



Change programme – outcomes and benefits

For Board approval	
For Board briefing	
For Board steer	
For Board information	

Date: 12 May 2016

Publish in full	
Subject to minor redaction	
No publication	

The following people have been sent this paper for comment and approval.

Name	Version number and date (v.01, v.02)	Author received Comments? (Y/N)
Sarah Harrison	V0.8, v0.11	Y
Sue Harley	V0.6	Y
Ben Haden	V0.6	N
Michelle Wenham	V0.6	N
Cyrrian Macrae	V0.6	Y

Executive summary

1. At the Board meeting in April the budget for the Change programme was agreed. This paper provides an update briefing for the Board on the business case for the Change programme.
2. To recap, while the organisation is far from 'broken' there is a clear case for change. This was recognised as a challenge for the new CEO, and Sarah set out her thinking on the way forward to the Board in January 2016. This:
 - a) reiterated the need to establish a coherent programme of change, not simply to deliver change piecemeal or via organisational restructure alone;
 - b) made the case for a programme that would build on initiatives already underway such as the development of a People Strategy;
 - c) recognised that this involved culture change which would take time;
 - d) set out the case for a new forward strategy for the organisation. Work will begin on this in the second half of the financial year once the new Chairman has arrived.

The recommendations had been shaped by feedback from the Board, Executive colleagues, the wider leadership team and insight from the employee survey carried out in October 2015. The package was agreed by the Board in January.

3. Our ambition is to establish a two-year change programme to drive culture change and develop the leadership capability, skills and ways of working that we need for the organisation to be fit for the future. It complements a range of other initiatives which were already under way or have since been identified such as the People Strategy, a Knowledge Management Strategy, and plans to look to the future of the Licensing and Compliance functions.
4. More detail on the relationship between these initiatives and the Change programme is shown in paragraphs 16 and 17 below. Without the Change programme, we will not secure the full benefits, nor secure lasting change, from the effort we have and will dedicate to these initiatives.
5. The Commission has started change programmes before, notably Touchstone in 2012/13. We are determined to learn the lessons from this experience. We recognise the importance of shaping and investing in a core change programme, with the associated resource to support the leadership team and hold it to account to make progress.
6. This paper provides more detail on the vision, scope, priorities and budget for the programme together with the high level delivery roadmap (as shown in **Appendix A**). It also sets out the target outcomes and financial and non-financial benefits that have been reviewed by the change initiative owners and the Change programme steering board, as well as the monitoring and reporting process.
7. The Change programme will deliver significant qualitative benefits that are aligned with our strategic objectives. We are working towards it repaying the cost of its delivery over a three-year period (by 2018/19). Business as usual improvements will enable us to deliver the 5% efficiency savings mandated by DCMS across the same period. As the Board knows from the April budget discussions, we are working to the 5% as a *minimum* target.
8. The Board is asked to accept recommendations around the reporting of progress, and the initiation of an internal audit quality review to provide reassurance around the establishment of the programme.

Vision

9. We have developed a vision for the kind of organisation we want the Commission to be, and a set of messages around the case for change. Recent survey work with colleagues since the April staff conference indicates that there is a strong recognition of the need to build on what we've achieved so far and to make changes that will make us stronger and more nimble. Our colleagues told us at the conference that we needed to set out a clear and compelling vision that they can relate to and which inspires them.
10. Through an engagement process with the leadership team and following testing with a sample of colleagues, we have developed the following vision for the Change programme:

“We aim to be the most respected gambling regulator in the world. Our priority is to promote the interests of everyone who wants to enjoy gambling, while we protect vulnerable consumers and keep gambling safe and fair for all. To achieve these goals, our people will work together to make the Commission fit for the future.”

11. The aims of the programme are that:
 - a) Everyone is supported and developed to create the environment in which we can all do the best work of our lives
 - b) Everyone will be encouraged to contribute ideas for continually strengthening the organisation internally, externally and reputationally
 - c) Everyone will take personal responsibility for doing their best to reach their potential.
12. These are the high-level outcomes we plan to achieve.

Internally	Externally	Reputationally
<ul style="list-style-type: none"> • People feel equipped and supported to do the best work of their lives. • Everyone takes individual responsibility for their long-term development along clear career paths. • We are a confident, self-reliant, can-do organisation. • Decisions are made at the right level, and accountability is clear at all levels. 	<ul style="list-style-type: none"> • Consumers are protected from harm. • Operators know where they stand and respect the processes we follow – firm but fair. • The GB market is as innovative in developing consumer protection as it is in developing new products. 	<ul style="list-style-type: none"> • It is clear that consumers are at the heart of what we do – we permit gambling to be fun, but we make sure it's also safe and fair. • We work to get the best 'regulatory bang for our buck' and are a value for money regulator. • We are respected as being effective and innovative amongst all conduct regulators.

