



# Partnership working

Lessons from the third  
sector in Wales

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# Introduction

Partnership working is now commonplace across the third sector in Wales. The National Lottery Community Fund (the Fund) actively promotes partnership working through its funding where it is sensible to do so, and this collaboration often makes the greatest positive impact on communities. Three of the Fund's current programmes required partnerships to apply for funding: **Mind Our Future, Helping End Homelessness, and Sustainable Steps: Green Careers.**

Partnership working inevitably brings with it some challenges and barriers. The Fund commissioned The Funding Centre to research the impact of partnership working on our grant holders to get a better understanding of the attitudes and behaviours associated with it, what success looks like within partnerships, and how common challenges can be addressed. The Fund is using this research to inform the support and advice offered to organisations on partnership working to help them make the greatest impact possible.

This summary captures the headline findings from the research. It defines partnership working, considers its benefits and drawbacks, what to do and what not to do, and offers some lessons for The Fund.



# What is partnership working?

The research defined partnership as any form of collaborative working. This allowed it to explore a broad range of partnerships of varying shapes, sizes, sectors, and locations.

It also considered formal and informal partnerships:



## Formal partnerships

Formal partnerships are where two or more organisations work together under a formal partnership agreement. Where the Fund requires partnership working as part of a grant, a signed partnership agreement is a condition of the grant.



## Informal partnerships

Informal partnerships are any form of collaboration between two or more organisations which occur without a partnership agreement that binds them together.



Bethesda Rugby Club

# Benefits and Challenges

## Benefits



**75%**  
of respondents were  
favourable towards  
partnership working

The top three survey responses on the main benefits were:

- involving communities/beneficiaries in the project
- integrated/joined up support and services
- relationships that continue in the longer term through further collaboration, knowledge sharing and referrals.

Other benefits of partnership working are explored below.

### Sharing of knowledge and resources

Partnership working can strengthen skills and expertise by sharing knowledge and experience between partners. This opens doors to new learning and growth opportunities that were previously inaccessible.

**Shared knowledge, shared expertise, shared contacts, shared networks – we really benefit from being able to draw on that expertise, knowledge and experience.**

It allows resources to be shared between organisations, too. This can be very helpful for organisations who do not have the capability or capacity to undertake specific projects on their own. In some instances, partners' services can become integrated with one another, allowing them to progress and extend in ways that wouldn't be possible independently.

### Strategic delivery

Collaboration promotes strategic delivery. Partnerships allow organisations to grasp each other's scope and capabilities thereby establishing an understanding of where partners can join together to maximise their impact. This can lead to greater effectiveness and efficiency, enhancing both the reach and impact of the project. This in turn can bring financial benefits to the organisations involved, while reducing the risk of duplication.

### Additional funding opportunities

With an increasing number of funding opportunities requiring or encouraging partnership working to access funds, a commitment to partnership working creates additional funding opportunities. Organisations opting to 'go it alone' are often limiting opportunities to fund their work.



## Networking

Partnerships, formal or informal, allow organisations to build relationships with one another. They grow their network to reach new organisations, staff, and beneficiaries. This is advantageous as they acquire new knowledge and expertise and it helps to enhance their reputation through word of mouth, creating future partnership opportunities in the process.

## Improves service delivery

Many respondents agreed that partnerships improve service delivery by increasing the quality and breadth of the services on offer and improving outcomes for beneficiaries:

**[Partnerships] can improve the quality of services and bring different organisations together to offer a broader range of support for individuals. [Partnerships] can also enhance access to specialist support.**

## Challenges

While there are many positives to partnership working, it also brings its challenges. These challenges are not insurmountable if managed correctly, but they can pose a substantial risk if they are not. Sometimes they can be weighty enough to deter organisations from partnership working altogether. The two biggest challenges seem to be capacity and time.

### Capacity

Respondents identified lack of capacity and resources as the main challenge posed by partnership working. Partnership applications require a commitment of time and expense, and the inability to resource this sees many third sector organisations struggle. In the worst-case

scenario, they can put staff under excess pressure with increased workloads and organisations effectively lose money if a partnership application is unsuccessful. Smaller organisations with less capacity and capability are often more vulnerable in these situations. This can dissuade smaller organisations from engaging in partnerships, leaving the larger ones who can afford to take the risk to more likely to realise the benefits they can bring.

### Time

Developing partnerships takes time, as does setting up and delivering a partnership project. Limited time between programme launch and application deadline can mean that a large amount of work needs to be completed in a short period. The duration of the funding is another consideration; short term funding does not provide adequate time to form solid relationships and routines meaning that such partnerships are not always able to reach their full potential.

