



**Sunderland
City Council**

Corporate Peer Challenge Position Statement 2025

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1. Introduction

We welcome colleagues from across local and central government and the Local Government Association to participate in the Sunderland City Council Corporate Peer Challenge.

Why the council is commissioning a Corporate Peer Challenge

As Sunderland undergoes a bold transformation and the council continues to manage complex challenges, we recognise the importance of external challenge and learning from Peers across the sector.

Working with our partners we remain committed to delivering the best services possible. Progress in the past year includes:

- The ongoing regeneration of Riverside Sunderland with the opening of Sheepfolds Stables and preparatory work for new residential neighbourhoods
- Further, significant investment in the International Advanced Manufacturing Park in Washington and its development into a North East Investment Zone hub for clean energy and green manufacturing
- Launching the Sunderland App, which has everything residents and visitors need to know about what's going on in the city
- Addressing anti-social behaviour and supporting safer communities aims through targeted, innovative,

partnership-based models including the SARA, HALO and SAIL projects

- Opening the Maker and Faber office developments and the New Wear Footbridge at Riverside Sunderland

Forthcoming plans and projects include:

- Building on the physical Smart House project, the development of a virtual Smart House allowing users and practitioners to explore and interact with the space virtually, broadening access and showcasing assistive technologies
- Working with partners to complete Riverside Park, Culture House Sunderland, the new Eye Hospital, and residential developments at Nile + Villiers, Farringdon Row and West Park
- Commencing work on the Crown Works Studios project

Additionally, we are developing and delivering new strategies to address issues of key importance to residents, including community safety, social cohesion and the cost of living.

This Peer Challenge represents an important opportunity for us to share our ambitious vision for Sunderland to become a “connected, international city with opportunities for all” and reflect on the progress we are making. It will help us assess our strategic priorities, leadership capacity, governance arrangements, financial resilience, and ability to drive improvement. It will also support our ambition for the council

to be a high-performing, forward-thinking council that is responsive to the needs of its communities.

That's why we're keen to work with the Peers to look at the five core components of the Peer Challenge and, in particular, focus on our approach to creating stronger communities and our leadership capacity to deliver our ambitions going forward.

We've commissioned this Peer Challenge as part of our genuine commitment to continuous improvement, transparency and sector-led assurance. By fully engaging in it, we aim to ensure that the council strengthens its partnerships, enhances public trust and ensures that it is well-positioned to meet future challenges and opportunities.

Ultimately, the whole Peer Challenge process will help us strengthen our approach as we work collaboratively with residents, businesses and partners to deliver improved outcomes as part of the ongoing and lasting transformation of the city and the council.

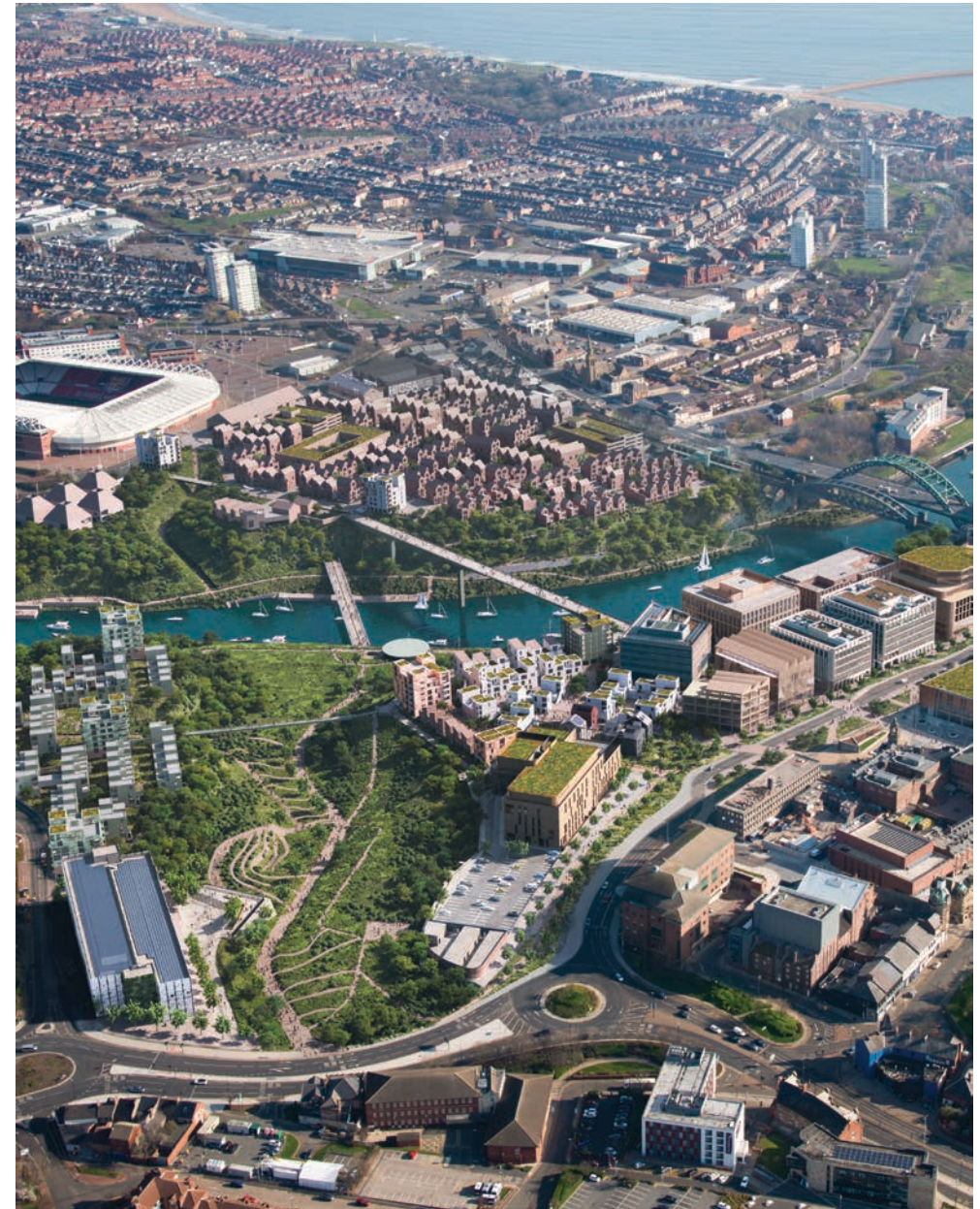
We look forward to engaging openly with you, learning from your experiences and benefitting from your independent external insight and challenge, to assist us with the next stage of the city's and the council's journey.



