

Sunderland City Council Corporate Peer Challenge

Feedback from the peer challenge team

25-28 November 2025

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Corporate Peer Challenge

The peer challenge team

- **Jon Rouse CBE** (Chief Executive - Stoke-on-Trent City Council)
- **Councillor Eamonn O'Brien** (Leader of the Council - Bury Council)
- **Marc Gadsby** (Strategic Director of Adult Services – London Borough of Waltham Forest)
- **Sonia Khan** (Director of Strategy, Change and Resident Engagement - Slough Borough Council)
- **Noel O'Neill** (LGA Associate & Finance Consultant)
- **James Blythe** (Deputy Director for Local Government Stewardship & Interventions - Ministry of Housing, Communities & Local Government)
- **Satvinder Rana** (Senior Regional Adviser - LGA)

The purpose of Corporate Peer Challenge (CPC)

- A key part of the LGA's improvement and assurance framework for local government, supporting improvement and assurance.
- Managed and delivered by the sector, for the sector.
- Complements your own performance and improvement focus.
- Assists councils in meeting part of their Best Value duty - UK Government expects councils to have a CPC every five years.
- Peers used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read. The team provide feedback as critical friends, not as assessors, consultants or inspectors.

The process of peer challenge

- The CPC process has a strong focus on financial sustainability, performance, governance, and assurance.
- Peers reviewed a range of information and evidence to ensure we were familiar with the council, the challenges it is facing and its future plans
- The peer team gathered information and views from over 40 meetings, in addition to further research
- We spoke to over 150 people including a range of council staff together with members and external stakeholders

Scope and brief for the peer challenge

We have considered the core components looked at by all corporate peer challenges, namely:

1. Local priorities and outcomes
2. Organisational and place leadership
3. Governance and culture
4. Financial planning and management
5. Capacity for improvement

Scope and brief for the peer challenge

Also considered the following area/s of focus:

- a) The council's approach to community engagement/community cohesion and how the public can be motivated to help themselves to enable the council to manage demand for services and improve productivity
- b) The council's broader leadership capacity including its chief officer group and supporting leadership tier to deliver its ambitions going forward

Overall messages and observations

- Energy and enthusiasm across all staff with real pride in working for the Council and staff buy-in to behaviours and values
- Strong corporate leadership, with opportunity to improve consistency across all levels
- Relatively strong financial position, but the reliance on reserves to close the budget gap is not sustainable over the longer term
- Great physical regeneration, but needs to connect more clearly to the needs and sentiments of local residents and communities
- Need to go further in tackling some harder community challenges, especially health and wellbeing, by building on approaches such as SARA, HALO, etc
- Generally strong public services that have been externally validated which should now be used as a foundation on which to build more preventative models of delivery
- Over the last few years, from a low base, the council has built some strong corporate processes and internal controls across the organisation; but need to ensure they do not become overly bureaucratic or hinder innovation

Local priorities and outcomes – strengths

- Across the Council and partners there is good clarity and consistency of vision for Sunderland
- There is clear strategic alignment between the city plan and corporate plan, with coherent ambitions and priorities around economic growth, Smart City, health, communities and climate
- Well-developed performance framework, including quarterly corporate reporting and an emerging impact framework
- Strong track record of service improvement and delivery as evidenced by external validations
- Exciting approach to community development and safety which is starting to spread

Local priorities and outcomes – areas for improvement

- Recognising the overall improvements in resident satisfaction, continue to address the variable resident satisfaction and perceptions – geographic, service specific, cohorts – which may be a symptom of a wider disconnect between public institutions and lived experiences
- Deepen the Sunderland Partnership by more fully exploring data trends to inform future priority setting. Also focus on a more rigorous approach to setting SMART targets in agreed delivery plans with clear lead owners and mutual accountability
- Opportunities to further embed co-design of solutions with communities and key delivery partners, particularly in areas such as community cohesion, public safety, skills training, health, etc
- Review whether there can be more transparency around performance against targets under the corporate plan

