



Change Programme Quarterly Update March 2017

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

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Executive summary

1. In early February a review (stocktake) was performed by the change team and Exec group which looked back at our achievements since April 2016, challenges to success moving forward and what we can do to clear these blockages. This resulted in several actions for the change team that are now included in their plans covering the next 12 months. These are as follows:
 - Introduce new change approach, to include benefits
 - Develop role of change team (incl. change agents)
 - Continue to promote active employee participation, including re-contracting with Programme Directors and Exec to encourage more active participation
 - Equip colleagues with language & tools to talk about change confidently
 - Adapt PMO processes & templates to current needs
2. We are undertaking a similar end of year stocktake of our People Strategy during March.
3. Engagement on the corporate strategy began in earnest this month.
 - Externally, it is the subject of Board to Board meetings with operators and we will be issuing an open letter to seek views from a wide range of stakeholders, notably those with a consumer interest.
 - Internally, colleagues are engaging with staff with a range of sessions - workshops at team meetings, ideas rooms/ noticeboards and a significant focus on this topic is planned for Engagement Day on 4 April.
4. Planning for 'Engagement day' is in full swing. On the 4 April, all colleagues will have a chance to input into the corporate strategy development, review the 2017/18 business plan, partake in performance development workshops and engage with representatives from business who supply our employee benefits.
5. The Learning & Development strategy has been approved by Exec, which focuses on four key areas 1) People & Interpersonal skills 2) Develop me & my career 3) Business Skills 4) Great workplace. More detail on this can be seen in **Appendix A**.
6. Since starting the Leadership Team development programme there has been an increase in activity (observed by the change team via individual feedback) to change individual behaviours and collaborate with leadership colleagues. This signifies a genuine commitment to personal development and continuous improvement for the Commission.
7. Key areas of focus for the Leadership Team have been on performance management, leading change, storytelling and giving and receiving feedback.
8. Following their successful development programme launch in November, Senior Managers have been involved in co-creating their own development needs for 2017. This peer group meet on a quarterly basis to share business best practice, glean insight from external speakers and learn more about senior leadership practices and behaviours.
9. A new 'on the spot' reward scheme ('Spotlight') has been created to recognise individuals who have consistently exhibited our ways of working behaviours. 27 people were put forward as part of the first run with the rationale behind their nomination being displayed on our Spotlight wall for all to see.

10. During the 2017/18 business planning process in January, the planning for all change initiatives was reviewed and updated where applicable. The change plan was then overlaid against other business as usual (BAU) delivery activity at a Business Plan Programme Board level. This prompted healthy discussion and led to some areas of change being re-planned to avoid impacting on other areas of the organisation (in terms of resource capacity).
11. The final 2017/18 budget includes all change activity.
12. Following the release of the employee engagement survey results, all areas of the organisation have been working on creating their local action plans. This is an opportunity for employees to feed into how they can be actively involved in improving their areas of the business.
13. After listening to the feedback from our extensive change agent network we have made the decision to upscale their role and involve them more in the changes happening around the business by integrating them into the individual change programme initiatives.
14. We have started to scope a review of our current data collection and management processes. This will include completing phase 1 of the regulatory data review, making it simpler for operators to deliver accurate and timely submissions through the most appropriate channel, and maximising the value of the data we include in our work.
15. An updated benefits framework has been developed and will be rolled out to the core change initiative directors during April with the support of Emily Astles, the new change lead. As we have said before, benefit identification and tracking has not previously been a priority and will take time to embed within the organisation.
16. The Board is asked to note this progress update.

Progress to date

17. **Leadership and management development** - We have invested significantly in leadership development and leadership behaviours to set the foundations for change. There has been a noticeable increase in activity by the leadership team to embed changes in individual behaviours and collaboration with colleagues. This signifies a genuine commitment to personal development and continuous improvement for the commission.
18. Having developed our Ways of Working in early 2016, these are steadily becoming the accepted indicators of the right behaviours, for all colleagues. Resource Managers will increasingly be expected to factor these into ongoing conversations with colleagues, when reviewing overall performance and development which also links to what will be recognised through our Spotlight recognition scheme and when assessing performance with regard to the 'how' work gets done.
19. Following a successful launch event in November 2016, Senior Managers are involved in co-creating their development needs for 2017. The senior managers launch event highlighted the value of this group meeting on a quarterly basis to share business best practice, glean insight from external speakers and learn more about senior leadership practices and behaviours. As a result, a sub-group is leading on designing and delivering these forums with and for the wider Senior Manager community.
20. **Learning and development (L&D)** - L&D Week (in November 2016) gave a significant boost to the awareness of development and growth opportunities available within the Commission. Incorporated into L&D Week, we ran a networking day which enabled

