

NRW B O 25.14 Partnership Funding Review
ANNEX 2

RISK ANALYSIS

Risk	Consequences	Mitigation / action
The Welsh Government Grants Review is concluded after Natural Resources Wales's Partnership Funding Review	The Welsh Government may make decisions that directly impact on Natural Resources Wales's own review, e.g. they may decide to take all payments to Local Authorities 'in-house'; they may decide that all 'core funding' should come from Welsh Government rather than Natural Resources Wales etc.	Work closely with Welsh Government now to anticipate these decisions
Some partners, both small and large, are reliant on partnership funding from Natural Resources Wales to carry out their activities.	– Larger partners have more capacity to absorb the loss funding from Natural Resources Wales. – Natural Resources Wales and partners will have to accept that some smaller or specialised partner organisations may cease to operate within Wales. – There will be lobbying by these partners if they are resistant to changes in the way Natural Resources Wales carries out partnership funding.	Put into place a communications plan. Communication of changes to funding approach tailored to stakeholders. Define a clear process for any new funding streams, including tapering and exit strategy.
Stopping a long term relationship with a single partner where they have been considered a strategic delivery partner.	– Loss of trust with partner – Loss of outputs and outcomes generated by partner – Probable negative reputational impact on Natural Resources Wales. – There will be lobbying by these partners if they are resistant to changes in the way Natural Resources Wales carries out partnership funding.	Put into place a communications plan. Communicate changes to funding approach and reasons directly with partner, possibly face-to-face and open to discussion. Consider having a competitive funding stream for larger, long term grants that deliver over a range of areas.

		Define a clear process for any new funding streams, including tapering and exit strategy.
Stopping a long term relationship with single partner where they are considered to be the only partner capable of delivering a piece of work, e.g. MEDIN, LRCs, JNCC.	– Natural Resources Wales would be without the service provided by the partner. – There is potential for the future delivery of service to be jeopardised. – Loss of access to database held by these partners which would impact throughout Natural Resources Wales.	This type of relationship should be continued pending a review of the relationship and a business case for a single tender approach to evidence probity of funding approach.
Resistance to ecosystem approach and natural resource management by some partners	– Some discontented groups may lobby against Natural Resources Wales and incite media criticism. – Possible reputational risk.	Ensure communication and understanding of the ecosystems approach Development of an ecosystem approach toolkit that can be used internally and externally.
Natural Resources Wales's new Partnership Funding Strategy may upset or change the current configuration of partners and relationships	– In the short-term this could lead to lack of coordination – Longer term this provides an opportunity to widen membership/participation	Be willing to act as a facilitator to establish the links between deliverers and beneficiaries of services. Invest time in building new relationships Consider opportunities to develop payment for ecosystem services as alternative funding source. Coordination partnership funding actions across Natural

		Resources Wales e.g. establishment of a practitioner group
Change to internal processes could lead to deterioration of service and loss of focus	Opportunity to create a Natural Resources Wales process that is aligned with our aims, and which provides a defined process for staff. Opportunity to monitor, evaluate and improve the impact of Natural Resources Wales partnership working A lack of acceptance of, and compliance with, new processes by staff. A centralised administration will ensure: – Natural Resources Wales transparency in partnership funding; – better management of internal risks; – deliver management information.	Communicate and deliver training for new processes. Practitioners should be involved in the development and roll out of new processes. Central funding hub can support grant lead officers. Provide leadership through Head of Sustainable Communities
Natural Resources Wales staff and systems may not be able to absorb the rate of change involved with the Partnership Funding Strategy	Discontinuity; Criticism of Natural Resources Wales for failing to live up to expectation;	Natural Resources Wales management need to judge and constantly review the pace of change and adapt as necessary.
New approaches may not be able to identify programme level benefits of the new strategy	This would mean that the benefits or investment in funding would not be readily assessable. It could also mean that the overall configuration of funding decision making is not informed by relevant information and therefore is sub-optimal.	Natural Resources Wales needs to invest time and care in working out a simple but robust approach.
The disbursement of funding is a politically sensitive activity and it is all too easy to endow it	Over infatuation with financial process issues at the expense of the focus on outcomes and results on the ground.	Natural Resources Wales managers need to ensure that financial processes are proportionate and

with a mire of bureaucratic financial processes that impede seeing the big picture and securing change on the ground.		aligned with delivery of outcomes.
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