Cllr Michael Mordey
Leader,
Sunderland City Council



Patrick Melia OBE
Chief Executive,
Sunderland City Council



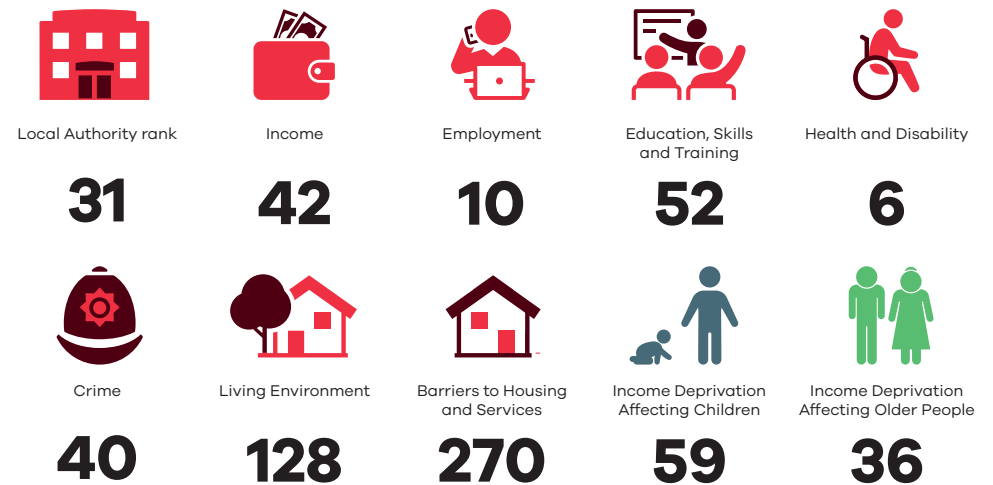
2. Sunderland - the city and the council



Sunderland is a city of transformation, resilience, and ambition, with a proud industrial heritage and a forward-looking vision for inclusive growth, innovation, and sustainability.

Situated on the North East coast of England with a total population of 288,606 people, Sunderland covers a total of 53 square miles with its main centres in Sunderland itself, the former New Town of Washington and the coalfields communities of Houghton-le-Spring and Hetton-le-Hole.

Sunderland is ranked the 31st most deprived Local Authority in England in the 2025 Indices of Multiple Deprivation.



28% of Lower Super Output Areas (LSOAs) in Sunderland (45 of 185) are in the top 10% most deprived in England. 46% of LSOAs in Sunderland (85 of 185) are in the top 20% most deprived in England.

The city faces ongoing challenges including lower-than-average educational attainment, health inequalities, and economic inclusion gaps which the council and its partners are actively seeking to address through targeted strategies and collaborative working.

Working in partnership with residents, businesses, and regional stakeholders, the council is leading major regeneration projects, including Riverside Sunderland and the proposed Crown Works Studios and has been internationally recognised for its Smart City programme, including being nominated as one of just three finalists for the World Smart City Awards 2025.

Contextual information on the council

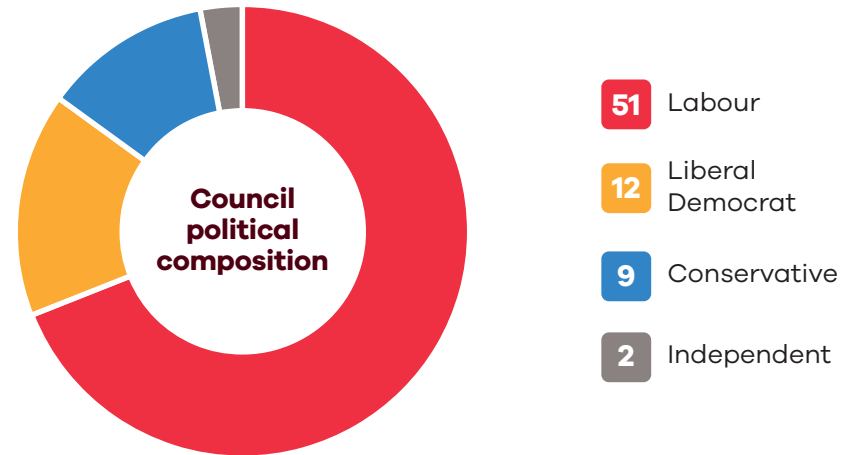
Sunderland City Council is a metropolitan borough with city status in the ceremonial county of Tyne and Wear.

