is the Communities Research and Innovation Collective, a collaborative community and researcher forum, spanning organisations throughout NI. It is expected that this longer-term partnership will lead to stronger resilience for the community sector as a whole, by fostering collaboration and continuing the translation of ideas and knowledge from academia into VCSE organisations, and **in turn aid the continued delivery of innovative initiatives to address health inequalities**.

B.49 The Operations Manager assisted in the planning, organisation and hosting of a major annual WHO conference in Derry in September 2022 and 2023, involving stakeholders from the UK and the EU. In November 2023, DHC was represented at WHO's Healthy Cities global conference in Utrecht. The learning derived from these events is credited with **enhancing DHC's understanding of the WHO Healthy Cities Framework**. This learning has informed work with Derry City and Strabane District Council, with whom DHC is collaborating to deliver on the Healthy City agenda. It also helped to **promote DHC on an international stage**.

B.50 Overall, Dormant Assets NI funding enabled DHC to address many of the challenges it was experiencing prior to receiving the grant. The Operations Manager post that was funded introduced a range of new policies and procedures which are credited with helping DHC to

become a more efficient organisation. The organisation's capability has also been enhanced as a result of the learning and development plans introduced and the associated training undertaken by staff.

B.51 Despite the improvements, capacity for strategic planning and activity going forward remains constrained. DHC are seeking alternative funding to support core costs.

Learning

B.52 As a result of the Dormant Assets NI funding, DHC has been able **to deliver project activities associated with effective practice**. These include:

- Activity delivered directly by the Operations Manager post: the delivery of strategic and operational planning (through a new marketing strategy and digitisation of existing processes), the diversification of funding sources and investment in staff training and development

- Activity delivered as a result of other staff having more capacity: relationship building, partnership working and strengthened leadership and management.

B.53 DHC's experience of the Dormant Assets NI funding has resulted in four key areas of learning, which may be transferrable to other VCSE organisations. These are:

- **The importance of being clear about the skills and competencies needed, to inform recruitment**. The skillset of the Operations Manager was credited with leading to successful delivery of the planned project. In particular, it was noted how the postholder's broad ranging knowledge and skills across many functional areas (including HR, Finance, Procurement, IT), ability to learn quickly (i.e. regarding Cyber Security), and ability to think strategically were all central to the achievements realised. The Operations Manager's previous experience informed their work to modernise DHC's processes and systems, and DHC staff noted how this modernisation has helped to develop the organisation's culture into one which embraces change.

- **Sharing learning and networking with other VCSE organisations is valuable**. The Operations Manager attended three Dormant Assets NI workshops for grant holders, designed to share learning from project delivery, reflect on organisational challenges, and encourage networking between VCSE organisations. Following an online workshop in late 2022, DHC collaborated with the Derry Playhouse (another Dormant Assets NI recipient) in its Creative Healthy City work to integrate arts and culture in addressing health challenges.

- **Carefully consider the capacity required for associated or follow-on work**. Dormant Assets NI provided funding for the core costs for the Operations Manager post. However, the work the postholder drove forward led to an increase in activity for DHC. For example,

new partnerships formed resulted in the emergence of new projects and workstreams, which required staff time for delivery.

- **Consider implementation and outcome realisation timelines and sustainability planning at the outset**. It takes time for new roles and postholders to become embedded into an organisation, and for the benefits of strategic activity to be realised. Interviewees suggested that funding the Operations Manager post for a longer period may have enabled to role to become self-sustaining, by providing more time for the postholder to further develop income streams for the organisation.

B.54 DHC has begun to share some of its learning around organisational change with other VCSE organisations, including via a learning event held by The National Lottery Community Fund in March 2024, at which DHC shared learning around project delivery with other Dormant Assets NI grant holders.

Annex C: Survey data

Introduction

C.1   This Annex presents a summary of the analysis of two online evaluation surveys for the Dormant Assets NI Phase 1 Grant Programme: one of grant holders who were awarded a grant between February and June 2023[19], and unsuccessful applicants who applied for a grant over the same time period. Surveys were issued on 26th September 2024 and were each open for just over three weeks.

C.2   The results from the grant holders' and unsuccessful applicants' surveys were exported from Smart Survey into Excel. Duplicate or mostly empty responses were excluded. Consequently, the grant holders' survey included 17 responses (15 complete and two partial), and the unsuccessful applicants' survey included 17 responses (15 complete and two partial). The responses were then matched to application and grant monitoring data, with organisation names as the unique identifier. This process enabled the analysis of survey responses based on general totals and percentages for each survey question, as well as an exploration of differences based on key monitoring data characteristics (including geography and rurality, and organisation type, size and sector).

Limitations

- Organisation names were used as the unique identifier to match survey and monitoring data. In some cases, the organisation name given in the survey was not detected in the monitoring data. Where this occurred, a manual search was undertaken, alongside an online search (e.g. to identify whether an organisation was operating under a different name). One organisation responding to the unsuccessful applicant survey could not be matched in the monitoring data, so they were excluded from the analysis.

- The analysis included a comparison between the first Wave of survey results (Wave 1, for those who were awarded a grant or applied for a grant before February 2023) and the current survey results (Wave 2) for both the grant holders and the unsuccessful applicants. Because of the much smaller sample size in Wave 2, and differences in the demographic make up, any conclusions about the differences in responses between the two Waves should be taken with caution.

- However, the response rate was relatively similar between the first Wave (40% for grant holders, and 21% for unsuccessful applicants), and the second Wave (43% for grant

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[19] One grant holder responding to the survey was awarded a grant before February 2023, but was included in this Wave given a later expression of interest in evaluation engagement, following the evaluation webinar held in October 2024.

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holders, and 17% for unsuccessful applicants), so both samples represent a similar proportion of the population size.