Other partnership working challenges identified were:

**Complexity** – maintaining partnerships can be complicated, especially relationship management which can sometimes take the focus away from the project delivery.

**Conflict** – when expectations, roles, obligations, and governance are not discussed and agreed early on, this can lead to disagreements later on, especially around decision making.

**Risk** – if formal partnership working goes wrong, this may harm an organisation's own operation and damage their reputation.

**Trust** – competition is rife between third sector organisations as they contend for funding. This can create a climate of mistrust making organisations reluctant to collaborate with each other.

# Key lessons for the partnership lifecycle

The lifecycle of a partnership has varying multiple stages, and this section considers the lessons for each stage of the partnership process. The lessons highlighted for each stage could contribute to the overall success of your partnership.

## The inception

An informal, organic relationship is a great way to kick start a partnership. Starting informally gives valuable time and flexibility that opens doors to test different ways of working, providing the freedom to fail without consequence. This allows best practice to be learned, what works and what doesn't, and irons out any problems early on. Partners can create trust, establishing a clear understanding of one another, too. This solidifies a strong foundation for partnerships to develop and grow into a formal arrangement in the future.

## Building in formality

Once partners have a strong understanding of each other and best practice, it is the prime time to start building in formality. However, before signing any contracts or agreements, there are several things to consider:

- Create **clarity** between all partners on the shared values and purpose of the partnership, and the roles and expectations of each partner. Transparency is key to create trust and prevent any confusion or conflict which may hinder the effectiveness of the partnership.
- Assess the **resources, capacity, and time** available and see if the planned proposals are realistic. It is easy to underestimate what a partnership project demands, so it is essential to evaluate and make sure that you are fully prepared.

- Ensure the partnership is a **manageable size**, with each partner assigned a clear role. Too many partners could overcomplicate the process creating unnecessary risk.
- **Lead partners** are essential to the success of a partnership and so should be chosen carefully. They need to have the correct skills, experience, capacity, and ethos. This is important as they ensure that everything is on track, delivery is running smoothly, and all partners are contributing to the collective effort of the project. Lead partners should be incentivised, too. They contribute a significant amount of extra skill, resources, and money and so without an incentive, organisations can be deterred from leading. It is important to incentivise them to make the arrangement fair and worthwhile and to encourage the right organisation to come forward.
- Create a **clear partnership framework** plan including the overall vision, key areas of responsibility, obligations, financial allocations, processes, and any other important details. This provides a coherent structure and strategy that underpins the partnership.

## After Formalisation

After a partnership agreement contract is signed and funding is received, there are several steps to take to ensure the further success of a partnership:

- A **lead-in period** is useful for getting organised. This is a designated time to set up the necessary administrative tasks, systems, and processes before project delivery begins. Recruitment, finance, GDPR, IT, and governance take time, and

problems will inevitably arise at some point. A lead-in period weeds out these issues early on, leading to more effective project delivery that's less likely to be impacted by administrative problems.

- It is vital for a partnership to learn and grow so **evaluation** should be built-in from the outset. Whether this is a specific partner devoted to evaluation or an independent external evaluator, evaluations identify what's working effectively and where room for improvement is. This increases projects' quality, achieving the greatest possible impact.
- **Strong and honest communication** is essential to maintain a partnership successfully as it allows partners to have the necessary clarity on project delivery and beyond. A 'sweet spot' of communication frequency should be found in each partnership. This should be regular enough, so all partners are informed and on the same page, but not too often that it becomes unnecessary and hinders progress. Face-to-face meetings should be considered to sustain strong relationships between partners and promote momentum.
- Funders have partnerships and their projects' best interests at heart and provide invaluable support to help through the process. That is why it is important to have a **good relationship with your funder**. They provide guidance and reassurance, helping to navigate any challenges and ensuring your project is on the track to success.

## Small Organisations

Partnership working can pose additional challenges for smaller organisations, but this shouldn't make partnership working inaccessible for them.

Here are some specific considerations that small organisations should be aware of.