It is an Upper Tier Unitary Local Authority, one of five such councils in Tyne and Wear and therefore provides all the local government services in Sunderland.

It is a member of the North East Combined Authority (NECA), formed on 7 May 2024 which is led by an Elected Mayor and Cabinet and covers the seven local authority areas of County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland.

The council is comprised of 75 Councillors representing 25 wards. Following a Local Government Boundary Review, the council will be subject of an all-out Local Election in May 2026.

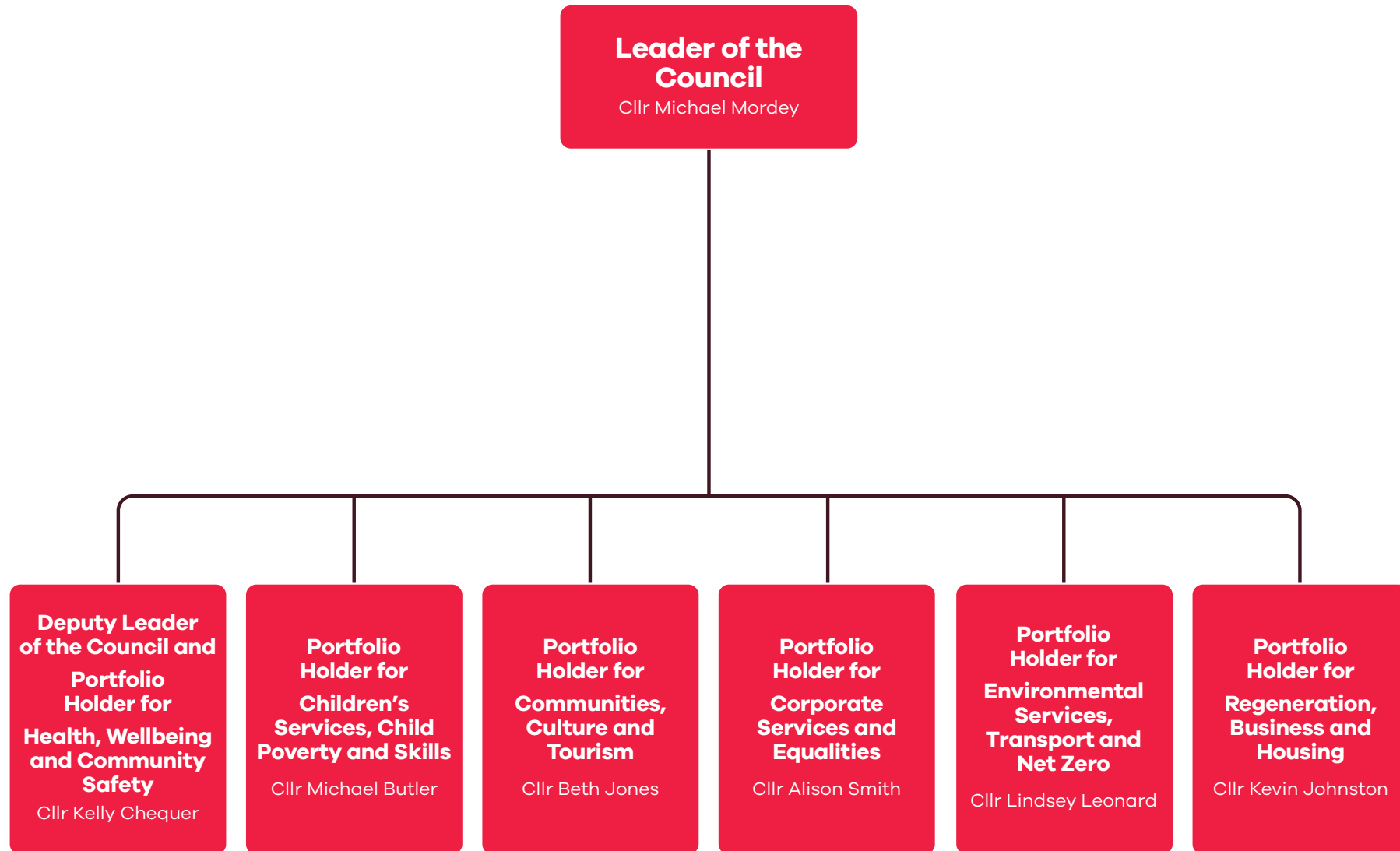
The current political composition of the council is;



(One seat is currently vacant pending a by-election on 27 November 2025)



The council operates under a Leader and Cabinet model.



