SHL presents Sunderland City Council’s success story:

Reducing headcount and limiting redundancies, (liberating your existing workforce talent)

Transformation programme: A guide to IJM and SWITCH
# Contents

Context and background........................................................................................................... 4

Options appraisal...................................................................................................................... 5
  1. Mass redundancy............................................................................................................ 5
  2. Redeployment ............................................................................................................... 5

An alternative solution ........................................................................................................... 6
  Square pegs to fit square holes ....................................................................................... 6

Internal Jobs Market ............................................................................................................ 7
  Getting started ................................................................................................................ 7
  Assessment ....................................................................................................................... 8
  Matching ........................................................................................................................ 8
     Match-Jobs ................................................................................................................... 8
     The matching process .................................................................................................. 9
  Challenges ....................................................................................................................... 10
  Progress .......................................................................................................................... 10

SWITCH .............................................................................................................................. 11
  Managing SWITCH ......................................................................................................... 11
  Recruitment in SWITCH ................................................................................................. 11
  Pay and Benefits ............................................................................................................. 12
  SWITCH exclusions ......................................................................................................... 12
  Career Sage .................................................................................................................... 13
     Bespoke intervention .................................................................................................... 14
  Challenges ....................................................................................................................... 15
  Progress .......................................................................................................................... 15

Key Issues ............................................................................................................................ 16
  Agency workers ............................................................................................................. 16
  Supporting Turnover ..................................................................................................... 16
  Commitment to “no redundancies” .............................................................................. 16
  External recruitment freeze .......................................................................................... 16
  Impact on workforce profile ......................................................................................... 17
  Impact on local community ............................................................................................ 17
  Trade Unions .................................................................................................................. 18
Employee Resistance........................................................................................................... 18
Workable Model .................................................................................................................. 18

**Resourcing** ...................................................................................................................... 19
Programme ........................................................................................................................... 19
People and Skills................................................................................................................... 19
Online support tools............................................................................................................. 19
  SHL Online assessment tool ............................................................................................. 19
  Match-Jobs, job matching tool provided by AES ............................................................... 19
  Career Sage ....................................................................................................................... 20
  SWITCH ............................................................................................................................... 20

**Implications for other local authorities** ......................................................................... 21
Context and background

In 2010, Chancellor of the Exchequer, George Osborne announced the deepest budget cuts ever seen in the public sector. The CIPD has predicted that over 350,000 public sector jobs could now be lost. Realistically, the usual solutions such as mass redundancy or redeployment are unlikely to deliver the required savings, without a significant impact on services. As such, the UK public sector is facing a reorganisation exercise unlike anything seen before.

Dave Smith, Chief Executive at Sunderland City Council, saw a requirement to make radical changes to the council’s way of working to ensure improvement in impact at a local level within the community.

During summer 2009, as the impact and potential consequences of the recession became visible, Sunderland began to lay foundations for a three year transformation programme. As one of the largest employers in the North East, the prospect of widespread job losses was potentially devastating to the local economy and community. With the support of the Chief Executive, HR was tasked to find a viable alternative to mass redundancy.

When the cuts were announced, the Coalition Government’s position was that no council would lose more than 8.9% of its revenue spending power. Sunderland City Council’s settlement led to an 8.88% drop.

Committing themselves to no redundancies, and faced with unprecedented financial pressures, the council has embarked on a transformation agenda that breaks the mould of traditional public sector practice.

Working towards capitalising natural turnover to discover and redeploy existing talent in roles that match their personal strengths, this innovative approach has been facilitated by three leading online tools provided by AES Digital Solutions, SHL and Ways HR Consulting.
Options appraisal

The process began with senior council managers, from different management functions, meeting to undertake an options appraisal for the council and understand how to create sustainability within the organisation.

A management consultancy was engaged to review how the council was spending its resources, how work was organised and what people were doing and spending time on. The review concluded that rather than individuals having a “unique contribution”, they were expected to do everything, leading to areas of duplication and potential inefficiency.