Organisational and place leadership – strengths

- Strong place leadership role with evidence of proactive partnership working (NECA, Sunderland Partnership, Health and Wellbeing Board)
- Chief Executive highly regarded by the partnership and the NECA for transformational leadership
- Strong track record in major regeneration delivery, including Riverside Sunderland, Eye Hospital, IAMP, Smart City developments
- In terms of organisational leadership both the Executive and officer leadership have clearly strengthened in recent times and consequently Cabinet and the COG are working more effectively together
- City Board has strong buy-in from most partners, there is the opportunity to now inject stronger political leadership and secure a more even contribution from partners
- New Stronger Communities framework shaped by extensive engagement after 2024 unrest – demonstrating systemwide leadership and responsiveness but now needs to be turned into clear actions that make sense to communities

Organisational and place leadership – areas for improvement

- Opportunity to strengthen shared system leadership commitment, ensuring partners remain aligned to the long-term goals of the City Plan beyond individual projects
- Continue rebuilding community engagement and confidence through the Stronger Communities approach. Opportunity exists for the partnership to develop shared campaigns that galvanise trusted local organisations, and a communication framework which creates an umbrella under which a wide range of community activities can sit
- Keep an eye on leadership stretch given the scale of capital programmes, transformation and social pressures
- Develop the role of councillors as community connectors to drive forward delivery at local level. As part of this process, review the Area Committee structure to empower individual communities
- Continue developing relationships with NECA and its Members to maximise regional benefits for Sunderland
- Recognising the changing external environment, continue to review policies and practices to protect Member and officer safety

Governance and culture – strengths

- A very committed and loyal workforce with a strong affinity to the city
- Over the last five years the Council has significantly improved the quality and reliability of its core processes. While this has increased bureaucracy in some areas, it has been a necessary improvement in risk management, and the dividend is increased confidence from external funders and regulators
- Effective internal controls with an active Audit and Governance Committee and Internal Audit function- giving a positive overall assurance and compliance with audit standards
- Good Member-officer relationships built on mutual trust and respect. This has improved over recent years.
- Cabinet has been described as professional, cohesive and committed

Governance and culture – areas for improvement

- Scrutiny could be strengthened with greater pre-decision involvement; a work programme aligned to city plan outcomes; stronger portfolio holder engagement and senior officer support to enable appropriate challenge
- Management of casework could be improved to ensure consistency of approach and better communication
- The approach to data retention should be reviewed to ensure that it balances the needs of information security and transparency
- While the Council has derived significant benefit from the use of arms-length organisations, it would be sensible to review governance to ensure the Council, and therefore the residents' interests, continue to be protected
- There would be a benefit from a review of the Council's constitutional arrangements being undertaken on a cross-party basis following the next local elections

Financial planning and management – strengths

- Sunderland Council has relatively strong financial resilience through effective oversight and control over a sustained period
- There is good understanding of the underlying financial position across the organisation, including awareness of the main pressures and risks
- There is relatively strong management of expenditure against budgets, but Children's and Adult services are struggling to manage in-year demand pressures
- The budget setting process has become more robust, with greater understanding of the trade-offs required between needs, priorities and pressures over a multi-year period
- The Council has used its capital finance and its organisational covenant astutely to attract significant external investment to deliver great outcomes for the city

Financial planning and management – areas for improvement

- The MTFS shows a significant budget gap after using all of the MTFS smoothing reserves by end of March 2028, even with the assumption that the Council maximises its ability to increase Council Tax
- While some uncertainty remains about the final settlement for 26/27-28/29 it is likely that the Council will need a more stretching savings strategy to get back to a balanced budget position, as the Council cannot continue to run down reserves
- Consider the creation of a properly resourced single Transformation programme, making effective use of one-off resources for projects that meet strict Invest to Save criteria
- While there are examples of positive approaches to prevention and early intervention, the Council, working with its partners, needs to continue to deepen and broaden this work to have much greater impact in reducing demand for the most expensive services
- The opportunities arising from Smart City management need to be tied more closely to financial planning to ensure efficiency and productivity gains are quantified and realised

Capacity for improvement – strengths

- The quality of the essential organisational architecture, e.g. planning, service performance and risk management, has provided a platform for creativity, innovation and talent development
- The dedication and capability of the senior management team has been evident throughout the peer challenge
- The Council has built back the basics of workforce management and development. This has allowed for the development of insights into the capability and capacity of the workforce
- Exemplary digital and data capabilities including Smart City innovation, digital inclusion and assistive technology at scale, e.g. neighbourhood community safety system, predictive analytics and city management