everyone to collaborate, learn more about each other and the important work the Commission does – as well as have some fun celebrating our previous year's achievements. There is a noticeable lift in spirits around the Commission, closer ties with our homeworkers and colleagues appear more willing to seek out personal development options.

21. The success of L&D Week and the high levels of engagement of colleagues has reinforced our stated commitment to support colleague Learning and Development as one of our key people priorities, including encouraging personal responsibility for own career development which should be part of everyday dialogue.
22. As part of our cultural development and approach to performance management we are equipping all managers with a consistent approach and ability to adopt a more coaching style in their conversations with colleagues. Such skills are central to developing a more collaborative and performance focused culture.
23. Resource Managers will also be equipped with techniques, supported by a mini toolkit by end of April 2017 to help their colleagues create a Personal Development Plan (PDP).
24. A cross-regulators mentoring pool has been launched with mentees and mentors being trained from within the Commission.
25. Facilitated through West Midlands Employers, a regional coaching pool was launched in March 2017, for which three colleagues will be funded to take their ILM level 5 qualification in coaching.
26. The L&D strategy has been approved by Exec, which focuses on four key areas 1) People & Interpersonal skills 2) Develop me & my career 3) Business Skills 4) Great workplace. More detail on this can be seen in **Appendix A**.
27. Using our links to the Legal Ombudsman, we are able to put forward candidates from the Commission to attend their Aspiring Leaders programme. It is targeted to whet the appetite of those interested in moving into management rather than becoming a specialist. We will be sending identified colleagues with a view to assessing ongoing involvement.
28. Spearheaded by the Ombudsman's CEO, this programme focuses on people who are yet to reach manager level and will look at several areas associated with being a manager within a regulator, such as: what makes a good leader, leading in a professional organisation, effective communication, battling negativity, dealing with challenging situations and managing your career.
29. Our HR Business Partners are also currently part of a cross regulators HR development cohort and we continue to identify secondment and development opportunities such as those recently with DCMS.
30. We continue to work closely with other civil service organisations and regulators to ensure we share best practice and knowledge amongst ourselves.
31. **Knowledge and Information Management** - The Knowledge and Information Management (KIM) workstream currently comprises two projects: Knowledge Management (KM) and the Office365 implementation.
32. Our KM strategy has been written, with support from a specialist knowledge consultant. The vision for KM is that knowledge flows are optimised; we effectively and efficiently capture, organise, access and re-use knowledge, and we connect with others (internally and externally) to seek and share knowledge and collaborate. We aspire to

a situation where first-class knowledge practices are everyone's normal way of working and KM is accepted as a key driver of operational performance.