- The analysis sought to visually identify patterns or trends across key characteristics. Given the relatively small sample sizes, it is difficult to identify distinct patterns. However, any early trends have been identified in this analysis.

Grant holder survey

C.3 The Wave 2 grant holder survey received 17 responses. By matching the responding organisations to monitoring data, it can be seen that:

- The majority (11) were from Belfast. A few (3) were from Causeway and the remaining three were from other local authorities in NI.

  ➢ The urban/rural classification reflects this, whereby the majority are in the most urban environment (Belfast, 11), three are based in large towns (between 18k-75k population), and three are in rural settings (towns with fewer than 10k population).

- Ten of the respondents were medium-sized (£100k-£1m in annual income), six were large (£1m-£10m), and one was small (£10k-£100k).

  ➢ These three categories also make up the majority of grant holders overall (59% are medium-sized, 27% are large, and 10% are small, with the remaining 4% being either micro, major or super-major).

- More than half (nine) were primarily Community focused organisations.

  ➢ The other eight organisations were distributed across a number of thematic areas of focus including Arts (two), Animals, Children, Education, Heritage, Sport, and Women (all one each).

Reasons for participation

C.4 The majority (11 of 17) of grant holder respondents were the main contact for the organisation's Dormant Assets NI application and so were able to comment on the reasons for participation.

C.5 Grant holders were asked what challenges they hoped to address with the help of the fund. The most commonly cited challenge was in **generating/diversifying their income sources (ten)**, consistent with Wave 1 survey results.

C.6 Over a third of grant holder respondents also cited **reduction in funding and/or public donations** (four), **limited time and/or resource to conduct strategic planning** (four), and **issues in recruiting staff and/or volunteers** (four) as key challenges they were hoping to address. The proportion citing **issues in recruiting staff and/or volunteers** was higher in

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Wave 2 than in Wave 1 (where only 7% of respondents said this was a challenge). In Wave 2, most organisations (three of four) who said this was a challenge operated in the North Western region.

C.7 No respondents said they were experiencing challenges in **collaborating and/or networking with other VCSE organisations** which they hoped to address through the funding (9% of respondents identified this as an issue in Wave 1).

Figure C-1: Which challenge(s) did you hope to address with your Dormant Assets NI application? (N=11). Responses were not mutually exclusive
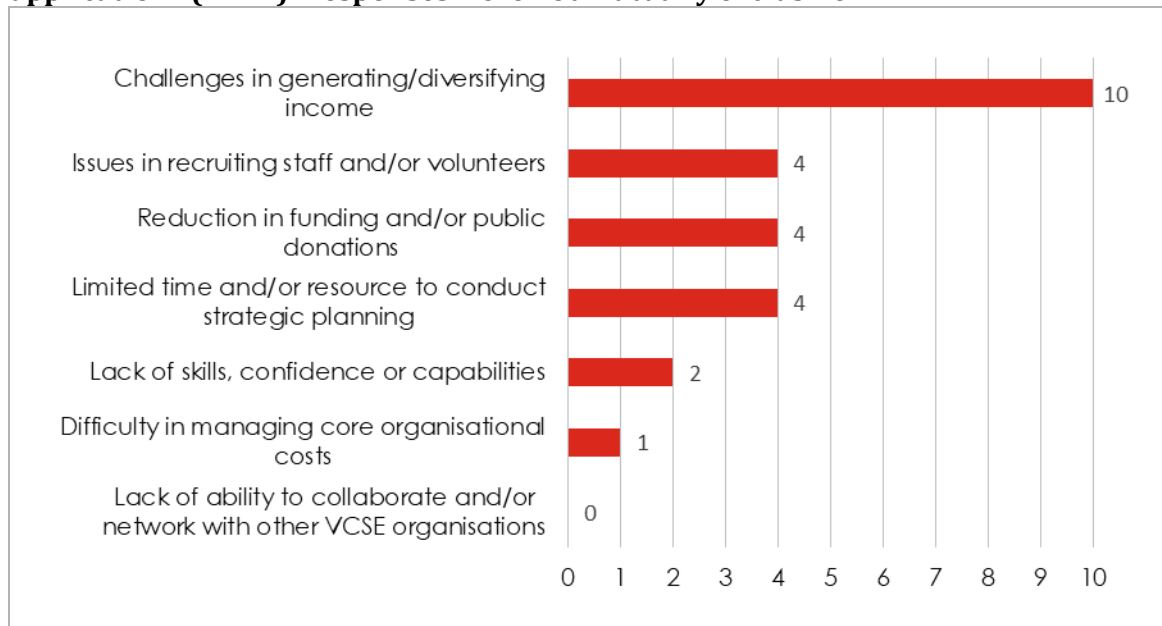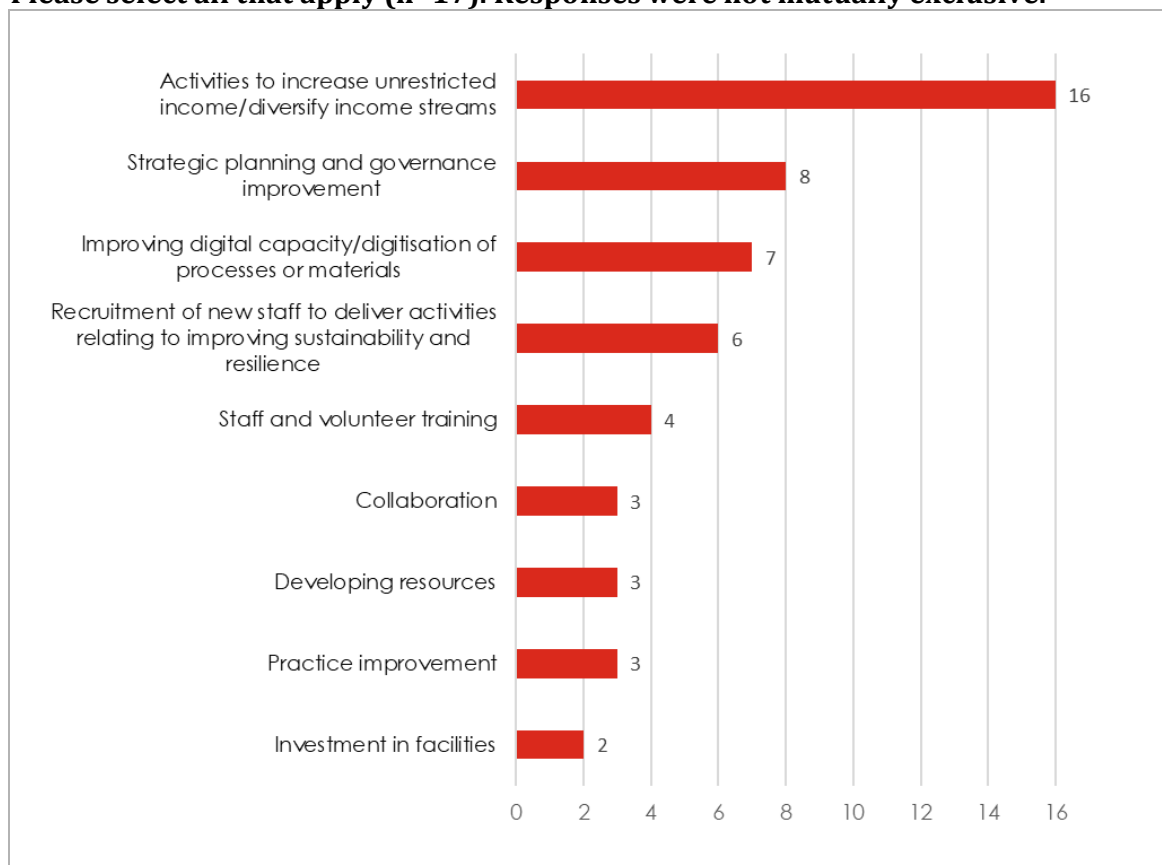