13. The detail of the case for change and the outcomes we will deliver is in **Appendix B**
14. The Change programme has at its heart four key themes. These have been derived from feedback from the employee survey as well as a series of leadership team interviews and engagement sessions. The themes describe the key areas where we will improve the way we work:

- a) Building internal capacity, capability and confidence – ensuring we focus resources on high-risk areas, building the skills we need, and ensuring accountabilities are clear so that everyone can be confident in how they work
 - b) Working smarter, both internally and externally – leveraging technology to support flexible ways of working and putting more structure around our knowledge so that we can make it more widely and easily accessible across the organisation (and externally), streamlining our processes so that we can respond in a more agile way to the complex external environment
 - c) Gaining strength from diversity – being open to skill sets that are new to the Commission, and being positive about difference and challenge, tackling inappropriate behaviours
 - d) Being pioneering and innovative – promoting our unique expertise and being bold around the way we regulate and enforce, raising our profile as a respected regulator across all sectors
15. For each theme described in above we have defined a set of target outcomes and measures – the way in which we will know that we are having the desired impact. These are described in **Appendix B**.

Scope

16. The Change programme has been designed to leverage the value from existing change-focused initiatives and to drive selected additional initiatives that will enable us to achieve our goals. Learning from previous change programmes at the Commission which have not had the lasting impact we expected, we have agreed a clear focus on these three objectives:
- a) Build momentum and excitement around the change initiatives as a whole – strong communications
 - b) Make the change stick by focusing on embedding change, not simply delivering deliverables against milestones – understand the impacts of change, ensure we follow-up on issues and drive local ownership
 - c) Build capability and the mind-set/habit of identifying and implementing continuous improvements – use external expertise to build capability in a core team, the leadership team and network of ‘change agents’
17. The ‘hub and spoke’ diagram below illustrates the relationship between the Change Programme and the other change-related workstreams which we will deliver over the next 2-3 years.



18. The initiatives being directly delivered by the Change programme are:

- a) Behavioural change – building a culture and ways of working which ensure the organisation is fit for the future as well as addressing the feedback in the 2015 employee survey. We need to encourage in everyone a greater degree of self-reliance, a can-do attitude and a culture of openness to ideas and to sharing knowledge across the Commission.
- b) Leadership and management development
- c) Learning and development (L&D) strategy, and the design of L&D that is needed to enable the Commission to manage change effectively and equip itself for future demands. Specifically, this will include the following capabilities:
 - i. Managing and leading change
 - ii. Digital skills
 - iii. Knowledge management skills
 - iv. Additional personal effectiveness and communications skills to support the behaviour change we need

Business as usual L&D will continue to be delivered through HR – such as statutory training, system/process training, graduate intern programme etc.

19. The initiatives being delivered through BPPB are:

- a) Corporate strategy

- b) Strategic workforce plan (in People Strategy)
 - c) Team and individual performance management (in People Strategy)
 - d) Dignity at work, diversity, inclusion and wellbeing (in People Strategy)
 - e) Knowledge management and systems roadmap for KM (inc risk assessment development and integration, linking evidence and policy)
 - f) Regulatory Returns review (in Knowledge Management)
 - g) Enable and support remote/flexible working
20. The initiatives being delivered as part of ongoing operational/tactical improvements are:
- a) Defining clear accountabilities and decision-making responsibilities for all roles
 - b) Introduction of Resource Manager role
 - c) Compliance Futures – a refresh of the way the Compliance team operates, led by its new PD
 - d) Licensing Futures – a refresh of the way the Licensing team operates, led by its new PD
 - e) Corporate KPIs and performance framework
 - f) Increased public face of the Commission, including re-design of the corporate website which is underway, and development of a communications strategy and plan (which will be led by the new Exec Director for Comms & Research once appointed)
 - g) Use of communications as a strategic regulatory tool – part of the review of enforcement policy and practices
 - h) (in 2017-18) – support functions’ reviews
 - i) (in 2017-18) – technology roadmap to support all process reviews

Milestones

21. Milestones have been developed to enable us to track progress at a high level
- a) November 2016 – Employee Survey results
 - b) April 2017 – a basket of measures including completion of the Corporate Strategy, an update on stakeholder perceptions, and a dip sample of how we are doing on improving Learning and Development and other key aspects of the People Strategy.
 - c) November 2017 – Employee Survey results
Each initiative will also track to its own milestones for delivery.
Financial benefits will also be tracked – these are described in more detail below, together with discussion around how far the Commission may choose to use savings as investment.

