

## Developments in the sponsorship of Public Bodies

### Event Summary

This event provided a great opportunity for ACE members to engage with Catherine Lee, government's newly appointed sponsorship champion. Catherine presented her vision for effective sponsorship and discussed potential developments with the senior leaders of ALBs. Her presentation was followed by a talk by John Dodds and Roger Lowe of the BIS Strategic Review, who provided some excellent insight into the relationship that BIS fosters with its partner organisations.

### **Catherine Lee, Director General of Ministry of Justice (MoJ) and Government's sponsorship champion**

The role of sponsorship Champion is completely new and requires much formulation to develop a vision for effective sponsorship. The current draft is based on Catherine Lee's thoughts to date and includes discussions with the Chair of ACE, Cabinet Office, PCF members, sponsors and a number of others. MoJ is comprised of 35 ALBs and five Executive Agencies that range in size, complexity and arm's 'lengthness'. These features define the relationship MoJ has with each ALB. The ALB-MoJ sponsorship relationship is taken very seriously because MoJ knows how much of an effect the quality of this relationship, has on the delivery of public services. Catherine Lee's sponsorship statement of intent: To maximise ALB and Departmental delivery, making the best use of our collective talents and building effective and supportive sponsorship relationships.

There are four strands to Catherine's sponsorship vision:

1. Working collaboratively through trusting, mature and mutually supportive relationships between departments and their ALBs.
  - The perspectives of all parties involved in sponsorship are welcomed as they will help develop and refine what would be considered an effective relationship;
  - The information, intelligence and experience of ALBs is very valuable as it provides in-depth insight into the sponsorship relationship.
2. Catherine hopes to encourage departments to expose themselves to the thoughts of CEOs and Chairs, so that a mutual understanding could be established between ALBs and their sponsoring departments.
3. Maximising value by influencing each other to work efficiently and effectively and promoting good practice;:
  - Triennial Reviews offer excellent opportunities to improve efficiency. However, the process needs to be used more effectively to share the views of the department and the ALB.
  - MoJ uses a central ALB governance division to improve assurance and expertise through an annual joint impact assessment that involves two major processes:
    - Risk assessment based on three levels of intrinsic risk:
      - Level 1 -limited/no requirement for formal assurance e.g no budget, staff, estate, IT requirements etc.

- Level 2 - moderate requirement for formal assurance
    - may have own Accounting Officer
    - some HR, IT and estate support requirements.
  - Level 3 -significant requirement for formal assurance e.g. large budget, significant potential reputational impact etc
    - likely to have its own Accounting Officer
    - likely to have significant HR, IT and estate support requirements
    - regular exchange of information required
  - Accountability measures that are linked to risk assessment levels
    - Measures include performance, capability, capacity and the delivery environment.
    - Variables change with respect to the level of risk - low risk requiring light touch management and high risk requiring more robust management.
      - The efficacy of joint impact assessment is reliant on clarity about roles, responsibilities and relationships.
4. Recognising and using the available talent within ALBs and the Department to make best use of our joint skills and expertise to achieve the greatest impact on performance:
- Share expertise and be willing to look outside of the organisation for sources of knowledge to develop the best policy possible.
  - Promoting the ALB sponsorship role as a valuable and realistic career path.
  - Developing a close working relationship between departments and ALBs as this is the best way to enhance open policy making. For example, co-develop strategies and solutions to problems.
    - Prior exposure to and involvement in the triennial review process is a great way of making the best use of expertise and direct ALB experience, within the review team. This also adds value to the member organisation that helped review another ALB because they become familiar with the process and the performance measures used.
    - There is a real appetite for more exposure to the work that ALBs do by holding workshops - Catherine/MoJ are organising these.

Strengthening sponsors' capability, ensuring sponsors have the right skills to support ALB delivery. sponsorship is now a recognised specialism – the role comes with an induction pack, training material and forums involving departments and their sponsors are available.

The key elements of Catherine's role are to:

- raise awareness of the importance of effective sponsorship within departments;
- encourage talented staff to see sponsorship as an attractive career option;
- promote professional sponsorship delivered by well-trained/supported sponsors;
- promote the benefits of closer collaborations to both the departments and ALBs;
- combine views of PCF, ACE, departments, Cabinet Office and various sponsors and maximise impact by sharing problem solving solutions and promoting effective relationships.

Catherine would value any feedback/suggestions that would promote the collective use of everyone's resource efforts to improve the sponsorship relationship and promote good practice.

### **John Dodds and Roger Lowe of the BIS Strategic Review**

BIS - partner organisation relationship is based on trust, collaboration and commercial discipline. The department's strategy is to strike the right balance between independence and interdependence, this includes:

- recognising the diverse expertise that Partner Organisations have and need;
- maximising the efficiency and effectiveness of working together;
- spreading the benefits, expertise and talents across these organisations.

BIS has a number of sponsorship challenges, including:

- A lack of clarity on the department's expectations.
- An inconsistent approach to sponsorship and an unequal distribution of efforts or expertise across the group.
- The streamlined and commercially-aware models that are being deployed elsewhere across Whitehall have not been integrated into BIS.