- Partnership working demands certain **skills and capacity**. While this can be seen as a barrier for smaller organisations, it can be seen as a great opportunity for growth and development. Partners can share expertise and perspectives, opening smaller organisations up to new learning opportunities that provide new ways of thinking, working and delivering. Even if a formal arrangement is too daunting or out of range, consider an informal partnership which can still provide important learning and networking opportunities.
- Power imbalances are a frequent issue for small organisations, especially when working with larger, more experienced ones. Smaller organisations have expressed that larger organisations use them 'to tick a box for funders' and that they don't have any 'real involvement' in the partnership process. All organisations, large or small, need to be aware of the **power dynamics** at play in a partnership. Larger or lead partners need to take the active role in combatting this, making a conscious effort to create a positive partnership culture. This needs to include respect, equity, and transparency so that smaller organisations voices are heard within the partnership.

**“Power dynamics between larger and smaller organisations is always hard – so [there] needs to be trust and transparency.”**



# Key lessons for the Fund



**83%** of respondents who worked on a partnership project supported by The Fund had a positive experience, but only **45%** felt that The Fund provides clear expectations on partnership working, highlighting room for improvement. The research made several recommendations to The Fund relating to its approach.

## Guidance and Training

Clear guidance for organisations wanting to develop partnership projects should be developed. Stakeholders referred to the provision of templates, 'how to' guides, case studies and 'frequently asked questions' as possibilities, and it is evident that organisations (especially smaller ones) would like more help.

The Fund should explore its capacity to provide more support to organisations around the development and delivery of effective partnerships. This carries resource implications, so the Fund would need to look at what is feasible as it will place additional demands on Fund staff.

Examples of where the Fund could facilitate more guidance/training include:

**Skills and capacity-building** – Training on specific functions, such as Finance, IT, GDPR, Governance etc, that an organisation might be inexperienced in.

**Scale and size** – There is no 'one size fits all' that can easily be applied here. However, broad guidelines for the expectations of partnership size should be developed for each programme. This may vary between programmes depending on specific needs.

**General Clarity** – More generic information on the Fund's expectations as well as what makes a partnership effective and stronger support from the Fund throughout all stages of the partnership.

**Trust and relationships** – additional information on how to maintain trust and relationships.

The Fund should also continue to explore what other support organisations and infrastructure bodies are doing in this area, and whether partnering with them could be an appropriate way to support grant holders and applicants.

## Partnerships within Funding Programmes

There is no appetite for partnerships to be universally mandated across all the Fund's programmes. Most organisations support it where there is a clear rationale for doing so, but do not feel that making it a constant requirement would be viable or effective.

The length of funding programmes and the level of grant available are factors that influence whether organisations feel that a partnership approach is appropriate and ‘worth the investment’. Longer programmes appear better suited to a partnership approach; The Fund should design programmes to ensure that the ‘pay off’ is deemed sufficient to make partnership viable and effective. As disciplines like co-production require additional time to be effective, longer funding programmes provide the space for this to occur.

## Funding for Partnerships

Development funding is universally viewed as an important way of helping organisations to negotiate the extra costs and resource pressures associated with developing complex partnership bids. Every effort should be made to continue and extend this provision, especially for smaller organisations who face additional barriers and challenges.

## Understanding and Clarity from the Fund

The Fund should recognise that partnership working adds complexity, challenges and cost. Stakeholders want the Fund to be flexible in the way it views partnership and to accept that there may be different models that can be applied. The Fund should also provide a space for learning to take place that could help them develop approaches that work best for them. The Fund’s convening power could help make this happen and this leadership position should be utilised to support organisations through innovation and enabling shared learning.

There is also a desire to learn more about what an effective partnership looks like, and to embrace innovative

approaches. The Fund should work with stakeholders to identify effective and ineffective practice and share that with organisations through case studies, and the provision of opportunities for learning and development.

As clarity about the role of organisations in partnerships was identified as a success factor, the Fund should apply appropriate tests to proposals to ensure that roles have been fully considered and specified. Making sure partners have a meaningful and funded role on projects was seen as a good way of securing lasting commitment and ‘buy in’ to the partnership process.

## Future Research

Further deep dive research may be useful to explore how to enable collaboration in, and with, various sectors/sub-sectors. Some of the themes identified in this report could be expanded upon and the work could identify key gatekeepers and enablers, existing networking structures and sector specific opportunities and constraints.



Tumble Family Centre



## Next Steps

The Fund is beginning to consider its response. It is sharing the findings of this research to with external audiences through this summary report and a series of blogs, virtual events, and a social media campaign to prompt a broader conversation with the third sector, other funders and public bodies.

The Fund will consider the findings in the development of future programmes and make informed decisions to ensure that partnerships are required only where necessary, providing a strong rationale to applicants, so there is clarity on the partnership's purpose.



African Community Centre





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This research was externally  
commissioned from an organisation:



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