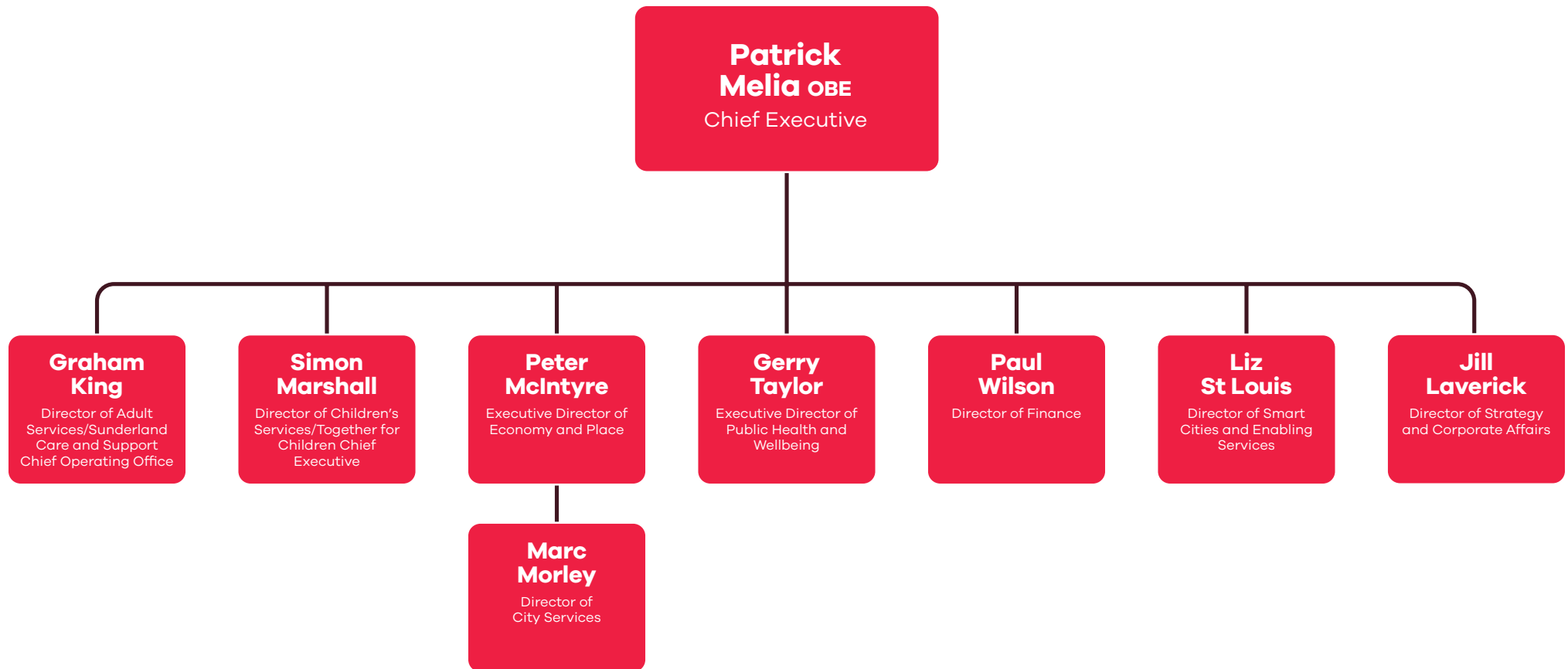
The City Council operates within a framework of statutory obligations that are shaped by wider political and legislative factors, including:



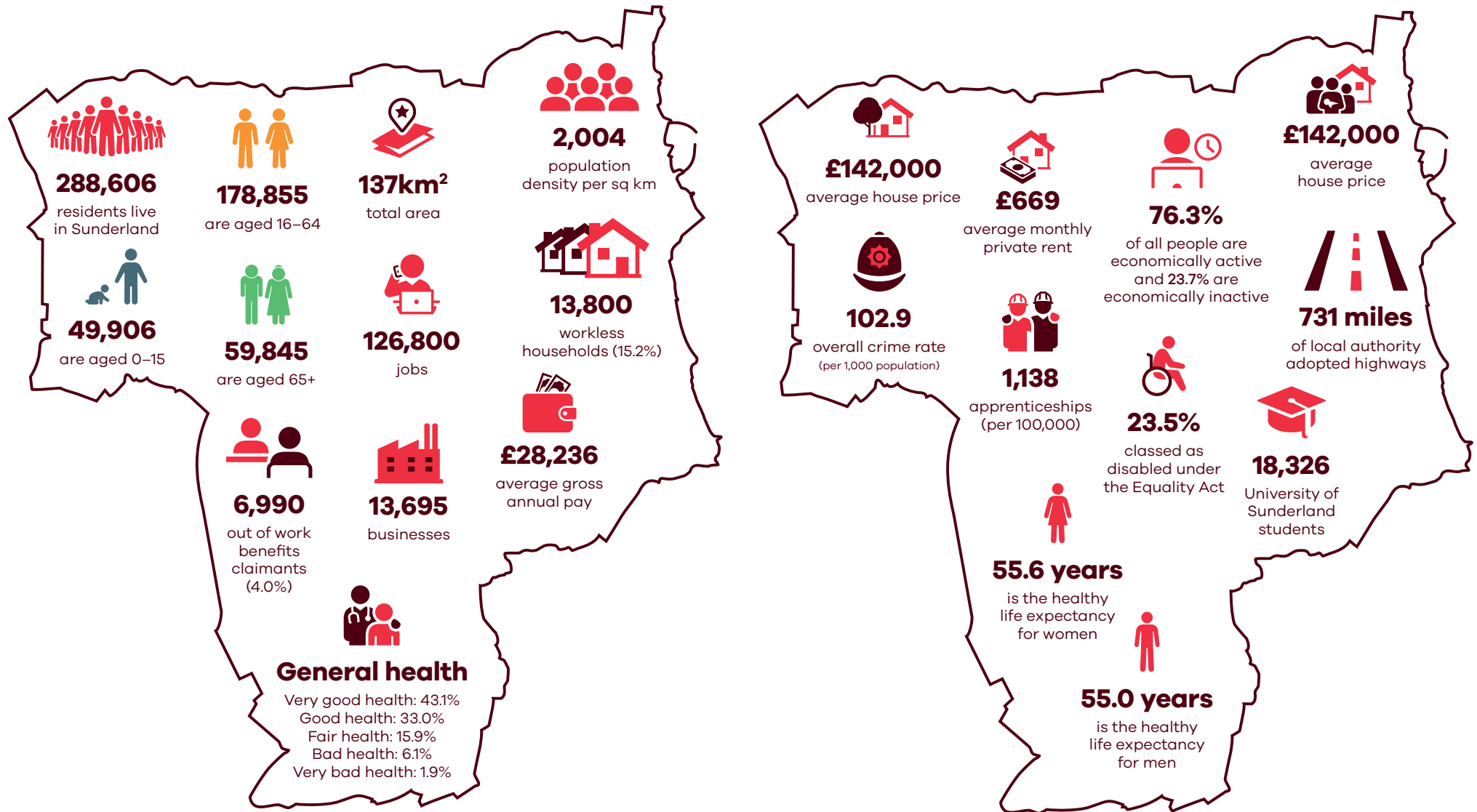
Services are delivered from three main offices, three Customer Service Centres, two Household Waste Reception Centres and four depots.



