Closing an organisation - lessons learnt

Executive Summary

This report by Penny Thompson CBE, the Chief Executive of the General Social Care Council, makes publicly available her knowledge and insights gained during its period of improvement, transfer of regulatory responsibilities and ultimate closure. The intention is to offer learning applicable to interested parties in all sectors. A key finding is that the approach taken at the GSCC lends itself to organisations whether starting, improving or closing. Therefore this reflective paper should be of interest and relevance beyond those approaching organisational closure.

The two year challenge for the GSCC was to maintain public protection and confidence in the profession and its regulator, and to improve operations until the last day whilst managing a complex transfer of functions and closure of the organisation. At the same time, it had to achieve the segregation of data for the four Care Councils of the UK to enable each country to establish its own IT/information system to support the regulation of social workers; find ‘safe landings’ for its other non-regulatory functions, and, most importantly, manage the staffing consequences of the transfer, which involved a significant redundancy preparation exercise whilst maintaining morale and motivation.

The experience of the GSCC shows that for those starting up or running an improving organisation a crystal clear focus will be critical to success. This will be key to avoid getting sidetracked by events and new initiatives, and ensure that change, improvement, or just delivery, are achieved. Otherwise, the importance of being clear as to organisational purpose, and priorities and ambition, is self-evident; this includes identifying what is not a priority.
Equally important is the process of assessing organisational capacity and capability, and then planning for implementation, which will then be regularly reviewed. This can include bringing in specialist individual contractors to provide IT and programme management expertise.

Reviewing and evaluating progress and learning the lessons from things that go spectacularly right, or wrong, are also seen as key to running an effective, and learning, organisation. Central to delivering on ambition, purpose and priorities is establishing and living the organisational values. The learning underlines the importance of establishing an organisational culture congruent with what is sought to be achieved, with behavioural values a key component. Ultimately, the reflection is that it is the people who deliver for the organisation, making the best use of technology, and financial, human and property resources. So valuing, developing and helping those people to learn and remain committed to their role and contribution is absolutely fundamental.

Finally, the two year piece of work reflected in Penny Thompson’s report has underlined the critical importance of grip: of having a good hold on delivery and improvement, knowing what success looks like and having measures to determine progress. Grip is equally important from an assurance perspective, having a grip on the numbers and the measures that will confirm what is going on and whether things need to improve further.

That the functioning, stature and reputation of the organisation dramatically improved whilst we successfully managed the transition was no mean feat in the space of two years.

The key elements of the learning from this transformation story are explored in detail in the full report under the following themes:
• The leader and leadership
• Behaviours and values
• Communications and engagement
• Delivery and improvement
• People and people management
• Effective governance

In her conclusion, the author offers a leadership domains matrix which provides a challenging and supportive management approach employed with senior managers.

The appendices provide a list of the 16 lessons learnt, a timeline of key events and developments, a graphic used within the GSCC to convey the clear purpose and priorities everyone had to deliver on, and a reminder of the key words identified during the exercise.
Closing an organisation - lessons learnt

Purpose of the report
The purpose of this report is to make available to the Council Board, Department of Health (DH), Government more widely or indeed any interested stakeholders the learning we have gained from effectively transferring the functions of the General Social Care Council and closing down the organisation.

Background/setting the scene
GSCC was established in 2001 by the government as an arms-length body whose purpose would be to provide professional regulation for social workers as part of the wider agenda of improving the standing and effectiveness of that profession. There was also an ambition to regulate the much larger social care workforce at some point in the future. This latter ambition was never brought to fruition.

By 2009 the GSCC and its counterparts in the other countries of the United Kingdom had established Codes of Practice for social care workers and their employers; a register of social workers; a regime for regulating professional and post-qualifying social work training, and a conduct function to investigate and adjudicate on matters where either a social worker’s conduct or suitability for registration was seriously called into question.

By 2010 the organisation employed some 250 staff in two locations and oversaw a register of over 100,000 social workers and social work students. Whilst social workers contributed towards the cost of regulation through a modest annual fee, the government heavily subsidised the regulation of social work through a government grant to the organisation.
In 2009, an appropriately challenging report by the Commission for Healthcare Regulatory Excellence (CHRE) commissioned by the recently appointed Chair, Rosie Varley, addressed the implications of an operational failure which saw many unmanaged conduct referrals and cases, with the resultant risk to public protection and risk to the reputation of the regulator. She subsequently changed the membership of the Board. A new Chief Executive was appointed with a view to significant improvement in the performance of the organisation, and the development of a strategic plan whose end point would be self funding independence for the GSCC in line with arrangements already in place for other health, legal and accountancy regulators. This demanding agenda would have far reaching implications both for the modernisation of the GSCC and indeed for the social work community who would be expected to shoulder the real financial cost of professional regulation. It would also signal a departure from the consistent arrangements in place across the UK.