Costs

22. In developing the budget for the programme (as presented at the April 16 Board) careful consideration was given to the specialist skill and capabilities needed to ensure that the programme whilst challenging could be successfully delivered.
23. The key principle underpinning the resourcing of the programme is that it should be organisation-led, not change team led, recognising the need for only limited expert focussed support.
24. The budget includes the costs to drive and deliver the leadership, behavioural and culture change work, but also to provide guidance and a level of change input to the business plan delivery programmes. The change costs associated with BPPB delivery programmes sit within the BPPB programme itself and not the change programme.
25. Similarly, the HR BAU costs relating to L&D and delivery of the People Strategy sit within the HR budget. The L&D lead in the Change programme will lead and deliver the leadership work, they will also lead on the design of the learning and development framework and content, with the delivery being owned and delivered by the HR team.
26. All the 'spokes' in the diagram in paragraph 17 have their own budget. Therefore, there is no double counting of costs.
27. The change team includes a specialist change manager and learning and development manager who are being brought in on short term contracts recognising that this senior level expertise will not be needed in the longer term. The team also includes an internal change lead role, this role has been seconded from within the Commission and will operate on a 6 month "rota" basis. There was a considerable level of interest in the role from across all areas of the Commission and we have now appointed the first secondee.

Total Change Management	2016/17	2017/18	
Change Management W/S	£	£	FTE
Change Lead Manager	112,000	84,840	1
Internal Change Manager	77,000	77,770	1
L&D Manager	105,000	106,050	1
Leadership & Development Training	150,000	150,000	
Communications resource	50,000	50,500	1
TOTAL	494,000	469,160	4
Costs absorbed within core budget			
Leadership time re. delivery	100,000	101,000	10% of days
All staff time (4 days each)	220,000	222,200	
Change network (15 days for 15 people)	50,000	50,500	
Total	370,000	373,700	
Total Change Management Programme	864,000	842,860	

28. The total cost of the Change programme over two years is therefore £1.707m, including additional investment of £963k beyond costs absorbed in the core budget.
29. There are two amendments to note from the April 16 Board paper.
 - a) The additional cost of a change network has been included as a cost that will be absorbed. This will comprise 15 change agents, each of whom has been released for up to 15 days of effort per year to support the change programme. Their role will be to provide a 2-way communication route for everyone in the Commission, and to promote, identify and engage people in developing and implementing local ideas for improvement. Their time has been costed against an average Commission salary, and the cost will be absorbed within the existing financial budget.
 - b) The removal of the costs (£130,000 in 2016/17) associated with the corporate strategy, as this has been budgeted as a separate workstream.

Benefits

30. We expect the Change programme to deliver significant qualitative benefits for the Commission, as well as quantifiable and financial/cashable benefits. Based on the planning and analysis we have done to date:
 - a) We can see clear qualitative benefits around employee engagement, capability-building, organisational resilience and external stakeholder perception which entirely support our strategic objectives and will strengthen our ability to respond to the complex gambling industry and position ourselves as a regulator with teeth.
 - b) We can commit to achieving the minimum 5% savings by 2018/49 (£1m in real terms) as per our commitment to DCMS through business as usual improvements. These will sit outside the Change programme, but the Change programme will drive the embedding of the benefit.
 - c) We are confident that Change programme itself will, over the Medium Term Financial Plan (MTFP), cover the investment costs of £963k described in the Costs section above. Benefits in 2016/17 will be limited as the changes made in this year, especially around behavioural change, will take some time to embed. Further benefits will be delivered beyond this three-year period.
 - d) Initial analysis in one area (Knowledge Management) suggests significant efficiency savings are possible. Whilst these are high-level estimates that will be refined, we are confident that they illustrate a scale of benefit that is achievable.
 - e) Benefits have been expressed in financial and headcount terms where possible as a form of currency for assessment. We may not realise all of these savings as we may choose to invest in ways that will further future-proof the organisation – for example in technology investments and skills-building, particularly for digital capability. These options will be reviewed when we agree financial budgets for 2017/18 and 2018/19.
 - f) As the workstreams all come to the level of maturity that will enable detailed benefits to be quantified, we will build up the benefits case across the programme. We propose to initially report to the Board quarterly on the

development of the benefits profile as well as the delivery of benefit, with reporting being reviewed after the first year to determine future frequency. We will be monitoring benefit delivery against the plan so that adjustments can be made if there appears to be risk of a shortfall.

- g) We will also engage Mazars to carry out a short internal audit review of the way in which the programme has been set up and the benefits assessed, to give us further confidence in our ability to deliver.
31. Further detail on the benefits estimates developed to date is shown in **Appendix C** and **Appendix D**
32. **Appendix E** lists out the key challenges and risks around delivery of benefits, and how they will be managed.