Chief Officer Group



Key statistics



Service Regulators' Assessments

The council has received strong and improving assessments from a range of service regulators.



Children's services in Sunderland, delivered by Together for Children, have been rated Outstanding by Ofsted in their 2021 and 2025 inspections. Inspectors praised the "unstinting focus on doing what is right for children". Key strengths include leadership, protection, care for children in need, and support for care leavers. Individual children's homes have also achieved repeated Outstanding ratings.

Local Government & Social Care OMBUDSMAN

The Ombudsman has not issued any significant adverse findings against the council in recent years. Complaints are used constructively to inform service improvements, and the council promotes a listening and learning culture across its directorates.



Adult Social Care services were rated Good across all nine inspection domains in 2025. Inspectors commended the council's focus on re-ablement, independence, and personalised care.

Wear Recovery Community Substance Misuse Service was rated Good across all five inspection domains in 2025. Inspectors commended the "positive and proactive culture of safety, based on openness and honesty".



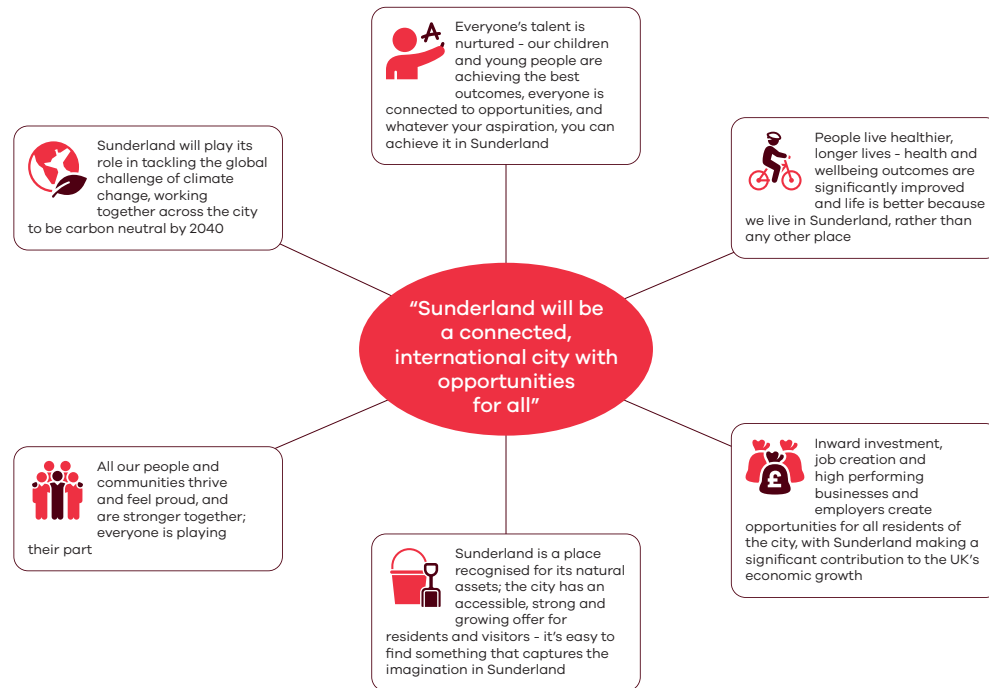
Regulator of Social Housing

The council is a registered provider of social housing and operates under the standards set by the Regulator of Social Housing. The council publishes an Annual Housing Report and complies with the Consumer Standards introduced under the Social Housing Regulation Act. Tenant satisfaction is high, with 90% of residents reporting positive experiences.