33. The strategy comprises 28 work packages, grouped into 6 outputs: Connecting people, learning from experience, retaining knowledge, creating and sharing best practice, improving access to documents, supporting activity (including culture change).
34. 'Go live' of the KM strategy is provisionally set for 1 September 2017 (after the bulk of the SharePoint migration is complete), but with only limited work packages introduced at that stage. Several pilots and supporting KM activity will be completed prior to 'go live'.
35. Office 365 migration and adoption - We have commenced our migration to Office 365, with the roll-out of OneDrive completed in early March (80+% migrated as at 3 Mar 17). A range of measures have been put in place to support colleagues during the migration and adoption, which appear to have been well received. These have included a training session, 'lunch and learns', drop-in sessions, floor-walking, a virtual Knowledge Hub and a champion's network.
36. A SharePoint pilot is being planned (for the Evidence & Analysis, Risk and Knowledge Management programme and RGSB), which will inform the migration and adoption plans for the wider SharePoint roll-out. The roll-out will be phased, by programme, and run until late autumn 2017. The Phase 1 roll-out (basic SharePoint) will be followed by subsequent phases (e.g. Outlook integration).
37. We are currently scoping out a review of current data collection and management processes to provide options to improve effectiveness. This will include completing phase 1 of the regulatory data review, making it simpler for operators to deliver accurate and timely submissions through the most appropriate channel, and maximising the value of the data to our work.
38. **Licensing Futures** – this has been split into two distinct areas, 'Licensing reorganisation' and 'Licensing redesign'. Although not officially part of the overall Futures project, the reorganisation element is focussing on the development of people within the team, increasing their resilience and preparing them for any future changes. The redesign project will be looking to update the processes, systems and infrastructure within Licensing. Updates on both are as follows:
39. *Licensing reorganisation* – Following a review of the employee survey 2015, the Licensing management team took the decision to review job descriptions across the department, reflecting significant changes in requirements over an extended number of years. This resulted in a restructure to recognise the different mix of roles needed to deliver a future proof licensing function. This included considerations to recognise the different mix of roles needed to deliver a future proof licensing function.
40. Five separate job descriptions were developed recognising the different levels of complexity in the range of work undertaken.
41. A four week consultation period was initiated inviting feedback from staff on the proposed selection criteria. During the consultation period, management provided the opportunity for feedback and questions via 1-2-1 meetings, drop in sessions, all licensing meetings and using the Licensing reorganisation inbox. The selection criteria were eventually agreed as:
 - a. Expressions of preference (including a values and behaviours statement for those interested in senior roles)

- b. A paper based exercise assessing suitability based on previously agreed data based criteria
 - c. Selection/interview exercises
- 42. In order to provide support to staff through the selection process, HR provided group and individual drop in support sessions to improve interview skills. An approach which will be developed and offered to all internal colleagues who attend internal interviews as part of their career development.
- 43. *Licensing redesign* – Was presented to the Executive in February where the following was agreed:
 - a. Proceed with process review/mapping
 - b. Finalise licensing reorganisation (preparing the people for change)
 - c. Initiate some aspects of the risk management activities review of the LCCP including piloting the new risk framework
- 44. **Corporate strategy** - engagement on the corporate strategy began in earnest this month. Externally, it is the subject of Board to Board meetings with operators and we will be issuing an open letter to seek views from a wide range of stakeholders, notably those with a consumer interest. Internally, colleagues are engaging with staff with a range of sessions - workshops at team meetings, ideas rooms/ noticeboards and a significant focus on this topic is planned for Engagement Day on 4 April.
- 45. **People strategy – Reward and Recognition**, We have commissioned Willis Towers Watson as our partners in delivering a new reward/pay structure with an associated job evaluation scheme. The aim to develop a structure which is clear, can reflect the skills and knowledge within the business as well as assisting colleagues to plan their career paths.
- 46. Pay rates themselves continue to be a challenge, particularly critical specialist roles and certain ‘professions’. We remain constrained by treasury guidance so the messaging to colleagues about this work will be vitally important.
- 47. The employee benefits portal ‘*My lifestyle*’ is currently being built by Edenred, an agency that supports organisations to engage and motivate people to achieve enhanced performance and will be launched on 4 April 2017 (Engagement Day). The portal will enable employees to access a number of personal benefits including holiday options, childcare vouchers, cycle to work scheme and shopping vouchers.
- 48. A new ‘on the spot’ reward scheme (Spotlight) has been developed to recognise individuals who have consistently exhibited our ways of working behaviours. Twenty seven people were put forward as part of the first run with the rationale behind their nomination being displayed on our Spotlight wall for all to see, a great start. This scheme will continue highlight ‘role model’ behaviours for our Ways of Working as well as specific and exceptional examples of continuous improvements suggested and implemented by colleagues.
- 49. The development of our ‘employee offer’ is gathering pace with new starters being asked to reflect on their immediate perceptions of the Commission as an employer and of their experiences so far. In parallel, new career pages and profiles are being developed as part of our attraction and recruitment strategy. Our new employee induction process has already been updated to reflect feedback from previous participants from around the organisation.