Capacity for improvement – areas for improvement

- The Council would benefit from accelerating the shift in narrative from ‘programmes and projects’ to ‘places and people’ i.e. what a set of interventions mean for a particular community, and how it improves their lives
- Transformation capacity is stretched due to concurrent delivery of multiple priorities, and there is a need to build in more time for strategic reflection, both internally and with partners, particularly to review impact
- Complete the development of a workforce strategy that supports the existing workforce and plans for the future, including recruitment and retention, talent management, learning and development, and succession planning
- Tackle the variation in management performance and culture using the wise investment in the 360 process to create cross-directorate cohorts of managers for targeted development
- Continue to develop the appraisal system to create a golden thread from individual objectives to strategic outcomes, and so the documents become genuine personal development plans
- Review Member development to enhance their role as community connectors to drive forward delivery at local levels and ensure impact in their various Council responsibilities, e.g. their work on committees and in their communities

Stronger Communities

- There is opportunity to use a public health approach to join up and enhance a range of existing programmes focused on the neighbourhood level to secure greater coherence, community ownership and sustainability e.g. Links for Life, family hubs, community safety hubs, digital hubs, neighbourhood health pilots, Pride in Place, leisure centres and parks
- The Council should use and scale up good practice examples like SARA to empower communities across the city through transfer of assets, micro-finance, and overall development of social capital, enabling the VCS to lead wherever possible
- Be more purposeful about the connection of residents, particularly those in more deprived communities, to the economic and social opportunities being created through major projects
- Build on the work undertaken with Belong to co-produce with residents and trusted local organisations, a strong narrative that generates an authentic and collective sense of belonging, and an agreed set of practical actions that make sense to each community
- Use the Stronger Communities framework to inform changes to resident engagement, including Area Committees, and voluntary sector partnership working to deepen reach into communities
- Develop an agreed approach and shared outcomes to implement the Stronger Communities framework across Sunderland Partnership; ensuring each key theme is linked to existing plans and develops and strengthens them e.g. city health plan, skills strategy
- Ensure the Smart City strategy continues to drive digital inclusion, improved access to services and enhances resident engagement

Recommendations

1. Build on the work undertaken with Belong to co-produce with residents and trusted local organisations, a strong narrative that generates an authentic and collective sense of belonging, and an agreed set of practical actions that make sense to each community
2. Deepen the Sunderland Partnership by more fully exploring data trends to inform future priority setting. Also focus on a more rigorous approach to setting SMART targets in agreed delivery plans with clear lead owners and mutual accountability
3. Develop a more stretching savings strategy to get back to a sustainable balanced budget over the next three years and ensure there is sufficient one-off resource available to drive a single corporate transformation programme based on strict Invest to Save principles. A critical part of this process is to create a clear plan to build from existing innovative projects towards a sustainable early intervention model which connects the council better with communities, integrates public services, and reduces high-cost demand
4. Produce and deliver a programme of governance reviews, encompassing Overview and Scrutiny, Full Council, Area Committees and the Council's relationship with its arms-length organisations, with cross party engagement and using independent expertise where appropriate
5. Complete the development of a workforce strategy that supports the existing workforce and plans for the future, including recruitment and retention, talent management, learning and development, and succession planning
6. Further develop a structured management development programme across the council; and review Member development to enhance their role as community connectors to drive forward delivery at local levels

Recommendations

Next steps

- Opportunity for questions/discussion now. Public report to follow.
- In the spirit of openness and transparency, you are asked to:
 - Publish the CPC report by February 2026 (3 months after the CPC). LGA will also publish this on their website by this date.
 - Develop and publish your Action Plan by April 2026 (no later than 5 months after the CPC).
 - Schedule a Progress Review – this is an opportunity to discuss progress (let us agree the date for this over the coming weeks).
 - Progress Review to take place within ten months of the CPC by September 2026 and the Progress Review Report to be published within twelve months of the CPC by November 2026.