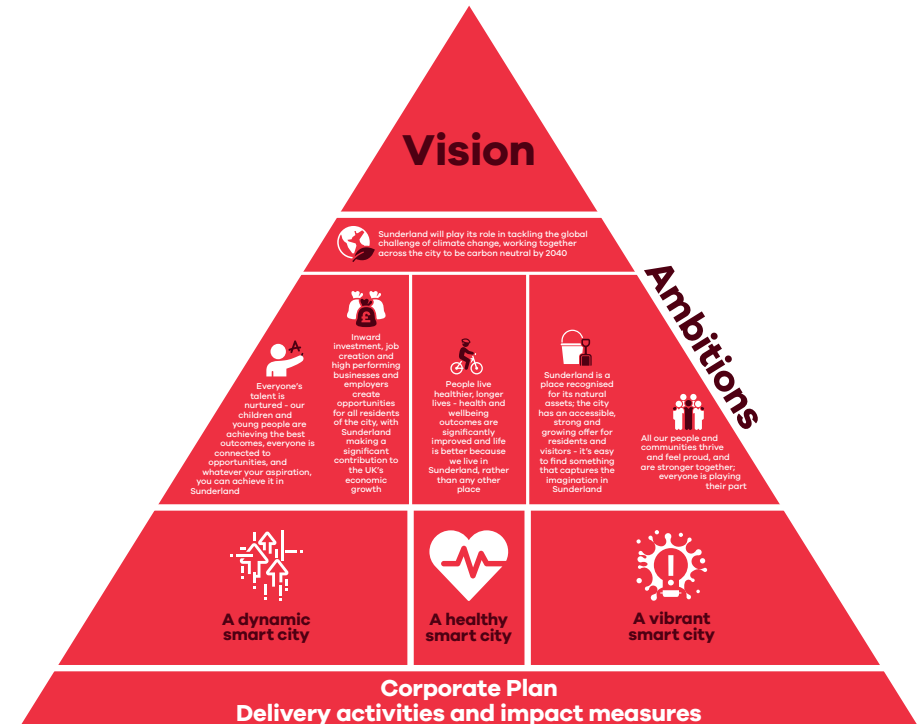
3. Local priorities and outcomes

Vision, priorities and outcomes

A clear and ambitious vision for Sunderland is articulated through the Sunderland Partnership’s overarching strategic plan, the City Plan 2025–2035. It provides the blueprint for all partners and communities to work together to achieve a shared vision for Sunderland.



To play its part in delivering the City Plan, the council has developed the Corporate Plan 2025–2028, as an expression of its medium term organisational priorities. The Corporate Plan defines the council’s key areas of focus as it works to achieve the vision for Sunderland; it provides the ‘future council’ context for the organisation’s ongoing transformation; and it supports the allocation of resources and the setting of clear objectives.



The Corporate Plan sets out our key outcomes, priorities and actions to help ensure that, working alongside partners, we are focused on delivering the best services possible for residents, businesses and stakeholders.

At the heart of the Plan is the commitment to delivering smart, high-quality services, driving economic growth, reducing inequalities and creating a cleaner, greener Sunderland.

The Plan's medium-term priorities support the delivery of each of the City Plan ambitions and includes a set of outcomes that are 'everyone's business' and responsibility across the organisation.

Communities and stakeholders shaping priorities and delivery

Sunderland's people and communities are at the heart of the City Plan and the Corporate Plan. The council is committed to listening to residents and acting on what they say.

The council works with DJS Research to carry out an annual resident survey. This allows us to understand what is important to residents, what they think of the council, the services we provide, and how they feel about the city. This also allows us to track year-on-year trends in our performance. We use the data to drive actionable insights within services and ensure we share with residents what has been done as a result of their feedback.

Local area satisfaction



- 74% of residents were satisfied with their local area - a 13% increase from 2023
- 79% felt they belonged to their local area
- 59% were proud to live in Sunderland

Feelings of safety



- 90% felt safe in their local area during the day (+13% from 2023)
- 63% felt safe after dark (+22%)
- In the city centre, 71% felt safe during the day, but only 30% after dark

Perceptions of the council



- 45% trusted the Council (+8% from 2023)
- 46% were satisfied with the Council's performance (+9%)
- 39% felt the Council acts on residents' concerns
- 38% said the Council keeps residents informed
- 44% believed the Council is ambitious (+20%)

Service satisfaction



High satisfaction with:

- Street lighting - 79% satisfied (+10%)
- Local tips/recycling centres - 77% satisfied (+11%)

Areas needing improvement:

- Tackling anti-social behaviour - 26% satisfied (+10%)
- Road and cycleway maintenance - 33% satisfied (+10%)

City perceptions:

- 72% agreed Sunderland has many nice places to eat and drink
- 56% believed Sunderland has a positive future
- 57% would recommend Sunderland as a place to live

An organisational approach to continuous improvement

To ensure the delivery of the City Plan, the council is increasingly taking a Sunderland-wide approach with partners and communities. This involves shifting from delivering services to enabling needs to be addressed in new and innovative ways and to encourage people to be more self-supporting. This requires transforming service delivery, reviewing service standards and commissioned activity and prioritising resources based on a programme of activity to reflect the council's future role.

The council's Future Council programme has supported the organisation to examine how it does things, to address financial pressures and better serve residents, improve performance and reach efficiency targets.

Our Target Operating Model (TOM) vision is to create a leaner and standardised council structure, driving change and improving the customer experience. The TOM is based on a customer-centric model and nine design principles to guide its activity. The model aims to make best use of our resources, empowering customers with the tools and knowledge to access services in the most appropriate way.

Target operating model



Managing performance and local performance information

The Corporate Performance Management Framework seeks to align strategic intent, operational delivery and city-wide impact to support evidence-based decision-making, transparency and continuous improvement.

Performance is reviewed:

- Monthly via the Corporate Performance Scorecard to the Chief Executive
- Quarterly through reports to COG, Scrutiny, and Cabinet
- Annually with a target refresh and assurance review aligned with the refresh of our strategic plans

Impact Indicators	Measure long-term city-level outcomes
KPIs	Track the Council's contribution to strategic goals
Corporate Indicators	Monitor organisational health and sustainability
Action Progress Reporting	Links progress on delivery of City and Corporate Plan key actions and activity to performance improvement

Performance is embedded through leadership engagement, staff events and appraisals, supporting colleagues to understand their role in delivering strategic priorities.

