

Change Programme Quarterly Update June 2017

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

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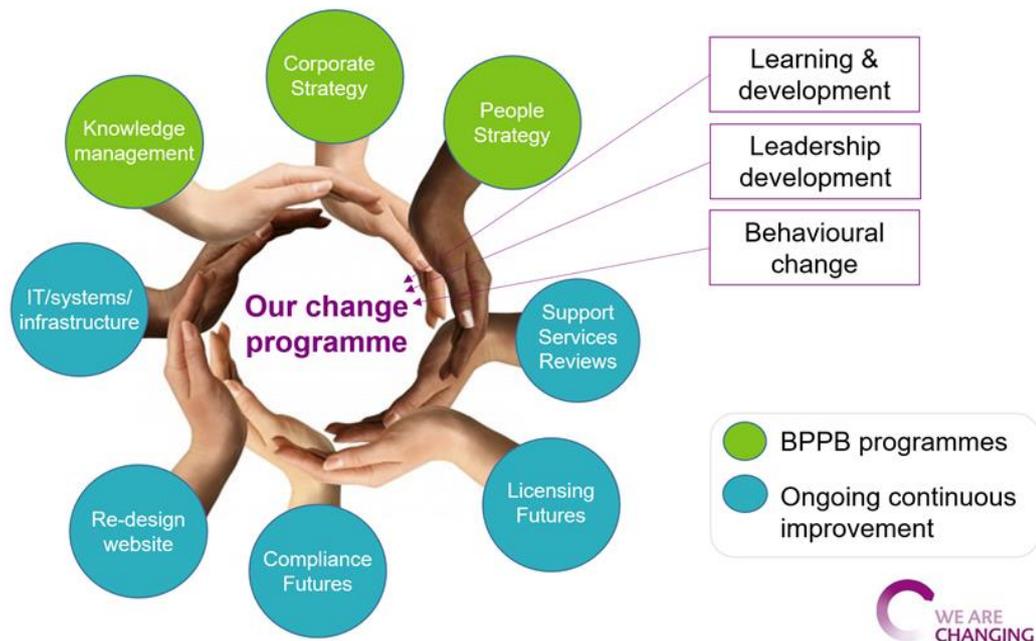
Sue Harley
Executive Director

Date: 29 June 2017

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Executive summary

1. The graphic below summarises the Change programme. It highlights the eight 'satellite' workstreams, but also shows the 'core' of the programme - building leadership capability, learning and development and organisational culture. These are key to embedding the changes envisaged in the satellite workstreams which include a three year people strategy, a licensing and compliance review, an increased focus on data and knowledge management and IT infrastructure changes. Good progress has been made on a number of these activities since the last update.



2. Since the last quarterly update to Board the following changes have taken place:
3. Priorities for the second year of the programme have been reviewed and agreed following two in depth stocktakes. Leadership Team have re-contracted to support our 'leader led' delivery model and we have strengthened the change team capability.
4. Great progress has been made on building leadership capability. Colleagues across the organisation have now been through training on coaching, giving and receiving feedback and having courageous conversations, focussing on 90 managers within the business.
5. All staff have set objectives and had conversations about personal development, using an improved toolkit to help facilitate planning of any current and future development opportunities.
6. Office 365. We completed the roll out of OneDrive and have commenced the introduction of SharePoint with various pilot groups, lasting over the summer period.
7. The Contact Centre has aligned to a new Exec sponsor within Corporate Affairs and a review of the function is underway.

8. A new cross organisational data project has been given the go ahead, the need to focus on data was highlighted as a priority during the last business planning process. The initial phases will scope out the detail of the programme and recommend options which may require additional resource and funding in 2018/19.
9. David Pemberton our new COO has joined the organisation, an early priority for David is to scope the review of corporate functions, one of our satellite change projects.
10. Good progress has been made regarding the development our new corporate strategy, engaging internally with all colleagues specifically during our Engagement Day and also with external stakeholders. The external call for views closed on 14 June, and we will be holding a series of meetings with bodies who have a consumer interest to share ideas.
11. Changes have been made to the Commission's portfolio in terms of Programme Director responsibilities (briefed to Board on 25 May 17). These support the Change Programme objectives and themes emerging from the corporate strategy development.
12. A new benefits realisation model has been created and is being trialled in five areas of the programme, drawing on best practice from Mazars. An employee pulse survey is underway which will allow us to track impact from investment and assess staff feedback and at the mid-point of the year.
13. All the Mazars recommendations from the internal audit report (April) have been initiated, all being completed by September ahead of 2018/19 business planning process.