50. **Change Team** - Shortly after the New Year a review (stocktake) was performed by the change team which looked back at achievements since April 2016, challenges to success moving forward and what we can do to clear these blockages. This resulted in several actions for the change team to focus on over the next 12 months, until the end of the programme.
51. These priority areas include re-igniting the change sponsorship roles, reviewing Exec involvement in change, reaffirming the change team's role to the wider commission, providing visibility on the L&D strategy, linking our achievements to L&D activity, piloting a consistent change approach to encourage continuous improvement and an objective review of the Knowledge Management scope and timings.
52. During the stocktake we agreed to reaffirm the change team's role. Their role will continue to be to equip and enable colleagues and leaders to lead and manage change for themselves. They will do this by developing our existing leadership capability, by building a high performance culture and embedding a consistent change approach to encourage us to continually improve.
53. **Change Agents** - After listening to the feedback from our extensive change agent network we made the decision to upscale their role and involve them more in the individual change programme initiatives. Ideas were discussed and agreed with Steering Group in January. The Directors in charge of the change initiatives were then engaged to discover how this could work practically for them.
54. Once consolidated the approach was discussed with the change agents at a workshop in February and was positively received.
55. A review of the change agent role was carried out during the February monthly meeting, highlighting several areas of success over the last 10 months. The agents have shown a demonstrable commitment to get involved with the programme which resulted in numbers being oversubscribed. This validated a real desire to be part of the change we all want to see.
56. They agreed that they had made a difference by:
 - Being positive advocates of the programme at local level
 - Keeping their teams informed of the change vision and progress
 - Sharing stories and encouraging their colleagues to be open and honest about how they feel
 - Performing well as a network and working together to shape and develop the purpose and content of L&D week and Networking Day
 - Developing their own terms of reference
 - Supporting their Resource Managers to share messages and spread the 'feel good' factor
 - Making inroads to promoting employee engagement and getting involved
 - Being confident to give open and honest feedback to colleagues.

Impact on the organisation

57. There has been a noticeable increase in activity by the leadership team to embed changes in individual behaviours and collaboration with colleagues. This is demonstrated by the recent activity to review the Case Management Group's

processes, meeting and outputs, led by the people who are involved in the day-to-day work and encouraged by the programme director as chair of the group. A great example of employees co-designing improvements to the business.

58. We are reviewing the implementation roadmap on an on-going basis as more detail on the change impacts on each of the initiatives becomes known. The focus to date has been on the people and knowledge and information management initiatives which will impact the organisation the most in 2016 FY and early 2017/2018 FY.
59. The migration of the Contact Centre from Licensing to Corporate Affairs has been prioritised by Exec and the scoping work has been initiated. This project will be included as part of the change programme throughout the process, using this as an opportunity to test a suitable change approach that can be used for future change projects within the commission. See **Appendix B** for example approach
60. The Change programme reports delivery alongside business plan to the Business Plan Programme Board (BPPB) on a monthly basis, and the Executive team has a standing weekly agenda item devoted to the programme of change. Every PD and Functional Lead has ownership or sponsorship accountability for a strand of work in the programme, and has objectives related to successful delivery of change across the board.

Communications and engagement

61. Planning for 'Engagement day' is in full swing. On the 4 April, all commission staff will have a chance to input into the corporate strategy development, review the 2017/18 business plan, partake in personal development workshops and engage with representatives from businesses that supply our employee benefits.
62. Our redesigned website was launched in January and initial feedback from external stakeholders has been positive. Phase two of the project has commenced.
63. The communications plan for the second phase of the KIM project, SharePoint roll-out, has been submitted and approved ready to be released to the organisation.
64. We are working on the communications aspects of the Transparent Reward project which will require detailed planning. We are also developing the key messages around the Engagement Day planned for 4 April.
65. We are continually developing our newly launched L&D and IT intranet pages (Hive) to ensure they are as user friendly as possible to facilitate their accessibility.
66. An effective writing pilot has been delivered for the Contact Centre in March. Prior to this a short series of interactive quizzes highlighting good writing practice and aspects of our style guide was launched on the intranet.
67. The employee survey verbatim comments have been distributed to all colleagues. These were grouped into common themes with the business responding to each of these individually, providing assurance and highlighting where we are working towards addressing some of the issues identified.
68. Sarah Harrison and Nick Moore met with Ann Harris, an independent member of the commission's audit committee to see if there are any areas that Ann can support in. Ann has been involved in some of the government's largest transformation programmes (mainly within DWP) so her experience and advice is both valuable and most welcome.