It was clear Sunderland City Council needed to approach things in a fundamentally different way to manage the scale of the cuts. This involved becoming more efficient and achieving more for less.

To make the necessary savings; the council is also radically reconsidering workforce costs and its ability to maintain them. The traditional methods of mass redundancy and redeployment were considered in detail as part of the options appraisal.

1. Mass redundancy

The main advantages of mass redundancy are in simplicity of methodology and certainty of result. Whilst delivering the necessary savings in the medium to long term, for Sunderland, the high short term costs of redundancy packages vastly outweighed the expected benefits.

Given the political and historical significance of the public sector in Sunderland, and the potentially devastating impact of job cuts for the city and community, the Council Leader and Chief Executive agreed very early that any strategy must adhere to the credo of ‘Shield the people of Sunderland, shield the council, and shield the employees. The primary mandate was to achieve the objectives without mass redundancies.

2. Redeployment

The major advantages of redeployment are in the ability to move people around fairly quickly to fill the required gaps and the associated avoidance of costly redundancy payments.

However, this approach is historically unsuccessful, often encountering negativity from both managers and employees. Managers may feel aggrieved when forced to accept someone they may not want, while employees can feel like the proverbial square peg being forced into a round hole. For Sunderland, with a commitment to no redundancies negating any ‘threat’, it was a strategy unlikely to work.

With both more traditional methods unfeasible, a more radical solution had to be found.

A white paper “Reducing headcount to save costs: Public Sector options appraisal is available from http://www.wayshrconsulting.com/resources/white-papers/
An alternative solution

Sunderland City Council’s chosen approach focuses on filling vacancies created through natural employee turnover by better identifying and redeploying its existing talent.

- Sunderland has 8,500 employees (excluding schools).
- Natural turnover has reduced from 11% to fewer than 4%.
- By freezing external recruitment, areas at risk can be downsized and vacancies filled internally.

Square pegs to fit square holes

Reengineering traditional redeployment, Sunderland City Council’s approach identifies the transferable personal strengths of its employees to recruit (not redeploy) them into new roles. The process isn’t based on an individual’s skills and experience but an appreciation of their cognitive ability, personality, values and beliefs.

This innovative methodology is born from a model of personal change developed by Eugene Burke from SHL, based on the work of Geert Hofstede. This model explains that certain qualities are inherent in an individual but others are more open to change.

For example, an individual is not born to be a HR professional but may have certain qualities associated with their cognitive ability, personality, values and beliefs that make them more likely to succeed in that role. People can learn skills and gain knowledge and experience more quickly if they already possess these other elements.

Therefore if you can identify someone with the right personal strengths for a particular role, you can augment these with job knowledge.

By “pulling” not “pushing” employees into vacant roles, the council hopes to circumvent the negativity associated with traditional redeployment.

The implementation of this methodology consists of two major components:

Internal Jobs Market and SWITCH
Internal Jobs Market

The basis of the Internal Jobs Market (IJM) is recruitment rather than redeployment. The council examines transferable skills and competencies on which they can add job knowledge so that displaced employees are offered suitable and appealing opportunities.

Regardless of current or past roles, IJM candidates are judged on their personality, ability and potential. This provides less qualified and unqualified individuals with the opportunity to apply for professional positions.

Recruiting an inexperienced and unqualified person into a professional team has its own issues but the council has a number of methods available to support this:

1. re-arranging duties to allocate the more complex cases to the experienced professionals, whilst the new person takes on less complex pieces of work.
2. using the expertise of those in post to support the new individual’s development – because of the job/strengths match, this development process will be more rapid.
3. developing career grades and using salary savings to cover the cost of professional training, where appropriate.
4. providing managers with extra temporary resource from SWITCH as support.

Candidates participating in the IJM are required to complete a web-based strengths questionnaire, which assesses their ability and personality to build a profile. While participation is voluntary, employees have to complete the assessment in order to be considered for a job in the new structure.

