

12 SEPTEMBER 2022**THE ALB SPONSORSHIP CODE****Purpose**

1. To update the Board on the recent work between Defra and the Forestry Commission (FC) on the Cabinet Office (CO) led 'Sponsorship Code'. To additionally, seek approval for the provisionally agreed maturity levels for the six capabilities covered under the Code.

Background

2. In 2021, the Public Accounts Committee recommended the CO set out common standards for what good departmental arrangements look like. Accordingly, the CO have created the Sponsorship Code as a tool to provide assurance to ministers and the Civil Service Board.
3. There are six capabilities covered under the code, see Discussion section below, which members of the Commissioners Office have discussed with the Defra FC Relationship Management Team to create a baseline maturity level (emerging, maturing or advanced). This baseline will be submitted to the CO by Defra alongside ratings for their other ALBs. The maturity level will inform an action plan covering all six capabilities that the FC and Defra FC Relationship Management Team will jointly own. This will be reviewed regularly throughout the year.
4. As well as the regular review with Defra, CO will undertake annual assurance of departments to monitor continuous improvement in ALB sponsorship capability. The Code is being trialed for a year, and there will be opportunity for the FC to provide feedback on where the guidance is and isn't working well.

Discussion*Progress to date*

5. The FC Finance Director, Chief of Staff, Head of Governance and Governance Manager have met twice with the Defra FC Relationship Management Team over the past few weeks to review the Sponsorship Code list of activities, maturity levels and assurance tool provided to Defra by the CO.
6. The three maturity levels are emerging, maturing and advanced, with specific guidance for what each of these maturity levels looks like for the six capabilities covered under the Code.
7. We have jointly agreed a list of actions that will form the jointly owned action plan and will be regularly reviewed across the next 12 months.

8. We have provisionally agreed the following maturity levels for the capabilities covered under the Code:

Capability	Maturity Level	Summary of rationale
Relationship Management	Emerging	Beginning of relationship due to staff turnover at working level, live examples of FC not being properly understood in some areas of Defra, and some issues not being resolved in a timely manner. Areas of improvement include improving feedback loop on risks escalated by FC, putting a plan in place to increase understanding within Defra of FC's purpose, improving understanding of R&RS between different Defra teams that engage with FC, develop working level relationship.
Agreeing strategy and setting objectives	Maturing	Clear priorities from the ministers, KPIs are in place, and we understand what success looks like. Areas of improvement to include publication of the new FC Corporate plan and a piece of work to ensure KPIs and performance reviews are SMART.
Outcome Assurance	Maturing	FC provide Defra with the MI that is requested. Work to be undertaken by Defra to understand what decisions are being made from the information that ALBs provide and what role the Relationship Management Team should play in reporting/analysis of MI. Reaching advanced would require agreement across Defra Group on having similar ALB datasets to be interrogated.
Financial Oversight	Maturing	FC currently carry out budget holder responsibilities (ARA, ARAC etc) and meet legal and statutory requirements. Areas of improvement include Defra Relationship Team strengthening relationship with Defra Finance contacts and increasing the FC profile in Defra Group Corporate Services.
Risk Management	Maturing	Risks are fully articulated and escalated where required, however, there is currently a feedback loop issue on escalated risks that Defra need to resolve, and FC need to provide risk appetite statements.
Governance and Accountability	Advanced	Appropriate governance structures in place which meet requirements of the Forestry Act, and have clearly defined PAO, AO and Senior Sponsor. FC sit on new Defra Group Functional Standards Working Group and will provide assurance on meeting required standards. Current full-time Senior Relationship Manager and Relationship Manager, with Team Leader split across 2 ALBs.

Next Steps

9. The following timeline is in place:

- FC to feedback to Defra FC Relationship Management Team following the EB.
- 21 Sept: Defra Deputy Director and Director sign off.
- 21 Sept: Defra FC Relationship Management Team to feedback to the FC and group to collectively agree if any actions required ahead of submission.
- 30 Sept: Final submission to Public Bodies Partnership Team.
- Joint review of the agreed actions, maturity level and assurance tool regularly throughout the year.
- Sept 2023: CO review of the trial year of the Sponsorship Code and progress on the maturity level and assurance for each of the ALBs and departments.

Resource implications

10. Any further actions carried out on the Sponsorship Code will be absorbed as part of BAU workload for relevant members of the Commissioners Office and will form part of our regular interaction with the Defra FC Relationship Management Team.

Communications

11. There are no planned communications at this stage.

Recommendations

12. The Committee are invited to discuss and sign-off the provisionally agreed maturity levels for each of the six Sponsorship Code capabilities before these are submitted to the Defra Deputy Director and Director for sign-off on 21 September 2022.

Chief of Staff
5 September 2022