Success factors

33. The following critical success factors will be key in ensuring the effective delivery of the programme that achieves the target benefits as quickly and effectively as possible:
- a) **Focus** – ensuring that there is an ongoing and highly disciplined focus
 - b) **Leadership** – the right commitment from the leadership team to drive progress
 - c) **Resource** – the right resources available to support and enable successful delivery
 - d) **Governance** – effective governance that retains the focus, allocates the resource and ensures timely and effective decision making throughout the programme
 - e) **Mentality** – a winning mentality that encourages all those involved to explore innovative and creative ways of enabling the programme to succeed
 - f) **Approach** – an end-to-end approach for managing and leading the programme that keeps it on track and ensures that it continues to test the boundaries of what it can achieve, and when
 - g) **Skills** – the right transformational and specialist skills at the right stages of the programme

Governance and reporting

34. The Change team structure is shown in **Appendix F**. Appointment of the Change Manager and L&D Manager is imminent, and the internal Change Lead is in post as of 1 May 2016.
35. The Change programme reports to a fortnightly Steering Group, and upwards to the Executive on a weekly basis for briefing, discussion and steer.
36. Detailed tracking of BPPB initiatives takes place through BPPB governance. The Change programme will maintain the delivery roadmap (in Appendix 1) and track benefits with initiative owners, but will not duplicate any monitoring that is carried out by the PMO.

37. It is proposed that the Change programme reports to the Board on a quarterly basis on:
- a) Delivery of benefits and outcomes (initially, this will focus on identification and confirmation of benefit)
 - b) Costs incurred
 - c) Escalation of issues, for information

Recommendations

38. That the Change programme will initially report to Board on a quarterly basis, against the following schedule:

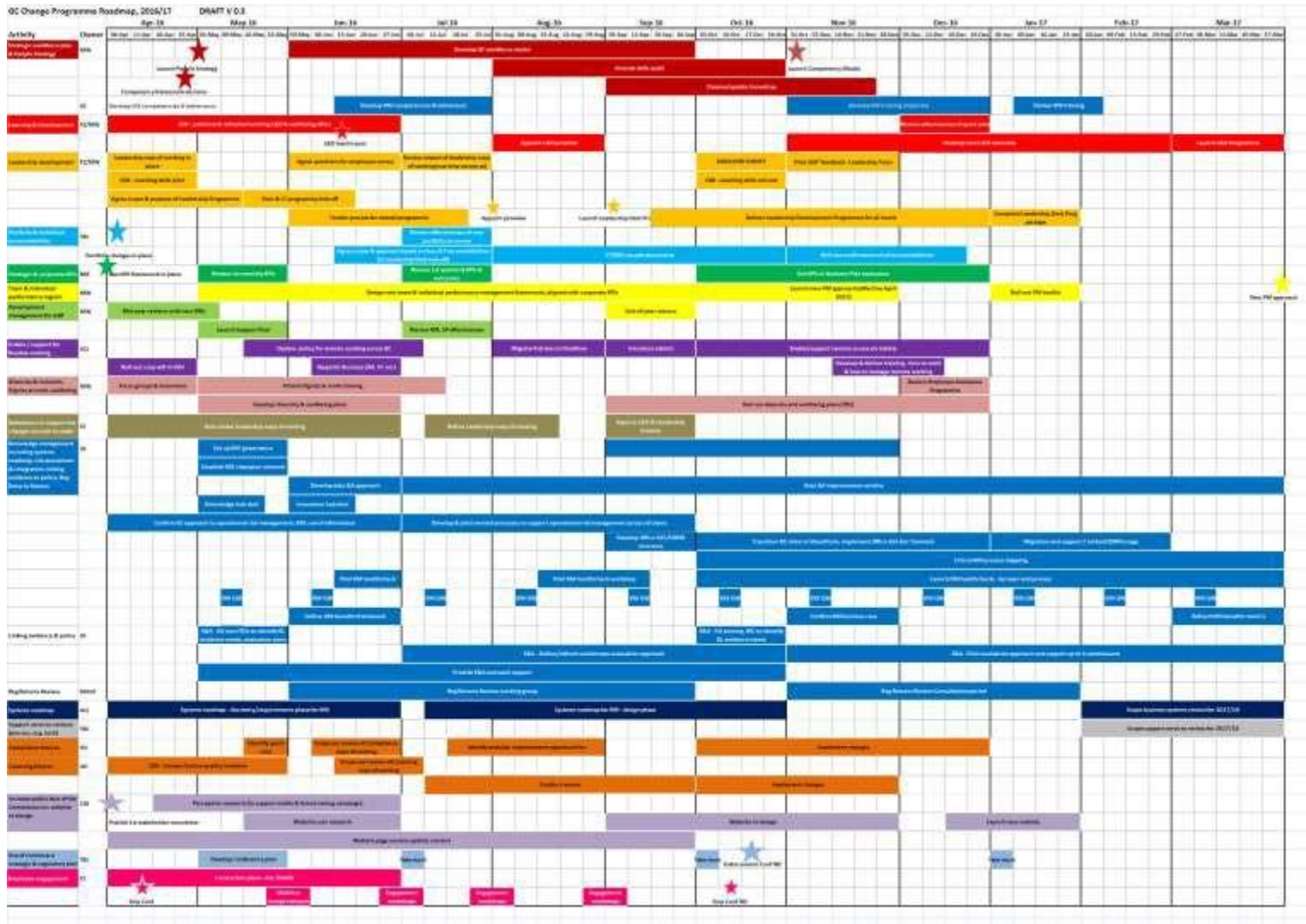
- a) July 2016 for 1st quarter
- b) November 2016
- c) February 2017

After this point we will review the frequency of reporting.