Approach to personal development and appraisals

The council is committed to ensuring that all colleagues can participate in an annual appraisal, to support individual development and organisational performance.

The council has committed to a 360-degree feedback process for senior leaders to aid professional development.

Leadership development is supported through coaching, mentoring, and succession planning, particularly within the Chief Officer Group and senior management tiers to maintain a resilient leadership capable of delivering change and innovation.

Internal communications and engagement mechanisms help reinforce the council's commitment to professional growth and organisational wellbeing.

Equality and diversity informing the council's prioritisation and delivery arrangements

Equality and diversity is embedded across the organisation and informs how priorities are set and how services are responsive, inclusive, and aligned with the values of fairness and opportunity for all to meet the diverse needs of residents.

This approach is guided by the LGA's Equality Framework for Local Government (EFLG), which forms the basis of our equality objective for 2022-2026. The Corporate Workforce Equality and Diversity Report outlines commitments to inclusive practice, fair access, and representation. Integrated Impact Assessments are undertaken to ensure policies and programmes do not disadvantage any group and actively promote equality, diversity and inclusion. In service delivery, equity considerations shape the design of interventions, particularly in areas such as health, housing, education and digital inclusion.

The council seeks to work closely with communities and voluntary sector partners to co-design services that reflect lived experiences and local priorities. Workforce development also reflects this commitment, with training and leadership programmes focused on inclusive behaviours, cultural competence, and tackling unconscious bias. Staff engagement mechanisms ensure that diverse voices are heard and valued within the organisation.

In becoming an employer of choice, the council is committed to ensuring that it values diversity, that all colleagues' voices are heard and their contributions are respected.

In turn, colleagues are required to adopt the same principles in the design and delivery of services as part of creating an inclusive and cohesive city - delivering the best possible outcomes for our residents, businesses and communities.

Integrated Impact Assessments are an important tool to ensure the council complies with the Public Sector Equality Duty. Services are therefore required to undertake Integrated Impact Assessments as part of the service planning process and in the development of all relevant activity.

The council's equality and diversity approach is structured around the Equality Framework for Local Government (EFLG). Key actions include:

- Benchmarking and monitoring improvement against the LGA EFLG
- Strategic Equality Group and city-level equality data to inform service planning
- Mandatory EDI training and cultural competency development
- Targeted engagement with under-represented groups
- Using an Integrated Impact Assessment approach to assess the predicted impacts of activity
- A focus on reducing inequalities through service design and delivery



4. Organisational and place leadership

Arrangements and support for organisational leadership

The council has a leadership structure aligned to the strategic ambitions in the City Plan and Corporate Plan and its transformation agenda. Organisational leadership is centred on the Chief Officer Group, supported by a tiered leadership framework that supports clarity of roles, accountability and collaborative working.

Senior leaders are engaged in local, regional and national partnerships, including the Sunderland Partnership, Sunderland Health and Wellbeing Board/Delivery Boards and North East Combined Authority, enabling the council to influence policy, share best practice and deliver joined-up solutions for residents.

Organisational leadership is supported by the clear communication of priorities and challenges, to support transparency and alignment between leadership decisions and community expectations.

Leading the local area and working with local and regional partners

The council's leadership role is rooted in the strategic vision in the City Plan and is delivered with a range of stakeholders.

At the local level, the council leads the Sunderland Partnership as a collaborative approach to addressing shared priorities.



The council is a constituent member of the North East Mayoral Combined Authority (NECA) enabling the council to contribute to strategic initiatives around issues including transport, skills, economic development and climate action with the Leader of the Council holding the NECA Finance and Investment Portfolio.



Major regeneration projects are delivered in partnership with developers, investors, and government agencies.

The council also works closely with Sunderland Voluntary Sector Alliance, wider voluntary and community sector, neighbourhood groups and residents to support fostering civic pride, community cohesion and shared ownership of the city's future.

Shared place ambitions, collective leadership capacity and future focus of joint working

The ambitions of the City Plan are shared across the city's public services, businesses, voluntary and community sector organisations and residents with the Sunderland Partnership aligning priorities, pooling resources and delivering joined-up solutions to complex long-term challenges.

The council is committed to strengthening collective leadership and deepening joint working arrangements. This includes expanding co-design with communities, enhancing data-sharing and innovation across partners, and embedding inclusive governance structures that reflect the city's diversity and aspirations.

Communicating challenges, future ambitions and organisational changes

The council is committed to transparent and proactive communication with residents, partners and stakeholders.

A range of platforms are used to communicate the City Plan and Corporate Plan. Challenges facing the city and council are acknowledged in council reports and public consultations to build trust and accountability.

Organisational changes are communicated through regular internal updates and through public-facing channels including the council's website, newsletters and social media.

The Council is committed to engaging meaningfully with residents with a refreshed strategic approach to resident engagement. This includes the launch of a new digital engagement platform (Your Sunderland) earlier this year which offers residents the opportunity to engage on a range of topics from naming the city's new footbridge, to shaping the priorities and delivery of new community safety hubs. Resident engagement aims to be inclusive and representative, with many offline opportunities to reach residents including focus groups and utilising the VCS networks within the city.

Promoting and supporting community cohesion - Stronger Communities

Stronger Communities is central to the council's strategic vision and is being embedded across policies, programmes, and partnerships. The council seeks to promote stronger communities through ensuring that local voices are heard and services are co-designed to reflect the diverse needs and aspirations of Sunderland's communities. Inclusive

engagement strategies are used to reach under-represented groups and build trust across different communities.