At the end of March 2010 I took up post as permanent Chief Executive of the GSCC, embracing this agenda of change and improvement, and setting about the development of the new permanent executive team and a strategic plan to deliver on this agenda. I proposed a set of corporate and business plans which articulated a clear purpose and ambition for the organisation supported by six priorities and six projects to achieve swift progress. The announcement by the incoming government on 26 July 2010 of the intention to transfer the functions of the GSCC to a multi-professional regulator, the Health Professions Council (HPC), and abolish the organisation for economic reasons came as a severe shock to the Board, Executive and wider organisation, and indeed the sector. Whether this outcome of an ‘Arms-Length Body’ review could have been anticipated is a moot point. In the event, reassurances had been listened to and accepted, and hence, the announcement was a surprise.
Quickly, the Chair and I had to reappraise the situation and determine a way forward. Whatever the merits of the decision, we had to accept government policy and take the opportunity to influence the changing landscape of professional regulation and social work, having managed the transfer and closure agenda in a mature and respectful way. Very speedily and with unanimity we determined that whilst this was not the challenge that we had knowingly taken on, it was certainly the challenge that we must respond to. Within a month the purpose and ambition of the organisation had been amended to reflect this new expectation, and the priorities and change programmes had been cut down to three of each to allow for focus and achievement of this new agenda. With an initial transfer date of March 2012 and a dependence on legislation to effect the change, the challenge now was to refocus the organisation. It was endorsed by the Board that the three priorities for the GSCC up until the transfer of functions would be:

- to deliver the GSCC’s statutory obligations and functions in order to protect the public; striving to improve until the final date of transfer
- to effect a well-managed and efficient transfer of GSCC functions into the HPC and the subsequent closure of the GSCC, leaving a positive legacy
- to treat staff with respect and care thus optimising the opportunities for retention of skills and experience, capability and capacity

These three priorities were to support the overall purpose of public protection and public confidence.

Having worked with staff to develop appropriate organisational values for GSCC, these were articulated in their final form in my Chief Executive’s blog at the beginning of August 2010 and subsequently in reports to the Board and in corporate plans. From then on, the values of integrity, respect, quality, efficiency, openness and fairness were articulated and adopted as the
standard for behaviour within the organisation and with its registrants and stakeholders.

With at least 20 months until transfer, the early focus internally was on gaining an operational grip on the high number of cases in the conduct function within the organisation whilst at the same time delivering on the huge challenge provided by re-registration of more than 40,000 registrants in spring 2011, and completing a planned revision to the regulatory process and approach for education and training. Additionally, priority was given to some very fundamental internal organisational improvements in the areas of data security, business continuity, performance reporting, information technology, records management, organisational development, communications and leadership effectiveness. This essential work was to build on activity already underway to establish the fundamentals of sound finance and human resources arrangements, being driven by recently appointed service heads.

With external partners, especially the DH and HPC, work immediately began at a strategic Chief Executive level to determine the parameters for the transfer and the organisational arrangements to support it.

By September 2010 a ‘Social Work Regulatory Oversight Group’ (SWROG) had been established under the chairmanship of Harry Cayton, Chief Executive of CHRE, with Board membership (Chair and Chief Executive) for HPC and GSCC, the sponsor department director for DH and the Chair of the Social Work Reform Board, Dame Moira Gibb. Its role was to advise and assure Ministers as to the effectiveness of arrangements to manage the main element of the transfer (to HPC) whilst sustaining public protection. At the same time negotiations commenced in earnest on the human resource implications of the transfer and closure, resulting in an agreement in early 2011 on the application of COSOP (Cabinet Office Statement of Practice) to a limited number of GSCC staff.
The criticality of managing these relationships at a time of change, uncertainty and loss cannot be underestimated. In the event, HPC did not agree to a joint programme board and in its stead each organisation managed their change programmes independently, with arrangements for necessary regular dialogue at programme manager level. Much later in the process (early 2012) our detailed planning for operational transfer was in full swing; this contact increased and several months of joint work ensued.

During August 2010 I established three programmes of improvement within GSCC: the Delivering Regulatory Excellence programme, the Improving Social Work Education programme and the Organisational Transition programme. By April 2011 these programmes had made significant impacts on the organisation and functions, though I judged that more needed to be done to effect a sufficiently detailed and pacey grip on the operation of the Conduct function. To this end, directors’ portfolios were rearranged, by agreement, providing for one director whose sole focus was the direct management of the conduct function. Registration and Committee Services moved into the responsibilities of the Directors of Strategy and Resources respectively.

For the business year 2011-12 the Organisational Transition programme was succeeded by a Transfer and Closure programme, and the Improving Social Work Education programme changed focus to deliver the planned legacy reports for the organisation. Delivering Regulatory Excellence was closed down having achieved improvement in the risk assessment framework for regulatory operations and revision of the conduct manual. A number of its other aspirations could not be achieved because of the closure timetable.

The transfer of regulatory operations became one of the workstreams in the Transfer and Closure programme, with completion of a full review of all open cases its first task. The Transfer and Closure programme from April 2011 was sponsored by and chaired by me as Chief Executive with a programme manager in place. It was established with seven clear workstreams
addressing all aspects of transfer and closure. The workstreams had established project leads who remained at their helm in every case up to transfer at the 31 July 2012. The Transfer programme reported to every Council Board meeting in a discrete report. The seven workstreams were:

- Staffing
- Data migration
- Communications
- Regulatory operations management transfer (Registration, Conduct, Committee Services)
- Education and policy
- Governance and closure
- Assets and liabilities

In October 2011 it was confirmed by government that the date for the transfer would be finalised as the 31 July 2012. This was four months later than originally planned as a consequence of the government’s pause in the progress of the legislation in respect of the Health and Social Care Bill. It was decided that this change of date would not lead to a change in timetabling for the management of the transfer, with the exception of the detailed planning for the transfer of regulatory operations. This strategic decision proved a sound one given the amount of work to be done across all of the workstreams and the significant risks being managed. I was also clear that no irreversible action should be taken, particularly in relation to staff, in advance of Royal Assent being given to the change in legislation. This provided a significant mitigation against risks that the transfer might not go ahead and that therefore public protection would be adversely affected by staff being unavailable to run GSCC’s functions.