The Sunderland Strengths Framework is used to analyse all job vacancies and help managers identify the required strengths for each position. Employee data, vacancy details and SHL assessment results are uploaded to Match-Jobs, an automated matching tool designed and developed by AES Digital Solutions. This tool compares both variables to formulate a shortlist of suitable candidates for interview, prioritising those at risk. The system also provides data warehousing with comprehensive reporting to track outcomes.

Getting started

In January 2010, Sunderland City Council implemented an external recruitment freeze to ensure that internal resources were given priority. The council also began to communicate information about the IJM to its employees during restructure consultation and through a series of Jobs Fairs, held in early 2010 to provide initial details about the scheme. It was made clear in all communications how the council would transform and how downsizing would be delivered.

The online assessment was launched in March 2010 and job matching began in April 2010.
Assessment

Employees participating in the voluntary programme first complete the online “Sunderland Strengths Questionnaire”. This bespoke tool comprises assessments provided by SHL, a global leader in delivering business results through superior people intelligence.

The assessment tool has been tailored to focus on the strengths which are most relevant to jobs in the council.

The assessments are in three areas: personality, and cognitive tests of verbal and numerical reasoning. In total, Sunderland City Council expects some 5,000 employees to take the assessments.

The bespoke nature of the tool provides relevance and usability for all levels of job grade; creating a fair initial benchmark assessment across the workforce. The tools have been designed on an iterative basis. Using the benefit of technology, the assessment automatically adapts. It makes the questions harder or easier to tailor to a full range of ability levels.

Employees only have to complete the assessment once. Subsequently, their application is live and it is assumed that they will consider alternative employment within the council. This data along with other employee information is loaded into Match-Jobs where it is available to be matched against vacancies entered into Match-Jobs by the team.

Matching

Match-Jobs

Sunderland City Council chose AES Digital Solutions’ Match-Jobs system to help manage the IJM and the process of matching employees to jobs as vacancies become available. For a city council with 8,500 employees a manual matching process was unsuitable.

Match-Jobs is an online tool, designed to increase recruitment and staff deployment efficiency. It objectively manages the recruitment matching process by comparing on demand, the competencies of available employees with those required for each vacancy.

The system uses a special artificial intelligence algorithm to rank and recommend candidates for each post. Once reviewed and approved or over-ridden by the recruitment team in consultation with department managers, the system can advise employees of appropriate jobs and update them with interview feedback. Match-Jobs can also manage interim placement of employees in projects using the same data and processes, and includes a project diary app to help manage placements.

The system comes complete with a data warehouse which can be used to create almost unlimited reports from system data.

Because Match-Jobs can be configured to match in a range of ways (it can match any selection of competencies, aptitudes, experience, qualifications etc.) AES were able to configure Sunderland’s implementation of Match-Jobs to meet requirements in terms of matching criteria and staffing priorities. This included integration of data from SHL.
assessments. The system was functioning, with employee data uploaded, in a little over a month.

Sunderland also decided to add the Match-Jobs Employee Portal onto their implementation – giving employees the opportunity to view and add to information in the system. This allows employees to view their own data, and, to save time, permits them to update it. It also means that candidates can apply for internal posts online.

The matching process

When jobs become available, the Sunderland Strengths Framework is used to analyse job vacancies and identify the strengths required by each position. This information is then entered into Match-Jobs to be matched against employees whose details have been added to the system. Matching criteria within the vacancy record, based on the analysis, results and employee data are then matched using Match-Job’s built in algorithm. This compares both variables to formulate a ranked shortlist of suitable candidates for consideration.

Priority can be assigned to those employed in services that are being downsized. The process is completely confidential, using employee numbers to maintain anonymity. The recruiting manager does not know if the individual is also applying for other positions within the council. This all helps to maintain the objectivity that the system brings to the process. The shortlist can then be reviewed by the recruitment team. Those selected for the next stage in the selection process are informed they have been matched via an email generated by Match-Jobs.