Source: SQW analysis of grant holder survey (Wave 2)

C.8 Most unsuccessful applicant respondents had not previously submitted an application to the Grant Programme before their successful funding application. One had previously submitted an unsuccessful application. They said that the feedback they received had contributed to their subsequent successful application.

Project activities

C.9 The different project activities grant holders intended to fund using the grant broadly aligned with the challenges they aimed to address. **Generating/diversifying their income streams,** an activity nearly all respondents intended to undertake (16 of the 17) was also the most common challenge identified for addressing through the funding. Grant holder respondents also commonly intended to deliver **strategic planning and governance improvement** activities (eight), **improve their digital capacity/digitisation of processes or materials** (seven) and **recruit new staff to deliver activities related to improving sustainability and capacity** (six).

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C.10 These activities broadly aligned with the other commonly identified challenges to be addressed through the funding, namely a reduction in funding and/or public donations, limited time and/or resource to conduct strategic planning, and issues in recruiting staff and/or volunteers.

C.11 The most common types of activities grant holder respondents intended to deliver were similar to those identified by Wave 1 survey respondents. As with Wave 1, **investment in facilities** was the least common activity that grant holder respondents intended to deliver.

C.12 Other activities mentioned by two individual respondents were: measuring the impact of activities (one respondent), and improving cyber-security (one respondent).

Figure C-2: Which of the following activities did you intend to fund using the grant? Please select all that apply (n=17). Responses were not mutually exclusive.

Source: SQW analysis of grant holder survey (Wave 2)

C.13 Approximately 88% of grant holder respondents (15) had **partially delivered these activities**, and the remainder (two respondents) had delivered, or were **fully delivering the activities planned**. No respondent said they had not delivered any planned activity. These proportions differ from Wave 1, where over half (55%) of grant holders had or were fully delivering the activities they intended, and the remainder (45%) had partially delivered activities. However, this is unsurprising given that Wave 1 covered a longer time period

(January 2021 to February 2023), which means some of those grant holders would have had more time to deliver activities by the time of being surveyed, than those in Wave 2.

C.14 Grant holders who had partially delivered activities were asked if they intended to deliver all of the planned activities. Of the 15 who responded to the survey question, nearly all (14) said they did still intend to deliver them, and one said they intended to deliver some but not all the activities.

C.15 Grant holders were asked to reflect on enablers or barriers they experienced to delivering the activities. However, these reflections all focused on barriers experienced.

- Five of the respondents mentioned **recruitment challenges.** Specifically, it was difficult for these VCSEs to find a suitable candidate for their intended role, which meant they had to either extend the recruitment period or engage with external consultancies and/or recruitment agencies, which incurred costs.

- Two of the respondents faced **barriers to engaging with corporate partners.** In one case this was due to the initial expectation that the organisation would be able to bring more corporate partners on board than it did. The other respondent stated that corporate partners they engaged with expected access to the CEO or another senior staff member, which they inferred was challenging to resource.

- One respondent mentioned that two years was **not enough time** to make their organisation sustainable and resilient, although they recognised it was a start.

- One respondent reported that the **current socio-economic climate** was a barrier. They noted that the sector is rich in ideas for improvement and innovation, but has little to no capacity to access statutory support.

Outcomes and impacts

C.16 All but one grant holder said they had experienced outcomes as a result of their project. Most commonly, grant holders said the grant had led to the **development of new ways of working that enhance organisation operations** (ten), and **greater staff knowledge/skills/confidence** (ten). This is similar to Wave 1, when 74% (43) respondents stated the former and 72% (42) stated the latter.