The first programme manager was the Head of Performance for GSCC. On his successful appointment to another role in another organisation in February 2012 the programme manager role was transferred to the Head of ICT,
herself an experienced and trained programme manager. She established a programme management office and a project steering group to support the Transfer board. From February 2012 to transfer in July 2012 there was a timely shift of gear for the Transfer and Closure programme in its final phase of delivering operational transfer, and planning organisational closure (planned for August/September 2012).

Having inherited a structure in March 2010 which provided for three directorates across the GSCC, I took the opportunity of an exit for one director in July 2011 to reshape the Executive management of the organisation (Executive Management Team (EMT)) in consultation with heads of service and the trade union. The result was a move in September 2011 to an increased Executive Leadership Team (ELT), thus de-layering the management of the organisation and providing more resilience and my tighter grip on the areas of operation. By now my role with the top team was to deliver on a clear, though challenging and complex, operational challenge rather than a big strategic one. This reshaping was timely and ultimately very effective.

Following a governance review in the spring of 2010 the Chair and I decided to introduce radical changes. The Council began to operate as a unitary board. There was a reduction in the use of subcommittees and a move to monthly rather than quarterly full Board meetings. Rather than aligning themselves with committees, individual Board members took on lead areas of interest and expertise, giving them a direct working relationship with relevant heads of service. These arrangements combined with the developing agenda for the organisation, provided effective governance for the GSCC from September 2010 to September 2012, by which time both operational transfer and organisational closure had been achieved and judged effective by the sponsor department (DH) and the wider stakeholder community.
Essentially, then, the two year challenge for the GSCC was to: sustain public confidence in the profession and its regulator, and sustain and improve operations until the last day, ensuring the achievement of its core purpose: maintaining public protection; transfer its regulatory functions to another regulator; segregate the data for the four Care Councils of the UK to enable each country to establish its own IT/information system to support the regulation of social workers, and to find ‘safe landings’ for its other non-regulatory functions (student placement grants; post qualifying awards; historical data of education and training of social workers; statistical information; HR and financial information). It also managed the staffing consequences of the transfer, which involved a significant redundancy preparation exercise whilst maintaining morale and motivation. In the event, the Cabinet Office Statement of Practice applied and whilst over 60 staff were entitled to compete for roles, in the end only five staff transferred to the inheriting regulator.

Evidence used - methodology
The process of compiling this report has involved as many people in the GSCC as is possible. It started with two away sessions of the ELT whose focus was particularly reflecting on the learning from our two-year experience, aided by developing a timeline of events and significant issues (appendix 1). In addition individual reports have been prepared by the Programme Manager for transfer and closure, the Project Lead for the transfer of regulatory operations, and Heads of both Communications and HR*. The People Development Steering Group produced a “learning the lessons” report, as did the Outplacement Working Group. The trade union partnership of Unite and senior members of the GSCC held a debriefing, and the DH closure group with the GSCC also held a debriefing meeting. The Head of HR and I met with the staff social committees for Rugby and London to discuss lessons learned, and the Board undertook a similar exercise with two individual written

* These reports are annexed to the Transfer and Closure final programme closure report provided to the public meeting of the Council Board meeting on 24 September 2012 and will be available at http://webarchive.nationalarchives.gov.uk/*http://www.gscc.org.uk/
contributions being written by Board members. Each of the programmes of Delivering Regulatory Excellence and Improving Social Work produced their own closing reports. In addition, I reviewed my 101 blogs and 21 Chief Executive Council reports, as well as notes from away sessions. Whilst this report is my responsibility, it is important to note that it seeks to reflect the comments of all these other important contributors and to do them justice.

Analysis and findings
The headlines that came out of all of the feedback from those involved in the transfer of functions and closure of the GSCC had a remarkable unanimity. In particular everybody highlighted the importance of:

- The leader and leadership
- Behaviours and values
- Communications and engagement
- Delivery and improvement
- People and people management
- Effective governance

The leader and leadership
Managerial focus, grip and staff engagement set the tone for the organisational culture of the last two years of the life of the GSCC. In the face of disappointment and uncertainty the role of the leader is to provide a steer, instil confidence and to allow for “followship”. As Chief Executive, that is what I sought to do. Strategic decisions were about how the challenge would be responded to rather than what the future challenge would be. And a very clear and positive approach was agreed upon with the Chair: we would do what we needed to do well, and would be seen to do this. So we established a clarity of purpose and articulated our three priorities, consciously making one of these a positive focus on managing our people well. If staff were to leave in droves either actually or psychology, we would fail. And we revised our plans quickly to ensure that they would enable us to
achieve our **ambition**, which we amended as: ‘To protect the public through the regulation of social workers and their professional education and training; and through the delivery of excellent services and a professional transition to the Health Professions Council provide a lasting legacy that enhances the social work profession and the reputation of the GSCC’.

By clearly articulating our purpose, ambition and priorities with measurable outcomes, the whole organisation and its stakeholders were clear as to expectations. Individual staff objectives were set providing a “golden thread” linked directly to them. And when frontline staff told me that they played an important public protection role, I was confident that we had some essential ingredients for achieving success - staff commitment and confidence.

With a relatively long time until transfer and closure, I judged it important that we took the opportunity to spend the remainder of the 2010-11 year ensuring the organisation’s internal efficiency and operational effectiveness whilst also negotiating the terms of engagement with the DH and HPC. With a grip on operations, an embedded improvement agenda, and necessary preparation and planning, it seemed to me that the business of transfer and closure would be more likely to be successful. This positive improvement agenda provided a key reason for staff to remain motivated.