Progress to date

14. **Leadership and management development** – Since our launch event in September 16, we have developed behaviours and skill sets to build a more trusting and collaborative leadership team. We have had sessions on key topics around trust, personal impact, change leadership and performance management, learning consistent models and approaches to embed the core principles into our individual behaviours and into our daily business practices with teams.
15. Courageous Conversations workshops for the Leadership Team have also taken place, with some extremely encouraging initial feedback from the Executive team members regarding the practicality and relevance of the session.
16. **Learning and development (L&D)** – Conversations regarding performance, objectives and personal development have been in full swing over the last three months.
17. All colleagues will have Personal Development Plans (PDP's) completed by end of June, something that has not happened previously at the Commission.
18. We have now joined and launched Civil Service Learning (CSL), making it available to all colleagues. CSL is an online portal that provides high quality learning and development to support colleagues.
19. We have seen an immediate uptake of the skills learned during our 'Coaching skills programme'. Feedback being that resource managers and line reports are having more

productive discussions generally and senior managers are successfully supporting other managers to have more difficult conversations with colleagues.

20. **Knowledge and Information Management** - Office 365 configuration – we have completed the roll out of OneDrive and have commenced the introduction of SharePoint with various pilot groups.
21. **Licensing Futures** – A draft communications plan is being prepared and includes stakeholder mapping, analysis and action plan to support milestone delivery. A detailed work plan has been developed for the key strands of project activity.
22. **Corporate strategy** – The external call for views closed on 14 June, and we are holding a series of meetings with bodies with a consumer interest. Internal engagement continues with a series of case studies testing existing policy areas or projects against the emerging strategy.
23. **Transparent reward** – Working group set up including two members of PCS to ensure issues and risks are ironed out before any messaging goes out. A workshop involving Programme Directors, Functional Leads and Willis Towers Watson has been held.
24. **Contact Centre redesign** – We have appointed a contact centre expert from the Solicitors Regulatory Authority (SRA) to scope out the redesign of the contact centre. We will use this project to pilot the change approach designed earlier this year.
25. **Smarter Working** – About 30% of the organisation are now able to work using either a permanent home working solution or with mobile equipment with the aim to increase this to around 50%. We no longer purchase fixed computers, only laptops and tablets. More options for employees to ‘choose your own device’ (CYOD) will be ready in September 17.
26. Our IT statistics indicate an increase in the use of Skype in small and medium size meeting rooms in the last two months.
27. **Support Services review** – The scoping for this project is due to commence now that our new COO has arrived. We have been involved in preliminary discussions with Ofwat regarding a proposed ‘In Sourcing’ model. At this stage we are investigating options and have by no means committed.
28. **Change Agents** – The role of the change_team is to equip and enable the organisation to lead and manage change for themselves. We have now fully integrated our change agents into change projects within the programme.
29. Mazars (our internal auditors) have undertaken a thorough review of the Change Programme’s business case and plan, governance and operating model and monitoring and reporting mechanisms. The report achieved an adequate assurance rating and was delivered to Risk and Audit Committee in May with commitment to making changes in line with the recommendations provided.
30. A detailed communications plan for the change programme has been created, covering the next three quarters. The ‘My Change’ campaign will encourage colleagues to tell us what is happening for them and their team in their own way.

Benefits

31. A benefits approach has been developed and the change team has been working closely with programme directors to help develop the benefits for their specific areas of change.
32. Three key documents have been produced;
- Benefit Map - a visual representation of how benefits relate to each other, to strategic objectives, programme outcomes, business changes (capability to do new/different things) and project outputs. **Appendix 1** shows both the guidance and a very simple example from the people strategy
 - Benefit Profile - is a detailed description of a benefit, how it is measured and who owns it. A benefit profile will be prepared for each benefit. See **appendix 2** for an example
 - Benefit Register - summarises the information from the benefit profiles and shows the measures to be used for tracking delivery of the benefit. The benefits register will be used to monitor delivery of benefits monthly. See **appendix 3** for a snapshot of the current register, still work in progress.
33. At present the Change Team are supporting the business to retrospectively identify benefits for all change projects. However from September 17, support for the overall approach across the Commission will be provided by Programme Management Office as part of a new framework. This will be utilised in the 2018/19 business planning process.
34. The “declared” benefits in the table below include two out of the eight key active initiatives, People/ Strategy (up to June) and Knowledge and Information Management. For the September 17 Board update the table will show the additional People Strategy figures presented to REMCO.