C.17 In addition, more than half of grant holder respondents (nine) said they had implemented new income streams, which was also the case for 57% of respondents in Wave 1. Overall, the outcomes identified were similar in both Waves of the survey.

C.18 When asked to specify any 'other' outcomes achieved, two respondents said they felt it was too early to see or measure all of the outcomes they expected.
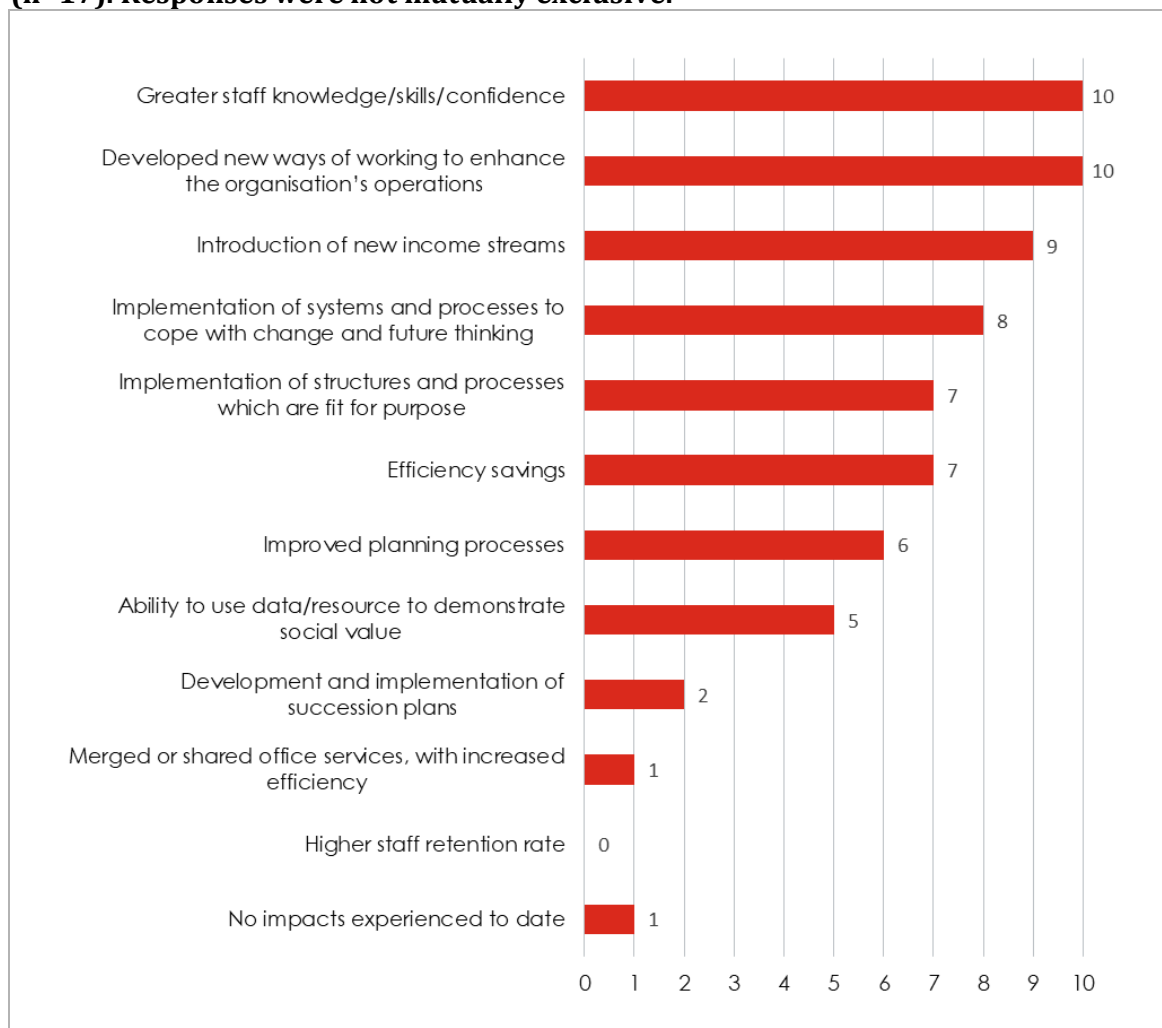
C.19 When considering differences across characteristics, the following points were notable:

- Over half of the grant holder survey respondents that said they had achieved new income streams operate across NI (5) and two thirds were based in Belfast (6)

- The organisations that achieved new ways of working also reported achieving greater staff knowledge, skills and confidence.

C.20 The link between activities that grant holders intended to deliver and the impacts they experienced is mixed:

- Even though nearly all (16) of grant holder respondents intended to use the grant funding to diversify income streams, only nine were able to introduce a new income stream by the time of the survey.

- Seven grant holders who delivered strategic planning and governance improvement activities reported achieving new ways of working that enhance the organisations' operations, and six reported improved planning processes. This may indicate a link between these activities and their impacts.

- Staff and volunteer training was only identified as a planned activity by four grant holder respondents, but greater staff skills/knowledge/confidence was reported as an outcome by ten grant holder respondents. This suggests that engaging in other grant-funded activities - such as improving operations, income streams, digital capacity, and collaboration - may have indirectly enhanced staff skills, knowledge, and confidence. This was also seen in Wave 1 survey results.

Figure C-3: What outcomes has your organisation experienced as a result of the grant? (n=17). Responses were not mutually exclusive.