39. That Internal Audit carries out an initial review of the set-up of the programme to provide reassurance of the approach to succeed in delivery.

APPENDIX A

Change programme – delivery roadmap (A3 version available separately)



CASE FOR CHANGE AND OUTCOMES BY THEME

Case for change

Why do we need to change?

Our colleagues have told us that we all want the Gambling Commission to be a great place to work, where everyone can see how what they do contributes to achieving our vision. The Change programme will enable us to build on what the Commission has achieved so far, and become fit for the future. Its aims are that:

- a) Everyone is supported and developed to create the environment in which we can all do the best work of our lives.
- b) Everyone will be encouraged to contribute ideas for continually strengthening the organisation internally, externally and reputationally
- c) Everyone will take personal responsibility for doing their best to reach their potential.

The purpose of the Change programme is:

“We aim to be the most respected gambling regulator in the world. Our priority is to promote the interests of everyone who wants to enjoy gambling, while we protect vulnerable consumers and keep gambling safe and fair for all. To achieve these goals, our people will work together to make the Commission fit for the future.”

Why do we need to change now?

There are a number of external pressures and internal opportunities that are driving the case for change as set out below.

External pressures	Internal opportunities
<ul style="list-style-type: none"> • Our industry (and regulatory role) is becoming more and more complex, digital, global, and we need to be on the front foot with technology and with the knowledge we hold • Consumers can gamble instantly on-line, on-the-move, on-the-fly, and it’s increasingly engaging and fun – and some need to be protected from harm in all situations 	<ul style="list-style-type: none"> • After ten years, and with a new CEO, Chair and Commissioners, it’s time for us to use these fresh pairs of eyes to make sure we are as agile as we can be and that we are fit for the future • We will refresh our corporate strategy for 2017/18 and we need to be in a position to flex to what it will demand of us

External pressures	Internal opportunities
<ul style="list-style-type: none"> The public sector environment in which we operate will continue to demand value for money, and more for less 	<ul style="list-style-type: none"> You told us in the employee survey that you feel things could work better and that you have more to offer; you think it's time for change and that you want to be part of making it happen

Outcomes we will achieve

Theme	Outcomes (what we will see that's different by 2018/2019)	Benefits and measures (how will we know it's working)	What are we working on
Building internal capacity, capability and confidence	<p>Our L&D is building a talent pool for future needs.</p> <p>We are all clear and focused on what we need to deliver individually and collectively to fulfil our remit.</p> <p>We regularly and consistently use our risk framework to confirm we are working on the highest risk/impact areas.</p> <p>Recruitment to plan and cost.</p>	<p>We have strong internal candidates for all manager roles and above (cost avoidance of recruitment).</p> <p>Employee perception surveys (inc feedback on leadership).</p> <p>Minutes and decisions from BPPB and IMG meetings.</p> <p>Risk outcome measures in Balanced Business Scorecard (BBS)?</p> <p>Time to recruit, hours of effort per recruitment.</p>	<ul style="list-style-type: none"> Strategic workforce plan People Strategy Learning & Development programme Leadership development and management development Clear accountabilities and decision-making rights for everyone Recruitment process
Working smarter, both internally and externally	<p>The default is that we are all enabled to work effectively from any location.</p> <p>We can rely on the quality of the information we capture both internally and externally.</p>	<p>% of staff who regularly work outside VSH.</p> <p>Productivity measures.</p> <p>Data quality measures - % errors, gaps (KM – can be converted into time/effort savings) – BBS.</p>	<ul style="list-style-type: none"> Resource Manager (RM) and Support Pool Enable and support flexible working through technology Knowledge management Regulatory returns review Linking evidence and policy Compliance Futures Licensing Futures New corporate website