69. We also continue to keep colleagues updated on change news via the weekly Buzz (on our intranet, Hive) and through Sarah’s fortnightly update which has now been broadened to include updates from other members of the Executive team.
70. Mazars (our internal auditors) have undertaken a thorough review to confirm the following areas of the programme:
- Business case and plan
 - Governance and operating model
 - Monitoring and reporting mechanisms

This will be shared with Audit Committee in one of their upcoming meetings and highlights included in the next quarterly change update.

Benefits

71. The Change programme benefits are additional to the commitment to meet the DCMS (Spending Review) target to achieve efficiency savings of 5% over 3 years.
72. The purpose of the Change Programme is to deliver the four themes as set out below, and in the vision. Done well, delivery of the initiatives under each theme will deliver efficiency and other cashable savings.
- Building internal capacity, capability & confidence
 - Working smarter, both internally and externally
 - Gaining strength from diversity
 - Being pioneering and innovative
73. An updated benefits framework has been developed and the change team will be working closely with the core change project directors during April to help develop the benefits for their specific areas of the change programme. We are currently focussing on developing pre-defined questions relevant to their area and providing examples of how potential benefits could be articulated to help stimulate their thinking. The projects we will be working on are Licensing Futures, website redesign (Phase 1), Contact Centre redesign and Corporate Strategy development.
74. We are measuring benefits in the following categories:

Benefit type	Examples....
Quantified – cashable	<ul style="list-style-type: none"> •% or £ savings in internal and external expenditure •Reductions in headcount including natural wastage
Quantified – non-cashable	<ul style="list-style-type: none"> •Employee engagement scores •Stakeholder perception scores •Employee turnover •Error rates in data entry/data quality (internal and external) •Speed to deliver
Qualitative	<ul style="list-style-type: none"> •Effective leadership and management •Effective collaboration •Stakeholder engagement and feedback •Ability to resource workstreams •Better decision-making •Better visibility & management of knowledge

75. A re-run of the original website usability and user experience survey undertaken by YourMum agency in July 2016 will be in field during July 2017 and will provide more accurate information on the impact the new website has had on external stakeholders and end consumers. We are hopeful this will have made a difference to the number of calls Contact Centre are receiving regarding requests for information that can be easily accessed on the new website. We envisage that a thorough review of the call data will be combined with the results of the user experience survey in July 2017.
76. The “declared” benefits in the table below include two out of the eight key active initiatives, People/HR and Knowledge and information management. In addition there are a number of smaller initiatives that are currently in planning that are expected to deliver benefits in 2017/2018 and once agreed these will be added to the benefit figures.

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

77. It is also expected that there will be significant benefits in 2018/19 from the three “Futures” initiatives (Licensing, Compliance and Corporate Services) that are likely to deliver late 2017/18, and these will be included as planning is completed and the benefits identified and agreed.
78. All benefits strands will continue to be refined and validated as work progresses.
79. It should also be noted that benefit identification/tracking/realisation for internal initiatives has not been a key feature for the Commission in the past; therefore it is likely to take some time to embed this way of working in processes and also culturally.

Key risks

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

#	RISK	CONTROLS / MITIGATIONS
1	Not delivering all the planned benefits (through insufficient identification and lack of tracking).	<i>A benefits framework has been developed to encourage active benefits identification with the change initiative owners and hold them to account for realisation. To help identify their benefits, the change team are developing pre-defined questions and providing examples of how potential benefits could be articulated to help stimulate thinking. Mazars review to provide guidance and assurance that our approach is appropriate.</i>

2	Lack of a commission specific change model (to support managing change) leading to inconsistent delivery of change projects.	<i>A suitable change model has been produced, the change team will direct focus to areas of the business where this can be tested (and improved if required). Once this model has been refined then it can be included into our project management framework as part of the toolkit. The PMO will then own this process and ensure any future change projects are managed using this process. This approach will also encourage a continuous improvement mechanism, something the Commission is keen to adopt to sustain change after the programme has been closed.</i>
3	(Corporate Risk) - The Change programme fails to deliver or negatively impacts the Commission such that motivation levels fall/people leave the organisation.	<i>A change team review has taken place and another on People Strategy is underway. This is to produce lessons learned and help inform planning to ensure changes are landing effectively for year ahead. The Leadership Team are witnessing things happening attributed to change and are working on bringing these stories to life to feed back to the organisation. This is a bid to encourage more engagement with colleagues in what's changing.</i>

Note: The full risk register is available on request.

Recommendations

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