Planning to deploy project and programme management as our approach to delivering the large and complex change programme required of us was vital. We developed a PRINCE2-informed process and increasingly ratcheted up the centrality of the transfer programme as time went on. Ultimately our last six months was dominated by the transfer and closure programme as the central vehicle for delivery of our ultimate purpose.

The sponsor in the DH needed to be confident in the arrangements that we were making to deliver the Government’s policy agenda, yet we had to be in control; we knew what needed to be done and how best to do that. I
consciously changed the relationship with the DH to become a mature, mutually respectful one, characterised by open, assertive dialogue.

Lesson one: Take control, turn the focus provided by certainty of transfer and closure into a positive and sustain the improvement agenda. Taking control extended to not expecting DH to know what needed to be done.

Throughout our last year we kept under review the need for both an ELT and a Transfer programme board. In the event maintaining that separation proved to be important. ELT provided the vehicle for sustaining the performance of the organisation, preparing for governance and accountability meetings, sustaining communications with staff, managing business continuity and information security. Transfer board had a more circumscribed role to oversee the transfer and closure programme, involving a wider group of participants including trade union representatives.

Lesson two: Keep control of the management agenda and day to day performance and improvement whilst also investing discrete time and resource into the programme management for change.

The reshaping of the senior managerial leadership of GSCC was prompted by the unexpected exit of one of the three Directors from EMT in July 2011. I turned this into an opportunity to engage with all nine Heads of Service and the remaining two Directors as to the optimal arrangements for the final year of our journey. My own judgment was that a larger Executive Leadership Team including Heads of Service would provide more resilience, operational grip and development opportunities for key managers. Interestingly this was a shared view across the majority of managers. Through an involved process supported by the Head of HR, we achieved an agreed reshaping at the top of the organisation for introduction in October 2011. An ELT with ten Heads of Service, one Deputy Chief Executive and Chief Executive took on their revised
responsibilities and began operating as one team. The Deputy Chief Executive took on the management of an operations group of four. As Chief Executive, I led the resources group of six. When one Head of Service from each group gained new roles in other organisations in early 2012, the remaining colleagues were able to absorb the responsibilities – demonstrating the organisation’s resilience that I had anticipated, and allowing for creditable continuity and best use of capabilities.

The agility, adaptability and commitment of senior colleagues were vital to our success, and it is noteworthy that all seven project (workstream) leads remained in situ for the whole of our journey.

I am left reflecting as to whether I would have had the courage and energy to make these changes if circumstances had not changed. I hope that I would. I am a believer in “form follows function” and really for the last year of our existence, the advantages of the reshaped arrangements were very striking.

Usually modern Chief Executives tend to move towards smaller top teams to provide strategic focus and effective team working. This experience was a good reminder of the need to keep arrangements under review and fit for purpose; ours had become a mainly operational and implementation challenge rather than a strategic one. I suggest that this is a good illustration of leading a learning organisation, which is what I set out to do. Learning organisations are led to review, evaluate and adapt as a matter of culture.

Lesson three: Form follows function. Keep capability and capacity under review and harness the right people and roles to enable achievement of your organisational goals

Having the Transfer and Closure Programme Board led by the Chief Executive reflected the status of the programme, but the Board did not need to be taken up with too much detail. Instead it relied on exception reporting,
tracking milestones and risk management. For the last six months of the programme a “Projects Steering Group” was established, to allow the seven project leads and the programme manager to really ensure co-dependency and learning to be fully realised. We reflected that this could have been implemented earlier in the life of the programme.

Lesson four: It is important to have in place arrangements that allow for optimum communication and decision making at the operational project level and to identify the necessary capability to support programme and project management

As managerial leader of the organisation I led the communication with staff and provided visible leadership, which was particularly necessary during a time of change and uncertainty. However, it was also critical to develop a consistent leadership approach that could be shared by managers across the organisation. To this end the co-coaching programme that I introduced contributed significantly and is expanded on further in the People and People Management section below. It was important to develop a mature and effective leadership culture. Equally vital was the development of EMT and later ELT as effective and functioning teams. This was assisted by a programme of “away sessions”, focussed on improving working together, reviewing progress and planning necessary changes. A key intended outcome of these initiatives was a move from silo to matrix working, with a view to successful implementation of our change programme.

Lesson five: Skill people up – whether to run projects and programmes or to lead in accordance with purpose and values. Training and development to support this is vital – and being a closing organisation makes no difference to this

Behaviours and Values
So often in managerial life we are remembered more by staff for how we have managed, than for what we have done. My experience has reinforced
for me that behaviours are key to organisational performance. To this end I set out early on to work in a participative way with all staff and to determine a set of values that would enable us to achieve our objectives and stay true to our purpose. This inclusive exercise led to the adoption of six values which would be our behavioural compass for the two years leading up to transfer and closure. We adopted a set of values that were owned and recognised throughout the organisation, and they were:

Fairness – treating ourselves and others in an equitable manner and with consistency through our policies, procedures and practices as a professional regulator

Openness – openness in the way we evaluate and communicate with ourselves and with our stakeholders, being honest about ourselves and our services, recognising where we have to change the way we work in order to improve our services as a professional regulator

Integrity – delivering our services in a professional manner with honesty, propriety and authenticity at all times

Quality – delivering excellence as a professional regulator ensuring our services are fit for purpose in meeting the needs of our registrants, public protection and social work education and reform

