



Principles for Positive Partnership

Guidance on relationships
between Scottish Government
and third sector grantholders

Foreword

Although very different and entirely distinct, the third sector and the Scottish Government are committed to working together for the benefit of people and communities. We are united by our desire for greater kindness and equality for all, and by a vision of a Scotland where everyone feels safe and valued, and has the support they need to realise their full potential.

Direct Scottish Government funding to third sector organisations is a small and niche part of our relationship, and certainly a small part of the enormous contribution of the third sector across a range of shared challenges. Nonetheless, it's a part of our relationship which is important to get right. If we don't, we add stress and anxiety to our own organisations, and more importantly, fail to deliver for the people we care about and the communities we serve.

This guidance was developed in response to an 'ask' from colleagues from both the third sector and the Scottish Government for more practical guidance to support these relationships. They recognised that while most funding relationships are largely positive, there is always room for improvement.

We highly recommend this short, concise and practical document as an excellent place to start for anyone involved in, or about to embark on, a funding relationship.

Lisa Bird

Deputy Director
Scottish Government Deputy Director of Equalities, Human Rights and Third Sector

Anna Fowlie

Chief Executive
Scottish Council for Voluntary Organisations

Purpose of this guidance

This guidance was written in response to a need identified by Scottish Government grant managers and third sector grantholders. Grant managers and grantholders told us that effective funding flows from effective relationships and asked for practical guidance to help achieve positive funding relationships in the first place and, if problems arise, tackle them in a productive way.

This guidance is for people in Scottish Government who directly manage grant funding to the third sector (Grant Managers) and people in the third sector who hold a grant managed by Scottish Government (Grantholders).

- It is **not about**
- broader Government and third sector joint working. The focus is on funding relationships.
 - grant applications or decision-making about funding.
 - grant schemes managed on behalf of Scottish Government by a third party - but some of it should be relevant.

How to use the guidance

It's a good idea to read the whole guidance at least once. However, the aim is that you will dip into it when you need to.

The guidance is made up of practical suggestions drawn from funding best practice and the significant experience of the working group members who wrote it. The guidance is not a set of rules and you do not have to do everything suggested.

The guidance will be successful if it helps you feel more confident in your funding relationship and work together to achieve positive outcomes and learning from grant funding.

Starting the funding relationship

Key messages

Remember both of us - grant managers and grantholders - want to achieve positive outcomes for the people of Scotland.

Relationships take time so we should dedicate the right amount of time to build relationships and trust.

We each want to achieve positive outcomes with the grant and are open to a co-produced approach to support impact and learning.

We will be open about expectations on both sides to avoid surprises or misunderstandings later.

Good relationships are built on being able to challenge each other constructively.

Not everything in the grant will go as planned. We will be flexible and keep the focus on learning and improvement.

A positive funding relationship should be more than a positive relationship between two people and should not be adversely affected if specific individual changes. The focus should be on getting the best from each other and our organisations.

Actions both could take

Agree the grant outcomes together.

Have early conversations about expectations.

Check out each other's language. Ask each other: "what do you mean by?" "what's important to you?"

Agree how to give each other constructive feedback.

Have an honest conversation about gaps between what was in the application and what is now possible (especially when things change).

Be clear how the grant links to Scottish Government policy and to the grantholders' organisational mission.

If the funding is time-limited think about endings now (see page 9).

Actions Grant Manager could initiate

Don't assume the grant holder understands your world so be open about relevant issues that might affect your grant management.

Set up an early face-to-face meeting to talk through what the words in the grant offer letter mean and to start to build the relationship.

Offer - or signpost to - relevant sources of help.

Be open about the help you need to understand the third sector or area of work.

Agree evaluation and reporting requirements and frequency. Focus on what will be useful for your policy work and learning. Don't ask for data you don't need.

If you have several new grantholders you could bring them together. This could save time and build connections and consistency across the set of grants.

Actions Grantholder could initiate

Don't assume Scottish Government understands your world so be open about relevant issues / pressures that might impact on the grant delivery.

Be open about help you need (for example about evaluation or report writing).

Be proactive about the format and frequency of reporting that will work for you in terms of explaining impact and learning.

Share learning from past positive funding relationships.

Maintaining the funding relationship

Key messages

No surprises.

Keep in touch, especially when things change.

If something doesn't make sense, or is not what was agreed, ask for clarification.

There is no rigid "right" way to do grant management day to day because every grant is different. Find the best way to work together to achieve impact and learning.

Maintaining good productive relationships requires a professional, open and honest approach.

Keep an eye out for warning signs that things might be going off track such as missed deadlines or unexplained changes. Early intervention is key.

Actions both could take

Changes in personnel will happen. Give notice of the change and have a handover. Don't assume the new person will be totally up to speed so make time to brief them.

Make sure written reports are evaluative and contain learning - not just a list of activities.

Ask reflective questions: "What three things are going well?", "What one key thing could be changed?" These questions apply to the grant itself AND the funding relationship.

Involve different people from both sides in meetings (where appropriate) to evolve skills and broaden understanding of each other across the team/organisation.

Be realistic about timescales when asking for information (avoid "asap"). But also, respond timeously.

If either of us has a small worry, raise it before it becomes a big problem.

Appreciate that neither of us has all the answers.

Actions Grant Manager could initiate

Have a face to face meeting at least once a year (or more frequently). You will learn more about the grant impact than from a written report alone.

Bring grantholders and Scottish Government colleagues together to share learning across grants.

Give feedback on reports - what you liked as well as what could be better, and how you will use learning from the grant for your wider policy work.

Consider if you can help the grantholders by referring to Scottish Government colleagues or outside support.