Outcome	Value
Greater staff knowledge/skills/confidence	10
Developed new ways of working to enhance the organisation's operations	10
Introduction of new income streams	9
Implementation of systems and processes to cope with change and future thinking	8
Implementation of structures and processes which are fit for purpose	7
Efficiency savings	7
Improved planning processes	6
Ability to use data/resource to demonstrate social value	5
Development and implementation of succession plans	2
Merged or shared office services, with increased efficiency	1
Higher staff retention rate	0
No impacts experienced to date	1

Source: SQW analysis of grant holder survey (Wave 2)

C.21 Grant holders were invited to provide more detail about the outcomes they had been able to achieve. The nine responses varied in their themes:

- The effort and **contributions of specific individuals** recruited through the grant funds was mentioned by four grant holders. This led to increased capacity of existing staff to deliver strategic activities such as long-term planning, and bringing in new skills to the organisation.

- Three grant holders said that the grant allowed them to **strengthen strategies and long-term plans**, including through increasing their capacity for pipeline research, succession planning and planning for new work.

- Two grant holders also mentioned how **digitisation positively impacted their organisation.** For one, it facilitated the production and the organisation of reports for staff, and for the other it provided an opportunity to review their existing digital systems

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before introducing additional ones, and for their digital and comms teams to work more collaboratively with each other.

- Two grant holders said the grant had enabled **improved ways of working by additional income generated as a result of the grant funding**. One said that the increase in resource was helping to deliver programmes and services, enhancing their social capital.

Unexpected outcomes

C.22 More than half (nine) of the grant holder respondents commenting on whether they had experienced unexpected outcomes (16) said they had expected to achieve all of the outcomes they realised. However, a similar proportion (seven) said that some of the outcomes were not expected at the outset. In response to the Wave 1 survey, the proportion of respondents saying that they expected to achieve all of the outcomes they realised was higher than in Wave 2 (69% in Wave 1 compared to 56% in Wave 2).

C.23 When asked to elaborate on the outcomes that emerged that were not expected to be achieved at the outset, a common theme mentioned by four grant holders was on how seamlessly the new staff they employed through the grant had adapted to the organisation/role and the magnitude of impacts the new staff had delivered. One noted how reliant they now were on the person they hired and the skills they brought to the organisation.

"The Business Development Manager, due to her extensive skills and experience, has identified gaps where we are under resourced and has supported staff with developing initiatives."

Grant holder survey respondent

C.24 One grant holder described how they had been positively and unexpectedly impacted by having five new trustees join their organisation, including one who was a consultant who worked with them to deliver their project.

C.25 Two grant holders reflected that they had exceeded their expectations. For one, they had their expectations far exceeded in terms of the grant and corporate funding they were able to secure as a result of grant funded project activities. For another, this was in relation to the level of activity they had been able to deliver through recruiting an Operations Director, noting they had "set their expectations too low."

Attribution

C.26 When asked if they would have been able to achieve these outcomes without the grant, nearly two thirds of grant holders (ten of 16) responded that they would not have been able to achieve these impacts (whilst in the previous Wave it was slightly over two thirds). No grant holder said that they would have achieved the outcomes to the same quality, pace, and/or scale without the funding. Notably, most of those organisations who said they would have

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achieved outcomes, but not to the same quality, pace and scale, were community focused organisations.

Influencing factors

C.27 Respondents were asked to identify which broader contextual factors had a positive or negative influence on their ability to deliver grant-funded projects and/or achieve outcomes. Please note, the following analysis excludes those who felt the factor was not applicable to them.

C.28 Internal organisational factors, including organisational leadership and management buy-in, and strategies and action plans, were most commonly identified as having positively influenced their ability to achieve outcomes, with all grant holder respondents identifying these as positive influences. This was followed by engagement with The National Lottery Community Fund, which 14 out of 15 respondents (93%) identified as a positive influence. This is substantially higher than the proportion of those identifying this as a positive influence in Wave 1 of the survey.

C.29 Consistent with the first Wave of the survey, factors external to the organisations' control were deemed to have had the greatest negative influence on grant holder ability to deliver grant funded projects and/or to achieve outcomes. These included the broader socio-economic climate (four respondents of 13, or 31%), and the political climate (three respondents of 11, or 27%). These two factors also had the highest number of respondents saying that they had no influence (seven and eight respectively, corresponding to 62% and 64%).

Figure C-4: Did any of the following factors influence (or are they currently influencing) your ability to deliver grant-funded projects and/or achieve impacts? Responses were not mutually exclusive. Excludes N/A responses.

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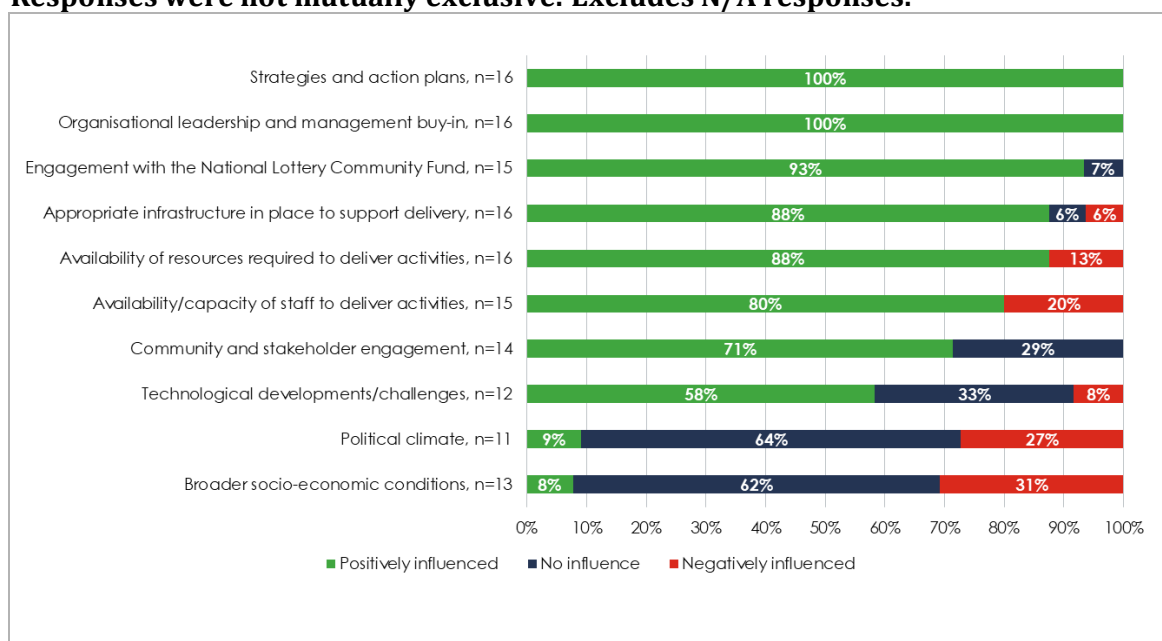
C.30 When given the option to describe other factors beyond those listed in the survey, one respondent mentioned that one member of staff was not ready to work with the digital technology the organisation introduced, which led to the postholder leaving and had a negative influence on the organisation's ability to achieve outcomes.