Theme	Outcomes (what we will see that's different by 2018/2019)	Benefits and measures (how will we know it's working)	What are we working on
	<p>One version of the truth that is accessible to everyone who needs it.</p> <p>We focus our compliance effort on finding effective ways to discover key risks & then mitigating them.</p> <p>Our licensing procedures are fit for purpose for both the highest and lowest risk applicants.</p> <p>We are acknowledged as the authoritative and independent voice on gambling.</p>	<p>Access to data, access rates (KM – can be converted into time/effort savings) – BBS.</p> <p>Level of resource focused on key activities, impact measures TBD – BBS.</p> <p>Time spent on each category of applicant, time taken to process types of applicant.</p> <p>Stakeholder perception – in BBS (e.g. operators, trade bodies, social media).</p>	<ul style="list-style-type: none"> • Support services review (2017-18 - not yet scoped) • Business systems roadmap (2017-18 - not yet scoped)
Gaining strength from diversity	<p>Our employee base reflects the diversity of the areas where we operate.</p> <p>We are flexible about people leaving and re-joining the organisation with new experience.</p> <p>We are positive and open to challenge.</p>	<p>Diversity profile (ethnicity, gender, disability).</p> <p>Employee profile data.</p> <p>Employee survey data, employee turnover by grade.</p>	<ul style="list-style-type: none"> • Dignity at work and wellbeing • Behavioural changes
Being pioneering and innovative	<p>We are acknowledged by operators and other national and international stakeholders as an effective and bold regulator – we provide regulatory bang for our buck.</p> <p>Consumer (general public and committed gamblers) awareness of our role is high.</p>	<p>Stakeholder perception survey – in BBS.</p> <p>Public perception survey.</p>	<ul style="list-style-type: none"> • Using communications as a strategic and regulatory tool • Risk assessment development and integration • Increase the public face of the Commission • Using creative thinking to drive the best solutions

Theme	Outcomes (what we will see that's different by 2018/2019)	Benefits and measures (how will we know it's working)	What are we working on
	We are confident using creative skills to come up with solutions.	Employee feedback.	

APPENDIX C

Benefits assessed to date

In April 2016, the Commission was set a target by DCMS of 5% efficiency savings over 3 years. It is expected that the minimum efficiency savings of 5% will be achieved in 2017/18 and 2018/19 through natural wastage, resulting in a 2016/17 headcount figure of 306, falling to 287 by 2018/19. The Leadership Team's view is that these savings can be achieved within the current planned activity. The role of the Change programme will be to ensure these changes are embedded so that we don't revert to previous headcount levels without appropriate debate.

The Change programme will deliver or enable delivery of three types of benefit in addition to the efficiency savings required by DCMS. They are:

Qualitative benefits. Examples of these are listed below.

- Better decision-making, based on more readily accessible and high quality data, clearer decision-making rights and a coaching/mentoring culture
- Build internal capability – for example in digital skills, management and leadership of change, strategic workforce planning, effective performance management
- Organisational resilience, future-proofing and succession planning, growing capability from within
- Development of a continuous improvement mind-set and habit
- Access to a wider pool of talent for whom the Gambling Commission will increasingly appear as a forward-thinking employer and a great place to work.
- Better able to back-up and retrieve data both for disaster recovery and as part of usual safeguards and to support flexible working

Quantifiable benefits. Examples are listed below.

- Employee engagement score, which in October 2015 was 55%. We have targeted a 10% improvement to 65% by 2018/19.
- Improvement in the overall employee engagement score will drive benefits in removing inertia, frustration and the 'friction' mentioned above. Other organisations cited in 'Engage for Success' (The Evidence - Employee Engagement Task Force Nailing the Evidence workgroup, 2012) have also seen

a direct correlation with improved productivity. Organisations in the top quartile of scores on employee engagement typically see an 18% higher level of productivity compared to bottom quartile organisations.

- Stakeholder perception and reputation in such areas as:
 - Better data quality – in the publications we produce and in the evidence we use for enforcement
 - Build a reputation with operators for being firm but fair, which will drive a better understanding and compliance to our regulatory approach
 - Build a higher public profile with politicians, influencers and the media, so that we are listened to and respected, and can influence decision-making.
 - Build our reputation as the authoritative source of information on gambling in Great Britain
 - Build our reputation as a value-for-money regulator

Cashable/financial benefits. These fall into two main types - efficiency savings and cost avoidance.

Efficiency saving will be achieved through:

- Knowledge management – less time spent manipulating and re-formatting data from different sources; less time spent searching for, checking and reworking data; reduced reactive E&A work; reduced time spent responding to FOI requests.
- Recruitment – streamlining the entire process, reducing the amount of paper-based processing
- Performance and development management – improving effectiveness as well as efficiency by focusing staff and managers on regular feedback rather than the current focus on ‘lumpy’ evaluations and moderations.
- Use of technology to enable direct on-site data entry by Compliance Managers, significantly reducing the amount of re-work; also to reduce the time spent producing Board packs by relying on the use of tablets.
- Reduction in Contact Centre workload by designing customer journeys into the new website that will enable self-service resolution of simpler enquiries.
- Reduction in ‘friction’, especially between managers and their teams, which will be enabled through the leadership development programme. For example, we would expect performance issues to be resolved more quickly, decisions to be made at the right level (avoiding unnecessary escalation), and for teams to collaborate more effectively.