In Sunderland’s implementation of Match-Jobs, the matching process is based on strengths assessments not job descriptions. Matches are prioritised and those identified in the initial long list are asked to complete a short application form to outline their experience/qualifications, etc. These are then reviewed by the recruiting manager to further shortlist for interview. This has helped to remove the burden from managers of short listing from masses of applications.

Only those who are suited to the job are matched. Those in services that are downsizing are prioritised but only suitable people will match whether they are priority or not. Employees will not be interviewed if they are not matched.

When setting up a job in Match-Jobs, the recruiting manager can decide whether the match will only look for suitable candidates at the required skills or will include individuals with additional skills. Other councils who have undergone job evaluation based pay and grading exercises such as Job Family Modelling, will find this less of an issue as they will be able to use their established frameworks to match people to roles of similar job size. Working with AES, Sunderland City Council is developing further matching criteria to achieve a more accurate automated initial match. These criteria include: grade, job category (leadership, customer service, social care, ICT skills, project management, etc), job level (leadership, managerial, supervisor, technical/professional, etc) and qualification level.
Challenges

All of the above does not mean that the IJM is without its challenges. Chief amongst these is the reality that difference can create discomfort. Managers can express difficulty with the inclusive nature of jobs matching. Some feel that their vacancy is “special” and want to retain control of the selection process.

Initially, the matching process drew criticism from some employees, since they were unable to apply for roles for which they were not matched. However, these challenges have faded as time goes on and the successes of the initiative are being communicated. Fewer negative messages are leading to a growing acceptance.

The council regularly takes polls to hear the workforce’s attitude, check progress and target further action. Managers are regularly briefed on IJM updates. The IJM is accessible anywhere, from the desk, in IT suites or at home and there are various support networks available for users, including their union learning reps, the council intranet and communication materials.

Progress

Around 3,200 employees have registered for the assessment so far, of which 2,500 have completed the process. With the help of Match-Jobs Sunderland’s recruitment team have been running matches since April 2010. Around 300 jobs have been recruited through the IJM to date and the success rate is virtually 100%. In addition, the assessment and matching process supports the selection of people in organisational restructures.

The council has had to look externally for a handful of roles, which for clear legal reasons were not appropriate to be filled internally (e.g. children’s social workers).
SWITCH

A key part of the transformation programme is the Sunderland’s SWITCH (Staff Working in Transition and Change) team.

The SWITCH team consists of employees displaced as part of the restructuring process. Eligibility is dependent on employees being in a permanent role temporary role and employed for two years or more (even if this is via a series of fixed term contracts) and is based on existing contracted hours.

Within the IJM, individuals are matched, using Match-Jobs, to temporary roles and activities. These might be team based opportunities, one off projects, maternity or sickness cover or supporting some of the efficiency projects. Through these projects individuals are gaining opportunities to develop their skills and competencies in view of more permanent future roles, whilst contributing valuable work to the council. The team uses Match-Jobs to match employees to temporary activities and track them throughout their placement in SWITCH using the Match-Jobs project diary app.

Whilst employees are in SWITCH, one to one support is available and they are given priority access to permanent job opportunities. The council has utilised a range of support across different levels including interview support, advice on setting up businesses, job specific support and basic skills (verbal and numeracy). Taster sessions are also provided for those considering career change.

This is helping the council manage the change process by preparing its future workforce for new roles. It also manages any time delay before new roles become available, as well as providing a useful and productive resource.

Managing SWITCH

Initially the council diverted the resources of the existing recruitment team, supplemented by six people, to manage the process. These six people are also in the SWITCH team. Additionally, the council has now recruited 12 people into SWITCH to act as support officers, helping other SWITCH members to adapt to new career opportunities.

The range of roles SWITCH members are undertaking is diverse; from mapping to land registry to coaching to customer service to family support. As well as project work they meet other business needs such as covering maternity leave, reducing spend on agency workers.

As time goes on it is expected that 30–40 individuals could be involved in project management and service redesign as part of the transformation programme.