Long-term impacts expected

C.31 When respondents were asked to describe the longer-term impacts they expect to achieve in the future, the following themes were identified:

- **Increased financial resilience**. Grant holders emphasised the importance of diversifying income sources to reduce reliance on grant funding and improve unrestricted income. For example:

  - One grant holder commented that the funding enabled them to employ a member of staff to enhance their digital practices, which would support a new revenue stream through a programme in early 2025.

  - Others highlighted the development of new initiatives, such as running a social supermarket or purchasing accommodation to house clients, which they expected would increase their income.

  - Several responses also pointed to the strategic development of websites and the internal management of these platforms to enhance their ability to generate funds.

"The funding has enabled us to plan strategically and be less reliant on a small number of income sources. Therefore we can look to developing our plans and growth in the near future, particularly with regards to maximising on our unrestricted income."

Grant holder survey respondent

- **Increased capacity**, through improved communications and a more capable workforce. For example:

  - One grant holder commented on the impact of the fund in enhancing their social capital, which they expected would enable them to draw in additional resources going forward, including knowledge acquisition and access to networks. Similarly, another grant holder felt they would be better able to communicate and collaborate with others, including across the VCSE sector.

  - Another organisation expected the adoption of digital platforms like MS Teams to enhance internal collaboration, making communication more efficient and secure for both staff and volunteers.

  - Grant holders also commented on the increased capacity of their workforce, both through the recruitment of new staff, and the development of a highly skilled volunteer base and workforce.

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- **Increased sustainability,** including through increased strategic and succession planning. Some grant holders said that the grant had increased their leadership capacity to focus on strategic and long-term planning through the recruitment of new essential roles, which they expected to improve their long-term sustainability. It also led to improved digital infrastructure, which was expected to improve their ability to generate income while enhancing their visibility and engagement with the community.

"The long-term sustainable impact will be strong collaboration and partnership working; reduced reliance on grant funding; increased unrestricted income; highly skilled volunteer base and workforce. This will enable [us] to adapt to future challenges and respond to the identified needs of [our community] to sustain the organisation and its services in to the future."

Grant holder survey respondent

Factors needed to achieve longer-term impacts

C.32 When asked to describe the factors that will need to be in place to achieve the longer-term expected impacts described above, grant holders discussed the following:

- Most respondents (ten of 14) identified a **need for further funding and/or new funding streams**. This included ongoing funding for staff members recruited using grant funding, alongside funding to support new ways of working. However, some grant holders talked about the need to diversify their own funding streams, which may be supported by their experience of the grant.

- Some grant holders also talked about the **need to engage in increased networking.** This included networking with other VCSE organisations. One respondent mentioned needing to be more intentional about networking and peer learning opportunities. Another hoped to share learning with other groups.

- Others talked about the need for **increased training and knowledge development**, for example, to develop knowledge about public procurement. It was noted that training needs to be ongoing to remain up to date.

- One grant holder commented on the need for commissioners and funders to ensure that funding programmes were appropriate for organisations they were seeking to support, and that they reflected their specific needs and challenges.

Final comments

C.33 When asked to provide any final comments about their experience of the Grant Programme, all nine who responded to this question had positive feedback of their experience, and took the opportunity to thank The National Lottery Community Fund for the opportunity. Two respondents elaborated on this, commenting on the delivery of the programme itself, and mentioned the flexibility to amend delivery as showing that the programme has been responsive to their organisational needs.

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"The programme has been a great opportunity to secure income to enhance our capacity, skills, knowledge in partnership and collaboration which is ultimately leading to more income opportunities, more programme and service opportunities and more influence in wider areas that impact the people we work with."

Grant holder survey respondent

Learning event feedback

C.34 Nearly all respondents who answered the question (13 of 15) said they would be interested in attending a learning event. Only one respondent said no, and another said they did not know.

C.35 When asked what topics they would like to discuss at the learning event:

- **Four** respondents said to **learn from other participants** in how they work towards sustainability and resilience, and how they utilised the grant to employ certain roles.