	Year1 2016/17	Year 2 2017/18	Year 3 2018/19	Cumulative 3 years	Cumulative 4 years	Cumulative 5 years
Quantified cashable benefits June 17	-	£ 7k	£ 506k	£ 510k	£1.5m	£2.5m
Quantified non-cashable benefits June 17	-	£ 70k	£ 144k	£ 214k	£ 314k	£ 502k

35. We envisage all organisational benefits will be identified by the end of Q3 2017.

Key risks

36. The top 3 risks to the Change programme and key mitigations are set out below:

#	RISK	CONTROLS / MITIGATIONS
1	Colleagues at all levels of the organisation will fail to engage with change due to a lack of sponsorship and ownership at a senior level. This could result in the Change Programme failing to deliver its outcomes leaving the Commission without the internal capacity, capability and confidence to meet its strategic objectives.	<i>Exec and leadership engagement in the development and the delivery of ways of working. Re-visit and define change sponsorship role and purpose. Refresh change initiatives for 2017/18. Re-contracting with Leadership Team (PDs/Exec). Mazars audit</i>
2	Delivery of the Change Programme is undermined by poor organisational prioritisation compounded by ineffective governance and transparency at both an organisational and programme level. This could impair the ability of the Change Programme to deliver its aims as resources are not utilised in the most effective and efficient way reducing productivity and the opportunity to introduce smarter ways of working.	<i>Steering Group provide guidance to change team on where to apply focus, as does Change Exec sponsor. Two stocktakes have taken place to reaffirm Y2 priorities with Exec. L&D lead confirmed L&D priorities with CEO in March. Benefits for four large change projects will be identified by the end of April, this will help to identify which projects to prioritise and where to apportion resource accordingly.</i>
3	The need for internal change at the Gambling Commission and the benefits it will bring are not fully understood by all colleagues. For example understanding how we all need to change to meet the increasingly complex demands of our market place.	<i>Leadership Team have been trained up in storytelling techniques to bring to life any changes taking place. This will be in effect ongoing as and when opportunities arise. An updated engagement and comms plan is being drafted to be signed off by Exec. This will provide more detail how we can achieve clarity about the changes happening across the organisation. Work on creating the overall benefits story has begun (Mar '17) with a view to sharing internally during Q1 '17. This will piece together the changes in something that colleagues can digest and relate to easily.</i>

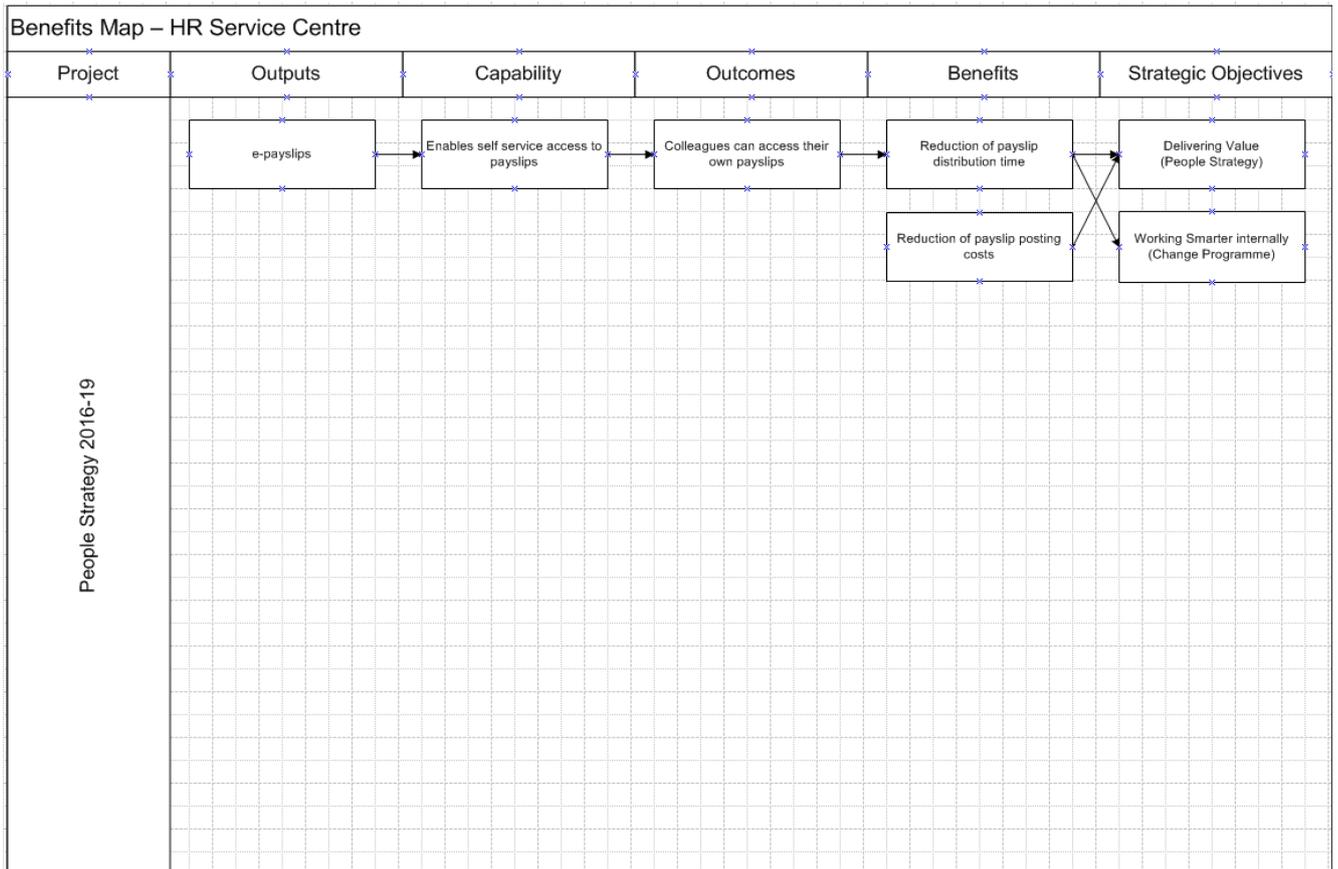
Note: The full risk register is available on request.