Recruitment in SWITCH

There is no specific time limit that an individual can remain in the SWITCH programme; however, the SWITCH team has a three year maximum life and individuals are not expected to remain in SWITCH for that period. If a person appears to be attempting to avoid moving out of SWITCH, the council addresses this on an individual basis.
People in SWITCH are matched on a priority and personal strengths basis. At the moment there is little evidence of game playing. If an individual is offered a job they are matched to on their current grade and they refuse it, the council will discuss their reasons. Where these are seen to be unreasonable, the council will address this on a case by case basis.

If the matched job is either historically difficult to fill (e.g. civil enforcement officers) or a huge shift for the individual they will be offered a trial period. This allows them to attempt the job for a few weeks and return to SWITCH if they feel it’s unsuitable. This is also judged on a case by case basis.

**Pay and Benefits**

As SWITCH employees remain within the council their existing terms and conditions are retained. Employees enter the SWITCH programme on their existing pay grade. When they move into a permanent role, their pay grade is protected for a period of 12 months if the permanent role is on a lower grade. The council intends to review the protection position, depending on the numbers this applies to.

Job evaluation does not apply to SWITCH as it is a transitional role. Only roles included in the council’s permanent structure are subject to equal pay. Employees in SWITCH are not being asked to do a job but a piece of work.

Sunderland City Council is highly unionised and meets with unions fortnightly to ensure they are engaged with the SWITCH programme and address any problems arising. The unions recognise the fact that the council is making an enormous effort to keep employees in jobs and have been supportive of the approach and contributed their own ideas. At the same time, they have provided challenge when they have seen fit.

**SWITCH exclusions**

If an employee has been in a temporary post for two years or less, with no previous service, contracts will not be renewed and they will not be redeployed.

Currently the programme does not include schools. To make the scheme work the council would need collective participation agreement from schools across the city. School employees are not included in the SWITCH programme. As the education budget is being protected and not subject to the same cuts as other services, these employees would not be high priority for the SWITCH programme.

However, the same principles do apply (e.g. if one school has a vacancy for a Science teacher, it makes logical sense to resource the vacancy from another school in the area that is downsizing). Sunderland City Council is working with head teachers with a view to developing an appropriate approach for schools in the future.

The recruitment freeze also does not extend to schools.
Career Sage

Since November 2010, SWITCH team members have had access to Career Sage, an online career management support service. Career management services are usually provided to assist employees leaving an organisation.

Benefits of providing Career Management support include:

- Supporting managers during difficult decisions and times
- Reassuring employees of the organisation’s good intentions
- Helps prevent a drop in morale, motivation and productivity during change
- Positive post-employment relationships with those who do leave
- Continues to promote the organisation as an employer of choice

In Sunderland, Career Sage has been adapted to help manage and support the SWITCH process.

Facilitating communication

Career Sage acts as a central information resource for employees in the SWITCH programme; it is an additional vehicle for communications and ensures transparency. It contains a wealth of information from a detailed explanation of SWITCH process to a bank of answers to frequently asked questions about the IJM.

SWITCH Support Officers have begun to integrate it to provide quality support to employees affected. Support Officers find it a useful tool when explaining the process to individuals and discussing the options.

Enabling Turnover

One of the key benefits for Sunderland is that it maintains the turnover rate through enabling voluntary leavers. Career Sage not only provides guidance on alternative jobs but also wider options such as retirement, voluntary work, career change, gap years and self-employment.
Bespoke intervention

Due to the flexibility of the Career Sage tool, Sunderland City Council was able to make significant changes to the standard product to meet the needs of the SWITCH programme exactly.

Some of the changes that were made included:

• No “at risk” / consultation elements - replaced by information on SWITCH
• Existing personal assessment tools removed
• Local advice on specific North East support included
• Additional IJM section
• Standard internal forms for employees to download and complete
• Announcement section to support communication strategy
• External links to regional job search services
• Other local information incorporated such as regional voluntary organisations

Sunderland has chosen to manage the process of issuing logons themselves but this can be done by Ways HR Consulting on behalf of the client if they wish.