- **Two** respondents identified specific topics, including **cybersecurity** and the **value of digitisation in the office.**

- **One** respondent said they would be **willing to share their learning** from drawing in resources through partnerships and collaborations with the private sector.
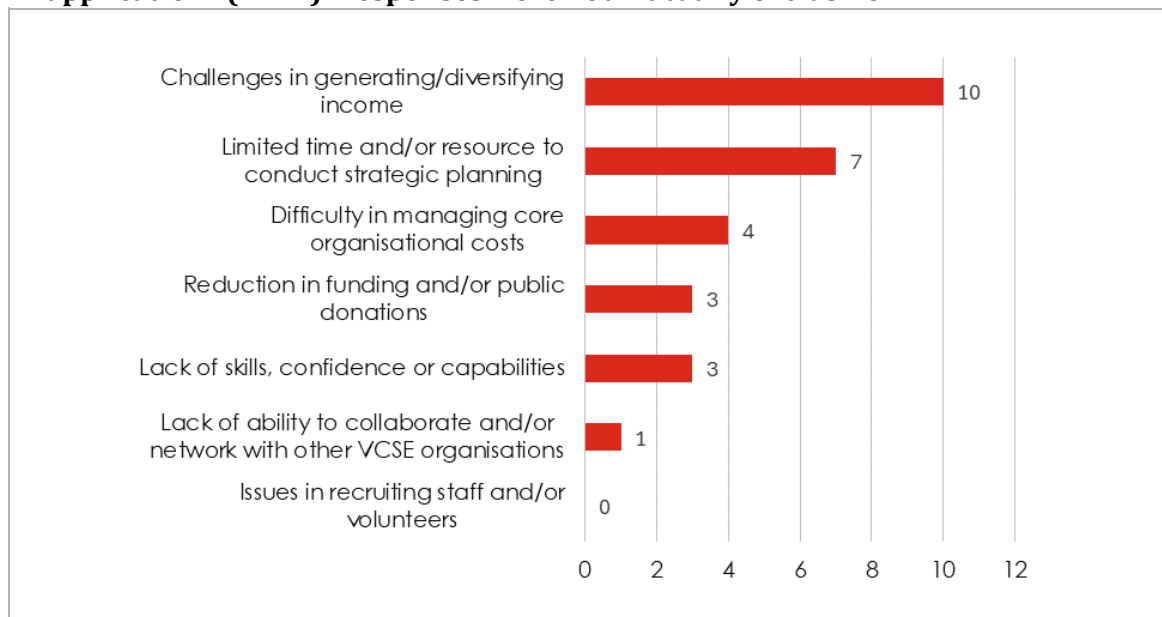
Unsuccessful applicant survey

C.36 The unsuccessful applicant survey received 17 responses. Based on data matching:

- Just over a third (seven) of respondents were based in Belfast. Three respondents were from Antrim and Newtownabbey, and another two were based in Newry, Mourne and Down. The remaining five respondents were all from other local authorities.

- Nine of the survey respondents were from the most urban classification (Belfast Metropolitan Urban Area, which combines the Belfast, Lisburn, Newtownabbey, North Down, Castlereagh and Carrickfergus districts). One was based in the Derry Urban Area, two were based in other urban areas (towns greater than 18,000 population), and the remaining five were in rural areas (settlements with fewer than 5,000 population).

- Unsuccessful applicant respondents varied in size. Eight were medium-sized (annual income between £100k-£1m) and five were small (£10k-£100k), while there was one large (£1m-£10m) and one super-major (more than £100m) respondent.

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Reasons for participation

C.37 The majority (15 of 17) of unsuccessful applicants said they were the main contact for the organisation's Dormant Assets NI application and so were able to comment on the reasons for application.

C.38 Unsuccessful applicants were asked what challenges they hoped to address with the help of the Fund. The most commonly cited challenge was in generating/diversifying their income sources (ten respondents). This was followed by limited time and/or resource to conduct strategic planning (seven), and difficulties in managing core organisational costs (four). These challenges were the same three most common challenges identified by unsuccessful applicants in Wave 1.

C.39 Interestingly, although recruiting staff and volunteers was a common challenge identified by grant holders, no unsuccessful applicant identified this as a key challenge.

Figure C-5: Which challenge(s) did you hope to address through your Dormant Assets NI application? (n=17). Responses were not mutually exclusive.

Source: SQW analysis of unsuccessful applicant survey (Wave 2)

Project activities

C.40 **Diversifying their income stream** was the most common activity that unsuccessful applicant respondents intended to undertake through the grant (14 respondents of 17), with a much higher proportion reporting this than amongst those responding to Wave 1 (82% against 53%). This was in line with the most frequently identified challenge of diversifying and generating income streams.

C.41 Other commonly planned activities included **strategic planning and governance improvement** (ten), and the **recruitment of new staff to deliver activities relating to**

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improving sustainability and resilience (nine). These were also identified by grant holders. While strategic planning and governance improvement aligned with the second most common challenge identified by unsuccessful applicants (limited time and/or resource to conduct strategic planning), no unsuccessful applicant respondent selected issues in recruiting staff and/or volunteers as a challenge they were seeking to address through the fund.

C.42 Investment in facilities was the least common activity unsuccessful applicant respondents intended to deliver using the funding.

C.43 Other activities that individual unsuccessful applicant respondents intended to deliver through the Grant Programme included:

- Backfilling staff to enable work on strategic development

- Building systems and processes to help automate and retain organisational expertise.

Figure C-6: Which of the following activities did you intend to fund using the grant? Please select all that apply (n=17). Responses were not mutually exclusive.

Source SQW analysis of unsuccessful applicant survey (Wave 2)

C.44 While seven of the 17 unsuccessful applicant respondents had been able to deliver some of the activities without the Dormant Assets NI grant, eight unsuccessful applicants had not delivered activities but still planned to do so. Two had not delivered and did not plan to deliver the activities.