Efficiency – delivering our services and everything we do in a way that delivers value for money and an approach that strives to look at more innovative ways of doing business

Respect – recognising the diversity and contribution of everyone in the organisation and treating ourselves and our stakeholders with dignity at all times
These positive and demanding values (finalised after the DH closure decision) shaped how we interacted internally as well as with our business partners, stakeholders and customers. They underpinned our performance appraisal processes and guided our behaviour. Behaving congruently and authentically and modelling this from the top, I expected myself, EMT and later ELT to actively review ourselves against these standards and I asked the Board to do the same. Again, at the end of the life of the GSCC staff commented positively on the organisational culture that they had experienced over the last two years. An organisational culture consistent with these values had engendered staff trust and loyalty and produced excellent performance and an organisation of which we could all be proud. Board members commented at the final debrief that they had been respected, properly involved and listened to in line with our values.

Involvement and engagement was also my approach to reshaping and managing the consequence of departures of key managers. Having the courage to sound out affected colleagues as to the way forward when change is required has the huge benefit of drawing on a fund of knowledge and interest, and producing buy-in to the solution.

Lesson six: Organisational values provide tough standards to guide behaviour and contribute to a healthy organisational culture which will deliver

Organisations are judged on how they operate, and in order to fulfil our promise and live up to our values we needed to improve our customer service. Over our last two years of operation, our customer services function became the hub of our communication and problem solving with individual registrants, and the font of knowledge for developing clear, written materials to support operational decisions. Led with a positive spirit and commitment, this function typified the organisation’s values into practice, and this was evidenced in performance figures and customer feedback.
**Communications and Engagement**

In a people-driven organisation whose purpose is to set and communicate standards and to judge adherence to these standards on an individual or institutional basis, the function of internal and external communication and engagement is vital. If pressed, I would say that internal communication is almost more important to get right first, because if staff don’t know what they are doing and why, they have a very slight chance of delivering a quality service to their customers. So, from the outset of my tenure, I was determined to communicate clearly, frequently and with opportunities to listen as part of my approach to fulfilling the Chief Executive role and delivering a high trust, high performance, learning culture. I set out the tenets of my internal communications strategy early on: a regular blog from me (this became weekly as soon as the transfer and closure decision was received); a monthly cascade team briefing system; six monthly all-staff conferences; a lively interactive intranet, and a back to the floor visit programme for the Chief Executive.

The impact of the combined effect of these activities over time was clearly felt. Early scepticism was replaced by increasingly high expectations and confidence in the top leadership of the organisation. This was reinforced by a serious commitment to proper staff engagement, as part of the people development steering group responsible for the training and development programme; the outplacement commissioning group; the “marking the end” strategy meetings, and the trade union partnership and trade union involvement in the Transfer programme board. The efforts put into this activity produced tangible results in low turnover, reducing sickness absence and a high commitment and improving performance up to and including the final month of operation. At a time when the organisation might be expected to be struggling to retain staff and to sustain, far less improve performance, GSCC was bucking the trends and doing all of these things.
External communications and engagement was required with registrants, employers and higher education institutions, mainly with respect to giving timely and accurate information about plans for the future regulation of social workers and social work education. A comprehensive communications strategy was developed in concert with HPC allowing for GSCC to lead on messaging in the early part of the transition to transfer, and increasingly handing over responsibility to HPC in the final weeks and days.

An altogether different challenge lay in negotiating the roles, responsibilities and processes that would be followed between ourselves and receiving organisations, in particular HPC. Key to success here was flexibility and agility. It was important to recognise that there was not one way of doing things. And so when HPC declined to form a joint programme board, we agreed alternative ways to achieve joint planning and communications overseen by the Social Work Regulation Oversight Group. Equally, later on in the programme when accountability meetings with the DH were not providing the most effective vehicle for problem solving issues to do with the transfer, we were very supportive of the proposal for a joint closure group between GSCC and DH particularly focussed on the operational transfer. Adaptability and flexibility were important here, and allowed for development of responsive arrangements.

Lesson eight: It is not structures or even processes that deliver outcomes, it is people, led with a clear focus, purpose and capability that will utilise structure and process

Just as we concluded that delivery and improvement were important ingredients of a successful ambitious agenda, I would contend that legacy
and transfer were also vital. The focus on legacy allowed all staff to identify a lasting contribution and impact for the organisation they had worked hard for. In practical terms, the “learning reports” that were the manifestation of legacy provided an important role for policy and communications staff, at a time when they might otherwise have been under-utilised compared to operational colleagues. The attention given to the research, drafting and design of the reports was tremendous and stands as a testimony to those staff and the wider organisation.

**Delivery and Improvement**

At the outset of our journey when setting a small number of priorities which would enable delivery of our purpose and ambition, I was determined that we must go beyond just keeping going to the end of the life of the organisation. It seemed to me that we could not get away with merely coasting into closure. Instead, my restlessness for continuous improvement led me to be quite insistent that our first priority must be to deliver and improve right to the end. Looking back I see three clear reasons for this. Firstly, I have a relentless wish to learn and develop in whatever I do; secondly, I anticipated that staff and managers would be more motivated and would gain satisfaction from visibly improving, and thirdly, the performance of the organisation was just not good enough to enable us to execute a good transfer and leave a positive legacy without some key organisational and operational improvements. This may be harsh but it is true, and the Board should not and would not have accepted anything less. This mantra of delivery and improvement was challenged from some quarters at first. A number of managers felt that I was signing us up to unrealistic expectations and possibly setting us up to fail. Some staff wondered why we should be ambitious to improve when we were closing. However, at the end, in all the debriefings on how we had done and what we had done, this was cited as a key factor. Some sceptics were very happy to own their own learning and will take it with them into their future roles and lives.
Lesson nine: Be ambitious, set high targets and always seek to improve, even when circumstances are challenging. This will motivate, lead to innovation and achievements and be good for morale.