Web traffic analytic reports can also be provided for bespoke installations of Career Sage. A feedback mechanism for users is also built into the site.
Challenges

In the early days of SWITCH some managers referred to the programme as “holding pen” or “dumping ground”. There was low morale among the employees who felt displaced and cast aside. The support team have worked hard, focussing on strengths and opportunities and delivering 1:1 coaching to turn that around.

A major benefit of the programme is that it continues to develop the skills of the council workforce. Employees see the SWITCH programme as an opportunity to develop their career in a new direction.

The motivation levels and reputation of employees in SWITCH are now extremely high. They are seen as a special resource which managers are impatient to tap. The main risk now is from managers trying to utilise SWITCH resources when their need is not priority. The council’s Resource Management Group now considers requests for SWITCH resource on the basis of council-wide priorities.

Progress

There are currently 240 people in the SWITCH programme. This is expected to rise to over 400 by autumn. Of the first 200 members, around 25% volunteered. Sunderland City Council’s challenge has been to get the other 75% motivated and positive about being part of SWITCH. Early results seem very positive. Over 250 project roles have so far been filled by members of SWITCH.

Sunderland City Council plans for the SWITCH programme to empty within three years. However, as the scheme is proving successful an argument might be made for a small SWITCH team to be kept on a permanent basis.
Key Issues

Agency workers
Unfortunately agency workers and those on contracts of two years or less are ineligible for SWITCH. They are provided with access to a Standard version of the Career Sage online career management service supporting them to explore other options outside of the council.

Supporting Turnover
The biggest uncertainty is related to natural turnover. When the transformation programme was announced it dropped from 11% to 5.5% virtually overnight and has reduced since then, a low turnover in any organisation.

The actual employee reduction is virtually impossible to predict because of all the other efficiency projects in train. The more efficiency delivered through these methods, the less needs to be delivered in posts. Turnover figures do however indicate that the workforce will shrink substantially over the three years.

Additionally the council is supporting turnover with activities such as:

• decreasing agency workers
• allowing fixed term contracts to expire
• eliminating overtime
• flexible working
• encouraging other options such as “Be your own boss”
• helping people with career searches outside the council (supported by Career Sage).

Commitment to “no redundancies”
There will be no voluntary redundancy packages. Sunderland City Council has made great efforts to make this message very clear to all employees. Every other option will be investigated first.

Sunderland City Council will do everything possible to maintain this commitment.

By avoiding paying huge redundancies out of the contingency funds Sunderland can invest this money in the region instead.

External recruitment freeze
The primary loyalty is to the current workforce and finding them a role within the council. In the short term, the council will not be recruiting externally and efforts will be focused on developing the current workforce to meet organisational needs. Over time, turnover may
increase or decrease but Sunderland City Council expects it to be a couple of years before they start recruiting externally.

Requests to recruit externally are turned down or a more creative, alternative solution is offered. Where the council have come up with a successful alternative this is clearly communicated. The council is also clear about the consequence of recruiting externally.

**Impact on workforce profile**

The question of workforce profile has been raised, but inevitably it will stay the same in the short-term and for the duration of the transformation programme. This would be more of a concern if it was a long-term strategy. As the council is offering early retirement, this is likely to impact on the age profile with a younger average age.

While one of the potential drawbacks is the impact on graduate recruitment, equality and stagnation, it seems to be the least detrimental alternative.

Equality Impact Assessments have been used for all service review areas and all council processes. Meeting equality and diversity targets such as recruiting from minority ethnic groups will be an issue but this is a short-term price to pay.

The council are finding that moving people around helps to combat stagnation as fresh blood entering existing teams brings new thinking.

By putting new people into new areas you can generate new ideas. The council challenges employees to find new ways of doing things, encouraging them to look innovatively at redesigning services to deliver them more efficiently and effectively. The council also engages individuals in activities in which they may not have previously been involved. Recruiting externally is not the only way to refresh the workforce.

Voluntary Redundancy means no control over where you are losing people from and ability to move people around is limited. This way it is less of a workforce development challenge.