C.45 Of those unsuccessful applicants who had been able to deliver planned activities, five funded these through grant funding from other sources, four had the help of in-kind support such as volunteering, two utilised earned income, and two used non-grant funding from external

sources (e.g. donations or crowdfunding). Other sources mentioned qualitatively included "doing less activities," and "by staff providing unpaid overtime and holiday time."
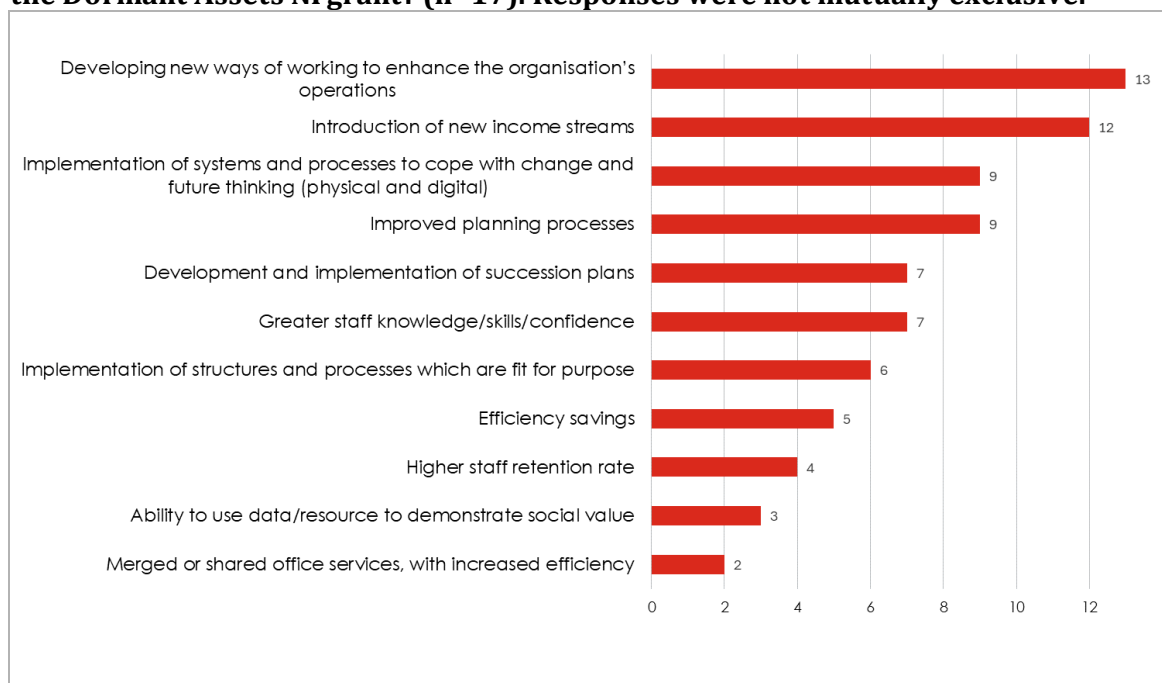
Outcomes and impacts

C.46 Unsuccessful applicants commented on the outcomes they expected to experience as a result of the Dormant Assets NI grant. Most commonly, unsuccessful applicants expected to achieve **new ways of working to enhance their organisation's operations** (13 respondents), followed by the **introduction of new income streams** (12 respondents). Interestingly, both the two most commonly expected and the two least commonly expected outcomes were the same as those identified by Wave 1 unsuccessful applicants.

C.47 Other outcomes unsuccessful applicant respondents had expected to achieve with the grant funding were:

- To support the capacity, skills, knowledge, and structures of small frontline grassroots groups

- The development of a social enterprise

- Generally increasing capacity to take opportunities that would build sustainability and resilience.

Figure C-7: What outcomes did your organisation expect to experience as a result of the Dormant Assets NI grant? (n=17). Responses were not mutually exclusive.

Source: SQW analysis of unsuccessful applicant survey (Wave 2)

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C.48 Most unsuccessful applicant respondents (nine) have been able to achieve outcomes, but these had taken a combination of being longer to achieve, of lower quality, and/or of smaller scale. Six of the respondents said that they had not been able to achieve expected outcomes at all.

C.49 Overall, the proportion of those expecting to achieve outcomes in this survey was higher than in Wave 1. In the previous Wave of the survey, a higher proportion of unsuccessful applicants (nearly half) said that they were not able to achieve any of the expected outcomes without the grant funding (43%). However, for both Waves, no unsuccessful applicants said they had been able to achieve outcomes in their entirety and at the same quality, scale or pace as they would have with grant funding.

C.50 Unsuccessful applicants reported that the impact of not receiving grant funding was considerable:

- Financial pressures (reported by nine organisations) forced some to stretch their resources thin, often covering shortfalls with overtime or reallocating funds from one area to another. This led to limited or even reduced capacity (mentioned by six organisations) to expand services or to deliver existing ones at the scale they had hoped for, and affected the organisations' ability to function effectively.

- Long-term plans to develop new facilities, explore joint social enterprise opportunities, or expand co-operatives were delayed or derailed altogether in favour of securing more immediate, short-term funding (mentioned by six organisations).

- Another significant issue reported was difficulty in retaining staff and volunteers (mentioned by four organisations). There were instances of staff and volunteers leaving due to burnout or the financial strain of working without adequate compensation.

- The lack of funding led to missed opportunities for collaboration in joint social enterprise projects (mentioned by four organisations).

- Finally, the emotional toll of not receiving funding was significant for some. Despite receiving positive feedback, several applicants expressed feeling demotivated and disillusioned by being unsuccessful (mentioned by three organisations).

Learning event feedback

C.51 A total of 12 of the 17 unsuccessful applicant respondents said they would be interested in attending an evaluation learning event, while the rest (five) said they would not be interested. When asked to elaborate on the topics they would like to discuss during the learning event, respondents focused more on topics relevant to the programme and their own applications, rather than a desire to learn from other VCSE organisations:

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- **Three** respondents highlighted **confusion regarding the criteria for the Dormant Assets NI Grant Programme** and a desire to discuss guidance.

- **Three** respondents **felt that the thematic and geographic spread of awards was unbalanced** and wished to discuss this.

- **Two** unsuccessful applicants expressed their **wish to receive feedback on unsuccessful applications and insights into improving future submissions.**

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