BIS strategic review found that across partner organisations:

- BIS is a world class organisation with a coherent mission that is set to grow sustainably;
- some ALBs work in isolation and should invest in networking and promoting the good practice in their ALBs;
- BIS and its partner organisations have complementary roles, but these lack clarity and can often result in an overlap of roles which ultimately results in conflict;
- sponsorship can be improved by clarifying roles and responsibilities;
- and the group is large and complex with large coordination challenges.

Three actions stemmed from the BIS strategic review:

- sharing the agenda while respecting independence and sharing corporate services;
- providing advice to incoming ministers;
- and assessing the operating framework between BIS core department and all ALBs to identify potential areas of improvement.

BIS aims to improve the sponsorship relationship by clarifying where and how policy and customer functions do or do not overlap with the commercial and governance functions.

Current and future BIS plans to improve the sponsorship relationship:

- Dedicated teams undertaking 'policy' sponsorship that is distinct from 'commercial & governance' sponsorship.
- The expectations of these teams are clear and accurately reflected in their objectives and their appraisals.
- On at least an annual basis, commercial and governance sponsors are rigorously held to account against these expectations. Information on risks, finances and performance is collected in a common way and fed into the corporate position. sponsorship is now recognised as a specialism of choice and sponsorship capability is better placed to respond to future challenges.

## Discussion

In the discussion that followed a number of points were made:

### Policy

- While policy might not be part of many ALBs core role, policy development should directly involve all parties that are affected by the policy – this will ensure the most effective and appropriate policy is developed for that particular delivery system.
- Formalised routes for policy submissions should be developed so that the transfer of information from the ALB to sponsor department through to Whitehall becomes more effective. There is concern that information is drastically altered by the sponsor department, such that the information that is eventually provided to Whitehall is incorrect, or makes promises that the ALB is unable to deliver.
- The structure of an organisation, the pathway that policy implementation follows and the relationships that the policy has to filter through are as important as the policy itself.

### Training

- Specialised sponsorship training and guidance materials are exceptionally helpful.
- Cross departmental training opportunities will help smooth out changes to the people in the sponsorship team.
- Skill sharing/training among sponsors should be supported.

### Frameworks

- A clear framework is essential to achieving success as it provides clarity on the relationship between the core department and the sponsor.
- A clear framework offers an excellent platform for future developments and is absolutely critical when there is a crisis because the pathway to the solution is unclear.
- A generic framework will not function effectively across all ALBs.
- A more structured governance approach seems to help when departments have a large number of ALBs.

### Relationships

- Effective sponsorship requires a trusting relationship that needs regular time investment from all involved – finance, non-executives, HR and IT. This trust becomes critical during crises.
- Political relationships and expectations are much more variable than the development and direction of policy. Chief Executives should be aware of this and consciously manage the political relationships over and above their daily activities.
- The role of the non-executive is not to take direct action but rather build their relationship with their department so that the department is able to rely on them.

### Sponsorship

- There is a real benefit to having a separate and stable sponsorship unit, because it allows people to really get under the skin of the organisation and understand the risks, governance aspects and daily challenges. The ideal approach would be to have a certain amount of 'arm's length governance' combined with active engagement.

- BIS holds an annual review for all their partner organisations (ALBs). These forums bring any issues to the forefront and ensure that both the sponsor and the ALB are held to account.
- sponsorship should filter through several levels of the organisation (junior to senior) to provide access to all parties and help to timeously resolve issues.
- It is unrealistic to expect a sponsor team to be experienced in all areas of the organisation (e.g. HR, IT). When the sponsor team is unable to provide the necessary expertise, they should be willing to bring in the respective expertise from other areas.
- The success of sponsorship is dependent on the combined effect of:
  - The maturity and stability of the relationship between the departmental sponsorship team and the ALB
  - The culture of the department
  - The characters of the individuals involved in sponsorship.

### Relationships with Whitehall

- Practice and approaches with Whitehall vary considerably, ranging from total resistance to the ALB to providing input, through to very strong policy partnerships. Practice and approach is dependent on the culture of the department and the individuals involved.
- There should be a more strategic approach to policy development through the open policy making agenda.
- Some partner organisations have very strong relationships with their ministers. When this relationship is weak, the policy sponsors play a critical role in helping the ALB navigate Whitehall. However some sponsors require a better understanding of the political environment within which their ALBs exist.
- ALBs are infrequently allowed to contribute to policy development, which is a major concern as it poses many risks in terms of ALB delivery. It is difficult to see who in Whitehall owns this problem at the moment.
- The flow of information from the ALB, through the sponsor to Whitehall poses risks. An example of the complete redraft of an ALBs business plan from the respective sponsor department was mentioned. This may result in undeliverable promises being made to ministers. Failure to deliver then falls to the ALB and not the sponsor department.

### **Summary**

Penny Ciniewicz summarised the key points:

- Building trusting relationships between the sponsor and the ALB is essential to the success of the relationship and requires investments of time and effort by all involved.
- sponsorship requires specific skills and common standards. Chief Executives believe that that sponsorship training workshops and materials proposed by Catherine Lee will help drive effective relationships. ACE is keen to help develop these materials.
- Facilitating and managing political relationships and expectations is an important aspect of the sponsor-ALB relationship, particularly in relation to Whitehall.
- Contribution of Non-Executive Directors to the sponsor relationship needs to be clarified.
- ALBs are keen to provide external input into the assessment and review of the triennial review process.