For the operational transfer, the comprehensive case review that we undertook in the summer of 2011 was an essential and demanding exercise. It allowed the status of the current active caseload of the organisation to be reviewed comprehensively against a refreshed set of criteria from the revised “Risk Assessment Framework”. This in turn provided a baseline from which to plan operational activities – whether for case completion before the transfer date, or indeed for case handover. The establishment of a case management review group to oversee the work on cases provided increased organisational grip and oversight, challenging targets for individual cases, and a mechanism for recording and planning activity. In their “learning the lessons” review, the operational management group (one of the seven projects/workstreams in the Transfer and Closure programme) concluded that whilst IT is essential for efficiency, it was not the only means of having a grip on operations. Indeed the case management review group effectively operated as a case management system and they concluded that this could have been put in place earlier.

Lesson ten: Coherent system-wide managerial leadership of operations was vital to achievement of both grip on day to day decision making and case progression, and planning for and delivery of the operational data to support the transfer of functions.

Delivery and improvement did not just focus on the regulatory operations of the organisation. It was equally important to ensure best use of resources and demonstrable efficiency, as would have been the case if our original journey to independence had remained our mission. To this end, I drove the joining up of service and financial planning, ensuring that we understood
better the costs and volumes of activity and looked for the most effective way of reducing the former. For example, bringing more legal work in-house and involving legal advice earlier in our processes produced real efficiencies. As our grip on the organisation improved, so we produced increasingly credible business cases to support our reducing grant in aid submissions. These were based on more efficient and accurate forecasts of costs for running the professional regulator, and a better use of resources. In the 2011/12 financial year our call on government grant reduced by 25%.

And as cited earlier in this paper, project and programme management were absolutely central to delivery of our Transfer and Closure. The very specific priorities and end game that we had been set, lent themselves to project management which requires a clear focus on outcomes and a timeline over which to deliver. An additional spin-off was the provision of good records charting what had been done and achieved, providing effective assurance to the Chief Executive, the Board and the DH.

Lesson eleven: Improving efficiency is no less important in a closing organisation than an enduring one

People and people management
I have already alluded to professional regulation as a people business – people setting standards for evaluating the professional behaviour and effectiveness of others with a view to protection of the public and sustaining public confidence. Given this reality, the criticality of retaining capacity and capability in the face of change and ultimately a redundancy situation for almost all of us was both a challenge and a necessity. Our people management strategy had to be very sound in concept and execution, and it was. From the start it was given a very key focus as one of our only three priorities. It was well planned and based on evidence from best practice

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1 Grant in aid figures 2010/11: £16m, 2011/12: £12m
whilst addressing the specific circumstances that we were managing. It encompassed plans to address and sustain:
- motivation and morale
- staff training and development
- communications, representation and engagement
- talent management and opportunity
- best employment practice and process
- capacity and capability
- outplacement and employee assistance provision
- leadership development and support

Morale and motivation were specifically addressed in a report to the Executive Management Team in September 2010. The Head of Human Resources knew only too well that this subject had to be tackled from the outset as it would be key to our success. Motivation and morale is sustained by many things: giving staff a real sense of purpose and setting challenging yet realistic expectations; recognising individuals’ contributions; providing development opportunities; listening and allowing staff to influence. Living the organisational values was important, and being open and timely with communications of news and developments took on a special significance. Over and over again as dates changed and external decisions impacted on our programme and agenda, there was a need to communicate with staff. We could not control events, however we could control how we handled them. Significant issues were usually dealt with in face-to-face briefings from the Chief Executive, quickly arranged and always followed up by question and answer sessions in person and subsequently on the intranet. In this way I handled the original transfer and closure decision; the outcome of four months of negotiations with the DH and HPC on the implications of the decision for the futures of individual staff, and news of the need to move the London office twice in six months! Staff valued and respected this approach.
It may seem counter-intuitive, but a training and development programme is quite as important for a closing organisation as for a going concern. It offers chances for staff to develop their skills and become more marketable. It offers the chance for the organisation to retain and develop people rather than unnecessarily bringing in new people late on in its existence. In our case staff representation on the people development steering group was vitally important for making the programme accessible and relevant, and engendering confidence in our approach which ultimately contributed to high motivation and morale.

A recruitment and retention strategy which identified where business critical posts needed to be externally filled by appropriately trained/skilled staff on short term and fixed term contracts was also part of our ultimate success. We developed a nicely differentiated workforce, with a good mix of long serving staff members alongside a number of staff specifically recruited for their skills and for a finite period. Talent management alongside retention and recruitment allowed us to offer opportunities internally wherever possible enhancing morale and a spirit of fairness and development, and indeed producing more resilience for the organisation. That we achieved all this at a time of government restraint on appointments in all but essential posts is testimony to our thinking, planning and doing.

