

Dormant Accounts Fund NI – what we have learned

June 2022

This report contains key learning from the delivery of Phase one of the Dormant Accounts Fund NI since the launch in January 2021.

The data referred to in the report relates to the period 12th January 2021 to 30th June 2022.

Background

The Dormant Accounts Fund NI was launched in January 2021, adopting a ‘test and learn’ approach to ensure the programme was flexible and responsive to the needs of the sector. The policy directions, set by the Department of Finance, can be [found here](#).

The aim and outcomes of the Dormant Accounts Fund NI are:

The NI voluntary, community, and social enterprise (VCSE) sector will be more resilient and prepared for the future, through increased capacity and sustainability.

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

The Grant Programme

For the first phase, we developed a flexible and responsive grant programme to support organisations to be able to adapt to future challenges and be more financially resilient. Each organisation is unique in terms of what it needs for sustainability. Up to £100,000 is available for individual organisations. This programme opened for applications in January 2021 and up to June 2022, £9.5m has been awarded to 106 organisations.

The Strategic Investment Awards

The Dormant Accounts Fund NI also supports larger strategic investments (maximum award £500,000) that enable collaboration and the development of new and creative approaches to promote sustainability for the sector. These are Northern Ireland-wide or sector-specific proposals that focus on a particular theme.

So far, we have supported **one** strategic investment, awarding **£500,000** to Arts and Business NI for their [Blueprint for the Future project](#).

There are also five ideas in the pipeline for our Strategic Investments, with applications being developed or considered by organisations from the areas of Youth sector, Volunteering, Health sector, Digital Inclusion and the Environment.

The Budget

The Dormant Accounts Fund had accumulated **£20.6 million** by the time it launched in January 2021. A further **£1.5 million** accumulated for Northern Ireland in the financial year April 2021 to March 2022. So the total amount is just over **£22.1 million**.

It is anticipated that an additional £1m to £1.5m will be released from the Reclaim Fund each year to the Dormant Accounts Fund NI, due to more bank and building society accounts becoming dormant. Following discussions with the Department of Finance it was agreed that we would front load the budget in the first year, reflecting the volume of applications for the highly anticipated grants programme.

To date (30th June 2022) we have committed £9,454,394.

We have seen a steady rise in the quality of applications, and we are now unable to fund a number of strong applications due to the reducing budgets available for each decision meeting. Our policy directions require us to ensure equitable distribution and when we are making decisions, we need to take this into consideration and look at the analysis of gaps in terms of geography, organisation type, thematic areas, and sector.

Learning to date

Key learning - Grant applications

- Since the launch of the grant programme, we have received **437** applications requesting over **£36m**
- The programme attracted a high number of applications in the first six months. In the first nine months of the grant programme opening, a high percentage of applications did not meet the programme priorities, focusing on programme delivery rather than organisational resilience.
- We amended the messaging on our [website](#), delivered outreach sessions and published blogs to provide clarity on the type of projects aligned to the programme priorities and the evidence we would need to see to support a strong application.
- The average value per application is **£80,600** (more than half of the applications were for over £90k).
- The grant programme has proved popular across the VCSE sector with customers and stakeholders responding well to the open flexible approach that allows organisations to develop projects that meet their needs and apply when they are ready.
- There is a good geographic spread of applications from across NI.
- LGBTQ+, ethnic minority communities and older people's groups have low application rates. We are planning to deliver targeted outreach with these groups.
- We have had low application rates from micro and small sized organisations. Stakeholders told us that smaller, lower capacity groups were unlikely to be in a position to focus on long-term sustainability/resilience projects. It is more appropriate for this type of organisation to seek capacity building from a support organisation.
- Application rates have now levelled off to around ten per month and the overall quality of applications has also significantly improved.
- Many organisations re apply for funding when they are unsuccessful, and some have applied three times.

Key learning - Grant Awards

- The grant programme has awarded 106 grants to support a wide range of projects that meet the aim and outcome of the Dormant Accounts Fund. A full list of the projects awarded is available on [our website](#).
- Medium and Large sized organisations are more successful in accessing grants, micro and small sized organisations have a lower success rate as they tend to be seeking funding for programme delivery.

- The distribution of awards across NI has been good, although most of the grants have been awarded in the Belfast and Derry city and Strabane district council areas.
- A wide range of organisation types have been funded, but there are some gaps: (older peoples organisations, ethnic minority communities, LGBTQ+ and women's organisations)
- There is an even distribution of awards in relation to community background
- The quality of applications is now very high, with strong evidence provided to support project ideas.
- Our local funding teams promote the Dormant Accounts Fund through their outreach work and particularly encourage applications from underrepresented groups/geographical areas.

Key learning - Strategic Awards

- There are common themes around the duplication of services, competition for funding, competition for participants, quality standards and future proofing.
- There appears to be a desire to address these issues, however there is an acknowledgement that increased collaboration and strategic thinking is easier said than done, with many organisations affected by the legacy of a short-term competitive funding environment, and more recently, the impact of COVID-19 and the cost of living pressures.
- We can offer small grants (up to £50k) to help the development of these pipeline ideas, therefore it may be 2023/24 before they are able to submit a full application.

What we have learnt about the VCSE sector

- The sector is generally focused on day-to-day delivery and seeking funding for programme activity. It took time for organisations to understand the focus of the Dormant Accounts Fund - to directly support organisations rather than projects/activity.
- The impact of COVID-19 features in a number of applications; depletion of financial reserves, and a realisation that digital development is essential.
- Many small/micro-organisations have not been in the position to focus on sustainability or resilience and are unsure about how to build skills and capacity.
- There are a range of capacity building organisations/services/programmes available to the sector however they suffer from the same issues as the

wider sector (duplication of services, competition for funding, competition for participants, quality standards and future proofing.)

- A number of organisations want to recruit Business Development Manager posts and for some this has been difficult due to the competitive job market.
- There are a growing number of applications where digital is the primary focus of the project.

Next Steps

- We will meet with key stakeholders over the next few months to share learning and seek feedback on the programme to date and the future direction.
- We will be doing outreach and promoting the programme to address the gaps we have identified among communities. Currently these are: small and/or rural organisations, ethnic minority communities, LGBTQ+, older people and women's groups.
- We will continue to keep programme demand and budget under review.
- We will also consider how we can continue to share the learning in relation to the different sustainability approaches that organisations are currently testing with their grants.