Recommendations

38. The Board is asked to note this progress update.

Appendix 1: Benefit Map

Benefits Map – Document Definitions									
Project	Outputs	create	Capability	Which results in	Outcomes	which when measured become	Benefits	Which help evidence achievement of	Strategic Objectives
<p>Definition: A Project as a temporary organisation that is created for the purpose of delivering one or more business products according to an agreed Business Case. In other words a project is an individual or collaborative piece of work that is carefully planned to achieve a particular aim</p>	<p>Definition: Outputs are the business products created by your project. These products can be physical things such as buildings or software programs, or intangible things such as policies.</p>		<p>Definition: Capability is the ability to do something. By themselves, outputs do absolutely nothing. When outputs are used they generate capability.</p>		<p>Definition: Outcomes are the changes achieved as a result of the new capability. They normally affect real world behaviour or circumstances.</p>		<p>Definition: Benefits are the measurable improvements resulting from outcomes.</p>		<p>Definition: Strategic objectives are long-term goals for which the organisation is held to account. Benefits contribute to the achievement of strategic objectives.</p>
	<p>A training plan for Contact Centre colleagues</p>		<p>The ability to deliver a consistent level of training to Contact Centre colleagues</p>		<p>Contact Centre colleagues are consistently trained and develop a knowledge base that can be utilised by them while undertaking their role on a day to day basis.</p>		<ol style="list-style-type: none"> 1. Improved quality of Contact Centre email service 2. Improved quality of Contact Centre telephone service 3. Reduction in e-mail response times to operators 4. Reduction in e-mail response times to consumers 5. Reduction in response times to enquiries raised through the website 		<p>Provision of consistent and better quality advice from the Contact Centre contributes to the achievement of the following Strategic Objectives</p> <ol style="list-style-type: none"> 1. Improve regulation 2. Building partnerships and understanding 3. Raise Standards across all gambling sectors (because we are providing consistent better quality advice) 4. Empower and Protect Consumers



Appendix 2: Benefit Profile Example

Project Name		People Strategy	PD/FL	Michelle Wenham	
Benefit ID	Benefit ID: GC48-XXX	Benefit Name	Benefit Name: Reduction of payslip distribution time.		
Benefit Owner:	Michelle Wenham				
Description of Benefit:					
Benefit description: The introduction of e-payslips in July 2016 will enable colleagues to access their pay information electronically. This will save 5 hours of HR Admin function time per month that are currently used to distribute payslips manually. This saved time will be re-purposed to allow the HR Admin function to undertake more value adding tasks such as improving the service from the HR Service centre. Please see related benefit ID GC48-XXX Reduction in HR Service Centre email response times.					
Strategy Contribution	People Strategy - Delivering Value / Change Programme - Working smarter internally				
Benefit Type	Quantified (Non-Cashable)				
Description of measures used during realisation:					
<ol style="list-style-type: none"> 1. Engage colleagues with the introduction of e-payslips and the personal benefits it bring to them 2. Introduce e-payslips July 2016 (parallel run with current manual process to ensure accuracy) 3. Inform colleagues to log into e-payslip system to see their account 4. Track number of logins to the system and trouble shoot queries 5. August 2016 start to see a reduction in the amount of time spent on manual payslip processing as colleagues collect their final paper payslip 6. From September 2016 expect a near total reduction in manual payslip reduction (the only exception will be new starters) <p>BPPB will assess the amount of benefit that has been realised as part of the reporting cycle, update estimates of future benefits and, where necessary, recommend remedial action to address shortfalls in the expected levels of benefits realisation.</p>					
Baseline	5 admin function hours a month are currently spent on payslip distribution	Target	0 admin function hours a month on payslip distribution	Saving/Change	60 admin function hours every 12 months.
Next Benefit Realisation Review	Monthly/Quarterly BPPB Review				
Benefits Realisation Commence	Date: July 2016	Benefits Realisation Complete	Date e.g. June 2017		