When it comes to putting the jobs of 250 people at risk of redundancy there is a proper process to be followed, and we took this very seriously, refusing to close the formal collective consultation process until a parliamentary mandate had been given for the organisation’s closure. This triggered individual consultations and the serving of notice in the event a suitable alternative was unavailable. Our approach meant that nothing was irreversible. Again, this

Lesson twelve: However difficult the message, it is important to share information in a personal, direct, timely and sensitive way
won confidence from the staff and trade union representatives, and allowed a
difficult process to be managed in a spirit of trust and respect. Equally,
engaging staff in a very timely consideration of outplacement and assistance
arrangements meant that we commissioned a really fit for purpose service
and won the confidence of staff in the process. The feedback on the quality
and availability of outplacement was extraordinarily positive from everyone in
the organisation.

As an experienced Chief Executive I was very aware that the leadership of the
degree of change that we were managing could not be left to good
supervision and appraisal alone (though both were vital). The challenge of
our change and improvement programme would require consistent and
effective management practice. To this end I commissioned a co-coaching
leadership programme, embedding our organisational values in behaviours
and supporting capability to deliver our shared ambition and priorities through
a time of uncertainty and loss. Again, this initiative was initially greeted with
some scepticism, and yet when evaluated at the end of the organisation’s life
the majority of participants were positive about its effects, and a number
resolved to sustain their self-managed co-coaching groups into the future
post-GSCC. In this programme we used a small number of models to support
our practice in addition to the values and priorities that had been so clearly
articulated. In particular the Kubler Ross bereavement cycle was valuable in
understanding and managing the organisation’s response to the
circumstances we were faced with. The key elements of disbelief and denial
were evident at the outset and resurfaced during the period to the transfer,
and part of the challenge was to enable colleagues to recognise and make
sense of behaviours and reactions displayed by others.

Lesson thirteen: A co-coaching leadership programme
capable of developing and supporting consistent and
effective management leadership behaviour was an
important ingredient in delivering our agenda
The co-coaching initiative, as well as access to other programmes such as PRINCE2 and information governance training, played a big part in supporting our people management delivery.

Lesson fourteen: A comprehensive people management strategy was instrumental to the success of our Transfer and Closure programme

Effective Governance
When things go wrong in organisations or complex delivery systems, there are, properly, questions asked about leadership and also about the effectiveness of governance. From the start of my tenure at the GSCC, the role of the Board was going to be vital. The Chair and I began as we meant to go on by receiving the outcome of an independent review of governance and boldly deciding to adopt a more radical approach than the review had suggested. We decided, post the closure decision, to move to a unitary Board arrangement without sub-committees but with two advisory committees (Audit and Risk, and Remuneration). This meant that all of the business would be done at the main Board meeting nine times a year. Equally, we decided that the Board would operate by having “lead roles” or key areas of interest, and engaging with members of the executive, whilst preserving clarity of accountability and holding the Chief Executive to account with a mature approach of support and challenge. From the outset we played out our values in the relationship between the Board and Executive Management (and later Leadership) Team. In debriefing at the end of the final Board meeting in July 2012, members commented that they felt engaged in the process of the organisation and not just reported to. The Board assurance framework that we developed with monthly reporting on the progress of the transfer programme, and monthly reporting on performance and other developments, was critical to charting our progress and providing evidence that we were on track.
Equally, the governance arrangements supporting the programme boards and the Transfer and Closure programme in particular were vital to ensure that we remained on track and could escalate issues where necessary.

A third arm of our governance came in the form of accountability meetings with the DH which continued bi-monthly throughout the transition to closure, and were supplemented by fortnightly telephone meetings between the sponsor and GSCC Chief Executive. This open, frequent dialogue and exchange of information with a willingness to problem solve as necessary was extremely effective.

Lesson fifteen: A thoughtful approach to effective governance is essential to provide the necessary oversight, support, challenge and assurance

The GSCC operated a Risk Management Framework benchmarked against the HM Treasury ‘Management of Risk – Principles and Concepts’, commonly referred to as the ‘Orange Book’. This Orange Book documents the requirements of a Non Departmental Public Body (NDPB) and in particular the responsibility of the Accounting Officer to manage risk in the organisation.

The key principles underpinning the GSCC’s framework were that risk management should be proportionate to the needs, size and complexity of the organisation and to the public impact of our work; and that risk management and assurance should together provide a coherent framework for management and accountability. As Chief Executive, my intention was to instil a culture of effective risk management and Board assurance, especially attending to operational, financial and reputational risk. This would not be a “tick box” system but rather a learning approach based on intelligent risk awareness and management, with effective mitigating actions and sound independent assurance. The prioritised deployment of Internal Audit was
useful and led to a number of green rated audits and high levels of assurance for our approach to risk management, amongst other topics.

The role of the Audit and Risk Committee was to provide the Board, and me as Accounting Officer, with advice and assurance on the adequacy of the whole framework of internal control and risk management within GSCC, including the framework of financial, operational and compliance controls and risk management processes and the quality and reliability of financial reporting. In discharging this role, the Committee complemented assurances provided to me by Heads of Service.

The Audit and Risk Committee closely monitored the effectiveness of risk management across the organisation, and the Board was advised accordingly. Risk management reports were presented to each meeting and in-depth reviews conducted, the subject of which was agreed by the Committee. Additionally the Board itself regularly reviewed risk appetite and the descriptions of strategic risks and their scoring, and its work programme provided for this to continue until the final Board meeting before operational transfer in July 2012 when the Board formally closed the Strategic Risk Register. Following this date, and the transfer of functions, the Organisational Risk Register managed any risk areas that remained until the closure of the GSCC.

The Risk Management and Assurance Framework aligned risk management closely to the line management processes, resulting in appropriate responsibility being placed on individuals in ELT. Heads of Service had at least quarterly reviews of their management team’s risks and programmes/workstreams with their line manager, whether it was me or the Deputy Chief Executive.