- Support services reviews in 2017/18, enabled by technology. We do not currently have the management information to confidently benchmark our level of maturity in support services but we see significant opportunities to streamline processes and be much more effective in service delivery. Scoping and estimation of targets will be carried out in the second half of 2016/17.
- As noted above, we expect to achieve the 5% efficiency savings (from DCMS) largely through improved vacancy and turnover management. The Change programme will support delivery of outcomes without these ‘additional’ heads by embedding new ways of working.

Cost avoidance will be delivered through:

- The purchase of Office 365 on a per-user rental basis rather than one-off licences per device means that we can avoid the additional cost of SharePoint, Yammer, Skype for business, cloud storage etc. It also allows us to transition away from BlackBerry devices to Windows phones without having to buy an extra licence for each device.
- Reduced cost of hardware upgrades
- Reduced cost of external L&D spend through better management of non-attendance
- Reduced recruitment external spend through automation, a streamlined process and improved planning for external requirements.

The table below summarises the quantifiable benefits which have been identified to date. The Change team will be working with all initiative owners to build out the benefits profile across the whole programme.

Benefit type (in cash terms)	2016/17	2017/18	2018/19
5% DCMS efficiency target	£130k	£270k	£400k
Additional efficiency savings (Initial estimates from KM only)	£150k	£490k	£490k
Cost avoidance (recruitment and IT hardware – initial analysis only)	£35,000	£75,000	£75,000
Employee engagement score	55% (no change from Oct 2015)	+5% to 60%	+5% to 65%

Benefit type (in cash terms)	2016/17	2017/18	2018/19
Stakeholder perception and reputation	Baseline measure available summer 2016	+15% subject to confirmation of baseline	TBC dependent on baseline

The analysis underpinning the Knowledge Management (KM) benefits shown above is given in **Appendix D**. Some initiative owners are less well advanced with their planning on benefits, so the full financial benefits case will continue to develop as each initiative reaches maturity in its scoping and planning.

Benefits model – knowledge management (KM) as an example

Benefit Analysis

28 April 2016

Knowledge management strategy

To leverage the Gambling Commission's corporate knowledge by optimising the integration of our people, processes, technology and strategy, to enable us to be a better regulator (by Mar 18)

Summary				
		Year 1	Year 2	Year 3
Benefit estimate/target		£150,533	£489,785	£489,785

Assumptions driving the benefits described below. These assumptions and estimates will be refined as planning progresses. The effort saved may be used to deliver more value-added activities and not necessarily as headcount reduction

Effectiveness	NA
Efficiency	<ul style="list-style-type: none"> • 42 hours (6 days) saved per month in correcting data • 14 hours (2 days) per month through streamlining data processes • 329 hours (44 days) per month of development time saved within E&A once business intelligence products have been implemented on behalf of other workstreams • 1 hour per person per week saved through better structure and search facility in SharePoint, better awareness of and access to information • Lower data storage costs
Efficacy	<ul style="list-style-type: none"> • Compliance – time saving through direct entry of data into tablets during visits. 1.75 hours saved per compliance visit (total of 630 in 2015/16) • Save 10 days admin per month in producing hard copy Board packs and other key meeting materials – by enabling meetings using tablets instead of paper

Benefits

OM = Outcome Measure (as defined by the knowledge management workstream)

Benefit name	Benefit description	Gross cashable value (Year 1 2016-17)	Gross cashable value (Year 2 2017/18)	Gross cashable value (Year 3 2018/19)	Other tangible value	Intangible value

Improved effectiveness	<p>... by leveraging our corporate knowledge we will be more focused in how we approach regulation.</p> <p>OM5 More focused analysis and reporting OM6 Increase/decrease in outcome performance measure reporting</p>	<p>£ -</p>	<p>£ -</p>	<p>£ -</p>	<p>OM1 increase in useful innovation and improvement ideas.</p>	<p>OM25 Better integration of risk to underpin our approach to gambling regulation. OM26 Enhanced use of evidence to lead policy and decision making. OM27 Increased outcome focus in the selection and prioritisation of workstream activity.</p>
Improved efficiency	<p>... by leveraging our corporate knowledge, we will be more productive in how we work.</p> <p>OM7 Less time spent correcting knowledge before use OM16 Time taken to produce core E&A analysis products is reduced OM17 Time taken to complete (a) E&A Service Centre requests and (b) PMO Delivery Plan MI dashboards is reduced OM20 Time spent responding to Contact Centre, Media/Corporate Affairs, and FOI requests is reduced OM22 Time spent searching for knowledge is reduced OM10 Improved storage structure and naming conventions OM11 Reduction in duplication of effort OM12 Reduced knowledge storage costs</p>	<p>£ 109,391</p>	<p>£ 432,707</p>	<p>£ 432,707</p>	<p>OM8 Reduction in the quantity of out of date knowledge.</p>	<p>OM23 Increased useful use of the intranet and internet. OM24 Increase in means/channels to access GC knowledge.</p>