Ask the grantholder if there's anything you can do differently.

When communicating a decision about the continuation of funding be mindful of the consequences of delays in decision-making for grantholder staff, delivery of work and for service-users, and the stress this might cause.

Actions Grantholder could initiate

Ask for feedback on your report. Ask the grant manager if there is anything in your report that could be clearer or better.

Be open about any challenges and ask for help if you need it.

Talk to other grantholders. If you hear of inconsistencies between your requirements and others ask your Grant Manager why. There might be good reasons but it is OK to ask.

Report any added value or additional unexpected outcomes.

When relationships go wrong

Key message

Things can go wrong. You are not alone. Don't panic!

Actions both could take

Have an early face-to-face meeting. Avoid having difficult conversations by email.

Take time, focus on the task and meet in a comfortable space for both. Prepare by making a list of things to cover.

Ask each other questions to find out the root cause of the problem (which may be different to the presenting problem).

Focus on reaching a positive solution together rather than apportioning blame.

Listen to the other person and explain what matters to you.

Be open and honest about where you disagree and why.

Make a shared, written plan about what both are going to do next including how to communicate in future.

Debrief after the situation has been resolved. Are there lessons about how both of us work together in the future?

Actions Grant Manager could initiate

Assess the risks. What are the facts and what are the potential consequences?

Talk to colleagues/your manager and use them as a sounding board.

Consider bringing in an external facilitator to help you and the grantholder have a safe conversation about the problem.

Look after your wellbeing and remember your grantholder may be feeling the same as you are - even if it doesn't seem that way!

Respond proportionately. You don't have to change everything you do on the back of one bad experience.

Actions Grantholder could initiate

Tell a colleague or your Chair and use them as a sounding board.

If you are facing difficulty delivering your grant-funded work, tell your grant manager before it gets too serious. Hiding things might lead to relationship difficulties.

Be cautious about mobilising your service users or the public. You might make the relationship worse.

Look after your wellbeing and remember your grant manager may be feeling the same as you are - even if it doesn't seem that way!

When the funding comes to an end

Key message

Ending funding can be hard for both, even when it was clear from the start that it was time-limited. The key is to plan for an effective ending and be clear about expectations and timescales.

What this means for the Grant Manager

Be sensitive to the fact that ending funding may have consequences for grantholder staff, work or service users.

Communicate clearly the reason for the end of funding and provide the context for the decision.

Give as much notice as possible. Good practice is three months to allow the grantholder time for planning. Longer notice will be needed if there had been a possibility that the grant might continue.

Recognise that this has the potential to become political but that doesn't reflect on you as a grant manager.

Ending funding relationships requires time and resources. Get help if you need it and make time for a good ending.

Ending a funding relationship can be difficult so seek support if you need it.

Provide information about other sources of funding but be realistic that some work may not be picked up by other funders.

Consider how you will use and share learning from the funded work after it finishes so there is a legacy.

What this means for the Grantholder

The end of funding does not necessarily reflect on your delivery of the funded work or on your funding relationship.

Don't forget you have done good work even though it is no longer funded. Consider the positive legacy and learning.

Although the funding is ending it is possible to continue a useful working relationship.

Recognise the decision might be a consequence of something outside the control of the Grant Manager (Ministerial policy, funding cuts) but do not be afraid to ask for information about the context for the decision.

Ask if Scottish Government can help you in other ways such as signposting to sources of advice.

Consider how you will use and share learning from the funded work after it finishes so there is a legacy.

Sources of help

Scotland Funders' Forum Harmonising Reporting good practice guidance in reporting relationships:

evaluationsupportscotland.org.uk/how-can-we-help/harmonising-reporting

The lasting difference sustainability toolkit:

thelastingdifference.com

New Principles for Grant Reporting (IVAR and Esme Fairbairn):

ivar.org.uk/aligning-grant-reporting

General third sector information and statistics:

scvo.org.uk/projects-campaigns/i-love-charity/sector-stats

SCVO information service:

scvo.org.uk/about/staff-team?department=information-services or your local third sector interface

ACOSVO Leadership Exchange - a programme that pairs leaders from different sectors to learn about each other:

www.acosvo.org.uk/leadershipexchange

"The art of exit" (Nesta) - guide to shutting down public services:

www.nesta.org.uk/report/the-art-of-exit

"Exploring the New World: practical insights for funding, commissioning and managing in complexity"(Collaborate CIC/University of Northumbria):

collaboratecic.com/exploring-the-new-world-practical-insights-for-funding-commissioning-and-managing-in-complexity-20a0c53b89aa

Cultural Intelligence resources:

youtube.com/watch?v=izeiRjUMau4

Who produced this guidance?

The guidance was produced by a working group of people from third sector and Scottish Government, facilitated by Steven Marwick from Evaluation Support Scotland in 2019. We created draft guidance, consulted grant managers and grantholders over three months, and produced this guidance to incorporate the feedback received.

Third sector

Pat Armstrong, Association of Chief Officers of Scottish Voluntary Organisations (ACOSVO)

Alison Douglas, Alcohol Focus Scotland

Sally Dyson, Scottish Council for Voluntary Organisations (SCVO)

Dee Fraser, Coalition of Care and Support Providers in Scotland

David Reilly, Scottish Co-production Network / Scottish Community Development Centre (SCDC)

Mark McGeachie, Youth Scotland

Emma Whitelock, Lead Scotland

Scottish Government officials from

Third Sector Unit

Health Protection

Children and Families

Carers Team

Finance

Governance and Risk

Produced by Evaluation Support Scotland
Funded by Scottish Government
January 2020



www.evaluationsupportscotland.org.uk

Scottish Charity: SC036529

Design by [Do Good](#)