All Heads of Service were required to complete assurance statements providing me with a good level of detail and assurance regarding risk
management and internal controls, and any exceptions that had occurred. Assurance statements were completed at the end of July 2012 by those Heads of Service who departed as a result of operational closure, and in September by the Closure Team Heads of Service.

Risk management was understood and owned by managers across the GSCC, and was a fundamental consideration for all operational areas of the organisation, including the Transfer and Closure and Improving Social Work programmes.

Lesson sixteen: Actively leading a culture of dynamic, effective risk management is essential in any organisation
**Conclusion**

This paper started off as an exercise in learning the lessons from closing an organisation over two years. I hope that it has achieved its purpose and that the lessons that I have drawn out are of use to others embarking on a similar exercise.

However, one of the most striking lessons that I have taken from this review process has been that there is very little in this paper that is peculiar to closing an organisation. Indeed, I would go so far as to say that all of the lessons that have been distilled from our experience have very clear application to starting up or improving the performance of organisations. I would suggest that the key difference between managing a closing organisation and a going concern is that closure gives you absolute unerring focus. There is an end date and it is going to have to be met. It seems to me that in starting up or running an organisation which is set to improve, manufacturing a crystal clear focus would be a very good starting point. It is so easy to get sidetracked by events and new initiatives, and yet it is focus that will be key to ensuring that change or improvement, or just delivery, are achieved.

Otherwise, the importance of being clear as to organisational purpose, and priorities and ambition, is self-evident. And as the Audit Commission used to ask of local authorities, that means you need to know what is not a priority.

Equally important is the process of assessing organisational capacity and capability, and then planning for implementation which will then be regularly reviewed. In our case, bringing in specialist individual contractors to provide IT and programme management expertise was invaluable.

Reviewing and evaluating progress and learning the lessons from things that go spectacularly right, or wrong, are also key to running an effective organisation. Indeed, they are necessary elements of a learning organisation.
As this paper has illustrated, key to delivering our ambition, purpose and priorities was establishing and living our organisational values. Again, this holds true for any organisation. The importance of establishing an organisational culture congruent with what you want to achieve, is absolutely essential. And behavioural values are a key component of that. But in the end, it is the people who deliver for you, using the best of technology, making best use of financial, human and property resources. So valuing, developing and helping those people to learn and remain committed to their role and contribution is absolutely fundamental.

Finally, this two-year piece of work has underlined for me the critical importance of grip. By this I mean the importance of having a good hold on delivery and improvement, knowing what success looks like and having measures to determine progress. Grip is equally important from an assurance perspective, having a grip on the numbers and the measures that will tell you what is going on and whether things need to improve further.

That the functioning, stature and reputation of the organisation dramatically improved whilst we successfully managed the transition were no mean feat in the space of two years.

Leading the GSCC over the last two and a half years has been a privilege and a pleasure, despite the challenge of the mission we were set. It is not an exaggeration to say that we achieved ‘transformation’ from a failing organisation to a high performing one whose functions were safely and efficiently transferred. Our staff were able to leave an organisation with a good reputation and which they were proud to have contributed to. Having the opportunity to reflect on our learning has also been extremely valuable.

I would like to leave the reader with one practical offer. At the start of our journey I introduced to the GSCC my leadership matrix. This is a simple scheme of for domains against which I set senior managers objectives and
against which our regular progress and appraisal one to one conversations are held. The last two and a half years have reinforced to me that this matrix of four domains provides a simple and very effective framework for managing senior managerial leaders in an organisation to assist them to give of their best, and so I offer it to you.

The four domains that I think are essential to address are:

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<th><strong>Accountability</strong></th>
<th><strong>Delivery</strong></th>
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<td>- What and who are you responsible for managing; what are your objectives; what staff are you responsible for?</td>
<td>- What are you here to do?</td>
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<td>- How and where are you held to account?</td>
<td>- What do you want to be known for?</td>
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<tr>
<td>- What assurance mechanisms have you in place to keep a grip on delivery? What are the assurance measures?</td>
<td>- How will we know when you will have delivered? What will ‘good’ look like?</td>
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<tr>
<td><strong>Personal impact</strong></td>
<td><strong>Working together</strong></td>
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<td>- How will you behave in role on behalf of the organisation?</td>
<td>- Who do you need to work with, both within and outside the organisation, in order to achieve your objectives?</td>
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<td>- How will you evidence values being put into practice?</td>
<td>- How will you go about forging those relationships and alliances?</td>
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<tr>
<td>- What do you stand for?</td>
<td>- What will success look like?</td>
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<tr>
<td>- How do your direct reports see you?</td>
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<tr>
<td>- How do your peers see you?</td>
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<tr>
<td>- How are you viewed by the Board (or equivalent)?</td>
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<tr>
<td>- What is your personal and professional development plan?</td>
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I have found that this managerial matrix enables an articulation of expectations of managers in these key domains, which can then be reviewed, assessed and measured for progress. Importantly, this framework allows for conversations to take place that might otherwise not do. In my experience, the personal impact domain provides for some of the richest conversations, and sometimes some of the most necessary and difficult.

Finally, then, I should like to thank everybody that I have worked with at the GSCC, both inside and outside the organisation, for their tremendous support and encouragement, and their contributions to our achievements.

Penny Thompson CBE
September 2012
APPENDICES

- TIMELINE 2010 - 2012
- GSCC GOALS
- KEY WORDS
- LESSONS LEARNT (summary)