Improved efficacy	<p>... by leveraging our corporate knowledge, we will be more capable at achieving our licensing objectives</p> <p>OM28 Reduction in data protection breaches OM29 Increased compliance with ISO 27001 OM30 Reduction in FOI requests</p>	<p>£ 41,142</p>	<p>£ 57,078</p>	<p>£ 57,078</p>	<p>OM2 Increased problem solving and creativity skill sets OM3 Increase in 'best practice' tools, techniques and procedures OM15 Increased knowledge contributions (social tagging, bookmarking, ratings, wikis etc.) OM19 Increased variety of knowledge sharing methods and means</p>	<p>OM9 Improved reputation for reliable knowledge OM13 Increase in knowledge relevance OM14 Increase in knowledge accuracy OM18 The quality of analytical insights is improved OM21 More respected as an authoritative source of knowledge of UK gambling</p>
--------------------------	---	---------------------	---------------------	---------------------	--	---

Key challenges and risks

Challenge	Management response
<p>Capability and capacity to deliver the target outcomes and benefits.</p>	<ul style="list-style-type: none"> • Use external expertise on a short-term basis to establish frameworks/strategy and build internal capability. • Plan carefully using our existing processes so that we prioritise change-related activity with a clear view of what we will stop doing or delay as a result.
<p>Real step change for Commission - pace of change.</p>	<ul style="list-style-type: none"> • Build leadership capability to manage at pace. • Build an expectation and behaviours around 80/20 being better than perfection, and that failure (as long as we learn from it) is acceptable.
<p>Managing expectations and motivations.</p>	<ul style="list-style-type: none"> • Establish a change network to build awareness and a groundswell of support for the programme. • Communicate regularly early successes (and failures which we are learning from). • Paint the big picture of where we aiming to get to.
<p>Embracing and embedding a culture of continuous change.</p>	<ul style="list-style-type: none"> • Focus on promoting implementation of local action plans, and communication of success. • Use the change network to generate and drive individual responsibility for improvements. • Reward efforts at continuous change.

Risk	Mitigation
<p>Corporate Risk 4.3: The Change programme fails to deliver or negatively impacts the Commission such that motivation levels fall/people leave the organisation.</p>	<ul style="list-style-type: none"> • Clear roadmap and impact assessment of the Change programme - due to be completed by end May 16. • Exec and leadership engagement in the development and the delivery of the programme – ongoing. • A change network implemented across the Commission involving staff in two way communication, resolution of challenges and the design and delivery of change solutions - set up in May16 /mobilisation in Jun 16. • Engagement/touchpoint with staff on a regular basis to identify any issues of concern and take any remedial action/communication needed - dip sample June 16.
<p>Risk of not delivering planned benefits.</p>	<ul style="list-style-type: none"> • Keep a clear focus on benefits with initiative owners and hold them to account for delivery. • Support initiative owners to embed the changes they are delivering – for example by continuing to monitor impact and effectiveness, and addressing issues, after the workstream has ‘delivered’ to its milestones.
<p>Impact externally – drives reduction in fees.</p>	<ul style="list-style-type: none"> • Develop clear messaging around investment for the future, and the benefits that will be delivered from such investment.
<p>Lack of quality data/information to support/underpin benefits management.</p>	<ul style="list-style-type: none"> • Build performance baseline as early as possible. • Emphasise with (and support) initiative owners the need to develop benefits targets and track delivery. The Change programme needs to role model this approach.

Change Programme governance framework

- Change Manager**
- Lead the change team
 - Stakeholder management
 - Benefits model
 - Benefits delivery
 - Communication
 - Programme planning/tracking
 - Transition of change to BAU
 - Embedding of change

- Learning and Development Lead**
- Develop and deliver the learning and development plan
 - Work closely with the Head of HR to ensure alignment to the People Strategy
 - Work with the HR functional team to transition and embed new solutions/ways of working into BAU
 - Work will include:
 - Core capabilities
 - Leadership and management development programmes focused on front line, middle and senior managers
 - Competency framework
 - Career paths and progression
 - Succession planning and talent management
 - Leading through change

- Change Lead**
- Support planning and delivery of change
 - Support development and delivery plans, resource plans, and benefit plans
 - Business liaison
 - Work closely with the HR BP on impact assessment and implementation
 - Work in liaison with Comms to develop and deliver internal comms plan
 - Support the delivery of the project as needed