Appendix 3: Benefit Register Example

Continued this way →

Benefits Categorisation					
Ref	Project Area	Benefit Name	Benefit Type	Benefit Owner	Where will we see the savings?
<i>This will be the Workstream reference followed by a dash and a three digit number. e.g GC55-001</i>	<i>Which project area will generate the benefit? Select from the drop down options.</i>	<i>A short name for the benefit. A bit like an "elevator descriptor" the two or three words you use to explain your benefit quickly, something like ... "reduced maintenance costs"</i>	<i>Quantified (Cashable) is a money saving that is either bankable or will directly and measurably reduce costs. Quantified (Non-cashable) is quantifiable but not directly in cash for example time or resource. Select from the drop down options</i>	<i>The benefit owner is the person who is accountable for the successful realisation of the benefit. Usually the PD/FL for the Project Area. Select from the drop down options.</i>	<i>The area where the savings will be made or the impact of the benefit felt</i>
GC	People Strategy	Effective resource/key skills forward planning	Quantified (Cashable)	Michelle Wenham	Annual salary bill
	People Strategy	L & D In-house delivery	Quantified (Cashable)	Michelle Wenham	External recruitment costs
	People Strategy	Effective internal recruitment capability	Quantified (Cashable)	Michelle Wenham	External training costs
	People Strategy	Improved leadership capability/performance	Quantified (Cashable)	Michelle Wenham	Reduction in agency/recruitment costs
	People Strategy	Reduced sickness /reduced stress/increase resilience	Quantified (Non -Cashable)	Michelle Wenham	Less LT/Snr Managers/Managers
	People Strategy	Implement RM/support pool	Quantified (Non -Cashable)	Michelle Wenham	Reduced backfill/external costs/sickness pay
	People Strategy	Reduced employee turnover	Quantified (Non -Cashable)	Michelle Wenham	Saving on RM time (spent on what? How often?)
	People Strategy	Improved systems capability	Quantified (Non -Cashable)	Michelle Wenham	Reduced training/recruitment costs
	People Strategy	Reduction of payslip distribution time (delivering value)	Quantified (Non -Cashable)	Michelle Wenham	Time saved on process (which process? How often?)
	People Strategy	Reduction of payslip posting costs	Quantified (Cashable)	Michelle Wenham	Saving on HR Administrative Function time
	People Strategy			Michelle Wenham	HR expenditure

Continued this way →

Benefits Measurement			Benefits Realisation					
Baseline	Target	Saving/Change	2016/17	2017/18	2018/19	2019/20	2020/21	Cumulative Total
<i>Where are we now? Current cost / time / resource etc....</i>	<i>What effect do you want the project to have and by how much?</i>	<i>Total value of difference between the baseline and the target</i>	<i>Complete savings for quantified benefits</i>	<i>Total savings for each quantifiable benefit by March 2021</i>				
£13.82m	3% reduction	£415,000			414,600	414,600	414,600	£1,243,800
		30% on £100k		7,500	30,000	30,000	30,000	£97,500
		Budget £270k - £30k			30,000	30,000	30,000	£90,000
		See above						£0
n=90	10% reduction	10% - c. 90 people using a proxy of £50k				450,000	450,000	£900,000
	0.3% reduction	Reduce 0.3% to benchmark of 3.6%		1,000	1,000	1,000	1,000	£4,000
	1 hr reduction in RM time spent on ? Every day/week/month?	1 hr/80 RMs	352	1,760	1,760	1,760	1,760	£7,392
		Negligible						0.0%
		1 hour pa/320 people			7,040	7,040	7,040	£21,120
5 hours per month	0 hours per month	5 HR admin hours per month	45 hours	10 hours				
approx. 2 days of HR Admin time per week	0.50 to 0.75 days of HR Admin time per week	1.25- 1.50 HR admin days per week						