**Impact on local community**

Over 70% of the council’s employees are local residents – if they were made redundant this would only increase the local unemployment rate.
Local government is no longer a growth area for employment. The council are still maintaining commitments to apprenticeship schemes etc but the focus is now more geared to finding work outside of the council.

The principle of “loaning” employees looks to support employers who are reluctant to recruit. By loaning people, the council can help businesses to grow with limited risk. If that growth is a success, then more real jobs are likely to follow, supporting local unemployed people.
**Trade Unions**

A close working relationship with the Trade Unions has been maintained throughout and they see the SHL designed Strengths Questionnaire and the Match-Jobs matching system as providing results, objectivity and transparency.

This provides the dual advantages of assisted lines of communication and buy-in from employees. The Chief Executive and Trade Union leaders met at the start of the programme and the alternative options were shared. They continue to meet every six months. HR meets with the Trade Unions for three hours fortnightly to talk about the transformation programme. Though there were initial concerns there is now widespread acceptance and positivity about the programme from managers and employees.

**Employee Resistance**

The Chief Executive was key in selling it to the organisation, alongside a comprehensive internal communications exercise involving face to face briefings, team meetings, newsletters, case studies and the Chief Executive’s blog.

The council has been very clear about the fact that change is not optional. The council needs to protect front line services, be more efficient and avoid redundancies. In order to achieve this it can’t protect employees to the extent of keeping them doing what they’ve always done. There is a requirement to be flexible whether that is in terms of a job role, location, or the nature of work. A change might be a sideways move or in some cases downwards. The message to employees is that it will change.

Performance management processes have also been tightened up – the council can’t afford “passengers” so need to get tougher around managing people to do their jobs.

Investing in working with the Trade Unions has also been key to employee acceptance.

**Workable Model**

The principles are transferrable. The more people there are the more scope you have to move around but it should be scalable up or down.

The IJM/SWITCH model could work across multiple local authorities. However, it would become a very complex process and there would be a danger of councils not always participating in the true spirit – i.e. they might fully participate in offering their supernumerary people but not offering all of their vacancies.

Modifications would obviously need to be made to aspects of the approach but the core principles are transferable (i.e. managed and assessed talent, strengths matching and focusing on using natural turnover to reduce headcount while also re-working the notion of “supernumerary”). While a very interesting concept, this is probably too much to progress currently.
Resourcing

There is a very emotive pressure on councils to stop spending money in order to save jobs. It is the responsibility of managers to challenge this. HR needed to do a cost / benefit analysis of discretionary spend and present the business case.

This Sunderland model involves a degree of risk. Making mass compulsory redundancies is certain but has a much higher price tag in both financial and motivation terms. The cost of SWITCH has been built into the budget. A financial modelling tool is being used to track the cost and ensure the council doesn’t overspend; this year is looking ok. The modelling tool is reviewed every fortnight with key accountants to ensure it is meeting its targets.

Programme

The budget for the transformation programme is £8m over the three years to be funded by the council reserves. The cost of this approach is far outweighed by the cost of the alternative of paying out redundancy packages – a neighbouring authority spent £24m making 500 redundancies.

People and Skills

The council has good resources in terms of people management / HR leads combined with project management teams that have allowed the required skills to be delivered throughout the transformation period. The council invested in doing detailed briefings on the programme with HR employees on a number of occasions.

As well as delivering the change programme, HR is undergoing a restructure and refocusing itself. HR will eventually need downsizing but this will happen towards the end of the programme.

Other skills required include internal communications, e-learning and skills and knowledge transfer.

Online support tools

The online support tools being used by the council are key to making the project work. Without this automated technology the council would require whole teams of people to manage the process. In comparison with the cost of the alternative – paying out voluntary / compulsory packages – spend on the tools is insignificant.

SHL Online assessment tool

This assessment retails at around £12 per head. Total cost depends on the scale of use i.e. the unit cost decreases as the number of users increases.

Match-Jobs, job matching tool provided by AES Digital Solutions Ltd

Match-Jobs manage the matching between employee assessment and job (or SWITCH project) requirements. It can, if required, match to more traditional measures such as experience, qualifications, training etc. Match Jobs supports the employee review process
and employee development planning. Match jobs also includes a self service portal for employees. Licensing from £12,000 p.a.

**Career Sage**

Career Sage is provided by Ways HR Consulting on an unlimited user licence basis. Sunderland City Council has a bespoke installation which costs around £10,000.

This initial cost could lead to a greater saving in the long-term if it helps avoid just two redundancy settlements.

Career Sage is SAS (software as a service), and there are no ongoing costs related to hosting etc following initial purchase. The site is accessed via an internet link.

Licences are valid for 24 months.

Ways HR Consulting also offer a standard version of Career Sage which is free for all public sector organisations and their employees. Visit www.careersage.co.uk for more information.

**SWITCH**

The budget for the SWITCH team is considerable over the three years of its projected life.

Whereas SWITCH team members could be considered as supernumerary, Sunderland City Council will strive to ensure that as many as possible are covered by commercialising roles and offset against other expenses. For example, SWITCH members cover maternity leave, long-term sickness, one-off projects and peaks in workload for which otherwise Sunderland would have recruited temporary employees, agency workers or paid overtime.

SWITCH has a centralised budget. Employee salaries are funded from this until they move into a funded role. However, if a SWITCH employee is taking on a funded role, then this funding would offset the SWITCH cost.

The council’s agency spend has been reduced massively (around 70% and continuing). However, this is not just through SWITCH.
Implications for other local authorities

Most councils are still reeling from the shock of the cuts and the temptation is to make the redundancies and worry about the long term effects on service delivery later. Some of the characteristics of local government organisations are that they get politically more conservative. They don’t invest and are unwilling to take leaps of faith when they are needed, tending to look inward when they should be looking outward.

Councillors are taking different approaches; some have devolved the decisions down with individual parts of the organisation told they need to make 10% savings. This leads to composite small parts of an organisation doing different processes as opposed to a joined up strategy like Sunderland. There is tribunal risk around responsibility to investigate all alternatives.

If councils don’t invest in these types of approaches what are the alternatives? Employees will be less engaged, thinking there is no point in doing anything as they may be going at any point.

The advantage of a one year lead in enabled Sunderland City Council to lay the foundations including establishing the Internal Jobs Market, reducing dependency on agency workers and implementing the recruitment freeze. It would have been more difficult to deliver without this lead in but the approaches are not necessarily mutually exclusive. You will however need clear leadership and messages.

The implementation of Sunderland’s talent management approach relies on a number of dependencies including a clear lead from the top. In Sunderland’s case the programme had visible support from the Council Leader and Chief Executive. This also filtered further down to a general strong programme and project management discipline instilled in those leading the project. The recruitment team’s resources were also heavily utilised for the jobs matching and IJM software.

If you have already embarked on a different approach, you can cut down on the number of redundancies by encouraging staff members to leave voluntarily in order to secure their own futures. Some organisations have incentivised early retirement which has left a strange talent map and are now looking at revitalising redeployment strategies as a second phase.

The Sunderland model isn’t the easy option. It takes a lot of effort, time, capacity and support – the easier option is to go straight to redundancies. The organisation needs to capture the hearts and minds of both the employees and the managers.

It’s difficult but worth putting the effort in.
For more information

Switch and the Internal Jobs Market
E. IJM@sunderland.gov.uk

SHL Assessments
Angela Simcock
Senior Business Consultant
SHL
M. 07535 689 082
T. 020 8335 8000
E. angela.simock@shl.com

Match-Jobs
Lesley Moody
Managing Director
AES Digital Solutions Ltd
T. 0164 236 6660
E. lm@aes.co.uk

Career Sage
Paul Robertson
Head of Practice
Ways HR Consulting
M. 07841 804 563
T. 0870 890 9882
E. paul.robertson@wayshrc.com