The council works closely with the voluntary and community sector, faith groups and cultural organisations to deliver initiatives that celebrate diversity, promote understanding and strengthen social bonds.

Through its facilitation of the Sunderland Partnership and collaboration with regional bodies, the council is seeking to ensure that stronger communities are supported by joined-up services and shared priorities to help build a city where people feel safe, supported and part of a shared future.

A new strategic framework for Sunderland's communities is being developed to rebuild trust and strengthen relationships with and between all of Sunderland's communities. It is shaped by 'whole systems' thinking: the approach will not apply just to one or two organisations, or to particular workers and teams, but to all of the organisations concerned with the benefit of Sunderland and its residents.

Alongside all the effort to renew and develop the city and undergirding the services and businesses that matter to local people, this new strategy will show how a wide range of organisations are now working together on an agenda which is important and urgent.

Shaped by key principles including promoting a positive sense of belonging, encouraging participation, and developing positive relationships through community engagement and partnership working, this strategy will set the agenda to ensure that Sunderland is connecting under the key themes of:

- Extending and deepening engagement and participation
- Connecting people to opportunities

- Strengthening community safety
- Improving relationships between the Voluntary and Community Sector and partners including the council
- Promoting our city and building strong relationships

Improving health and reducing inequalities

A healthy smart city is one of the three themes of the City Plan. The Health and Wellbeing Board refreshed its strategy earlier this year: Sunderland Healthy City Plan 2020–2035. Informed by data and local insight, the Plan sets out the vision and has twelve new inter-connected priorities for improving health and reducing inequalities in Sunderland.

The Plan describes the "building blocks of health" as the essential conditions that shape our ability to live healthy lives, recognising our health is shaped by the world around us - whether we have a good start in life, a safe and warm home, decent work, have enough money, and feel safe and connected to our community.

The draft Delivery Plan for 2026–2027 sets out proposed action to strengthen these building blocks and reduce inequalities through coordinated action to support healthy places, healthy communities and healthy people.

5. Governance and culture

Governance arrangements

The council operates a Leader and Cabinet model. Its governance framework is set out in the council's Constitution.

Council Procedure Rules and Executive Procedure Rules govern how meetings are conducted and decisions are recorded.

Area Committees work to address local issues and engage communities and the council participates in joint arrangements with other local authorities and partners, including the Sunderland Health and Wellbeing Board.

Annual Governance Statement

The Annual Governance Statement outlines how the council ensures it operates effectively, transparently, and in accordance with good governance principles. It forms part of the council's Statement of Accounts and is prepared in line with the CIPFA/SOLACE Framework for delivery of good governance in local government.

The council's Local Code of Corporate Governance underpins the Annual Governance Statement and reflects the principles of openness, integrity, and accountability.

The council conducts an annual review of the effectiveness of its governance arrangements, coordinated through the Integrated Assurance Framework.

The 2024–25 Annual Governance Statement confirms that no significant governance issues were identified across the council or its wholly owned companies. However, the council remains committed to continuous improvement and has taken action in updating:

- Delegation schemes
- Strengthening scrutiny arrangements
- Whistleblowing and complaints
- Performance and financial management
- Partnership governance

Member-officer relationships

The council maintains a formal Protocol on Member/Employee Relations, which sets out expectations for mutual respect, integrity and professionalism.

Timely, robust and suitably engaging decision-making

The Constitution outlines a structured and transparent decision-making framework under which:

- Decisions are made in accordance with the principles of proportionality, openness, consultation and clarity of outcomes

- Key decisions are subject to formal procedures, including publication in advance and scrutiny where appropriate
- Delegation schemes ensure decisions are taken at the appropriate level, with clear accountability for officers and members
- Public access to meetings and documents supports transparency and engagement

Overview and scrutiny

The council operates a robust Overview and Scrutiny function, comprising a Scrutiny Coordinating Committee and three themed committees:

- Children, Education and Skills
- Economic Prosperity
- Health and Wellbeing

These committees review decisions, monitor performance, and hold the Executive to account. They can appoint task and finish groups for in-depth reviews and include co-opted members for specific expertise. A Cabinet/Scrutiny Protocol has been introduced to help strengthen collaboration and ensure scrutiny adds value to policy development.

Audit and governance

The Audit and Governance Committee provides independent assurance on the council's governance, risk management, and internal control systems.

Culture of respect, transparency and challenge

The council seeks to promote a strong ethical culture through:

- The adoption of the Nolan Principles of Public Life
- A commitment to openness, inclusivity and accountability
- The promotion of co-operative values which guide community engagement and service delivery
- A proactive approach to consultation and equality

Effective oversight of companies and partnership bodies

The council's arrangements in respect of its relationships with wholly owned companies, joint ventures, and strategic partnerships are designed to support the effective use of public resources and that external bodies' services are aligned with the council's priorities. The council has established a clear framework for overseeing its wholly owned companies, such as Together for Children.

The council's involvement in companies and partnerships aims to be transparent, with decisions recorded and published in line with its Constitution. Regular updates on partnership activity and company performance are included in Cabinet and Committee reports.

Member and staff development

The council has an evolving Member Development Programme, designed to equip councillors with the knowledge, skills and confidence to fulfil their roles. Key features include:

- Induction and ongoing training
- Developing councillors' capacity as community leaders
- Dedicated members support services
- The regular review of training provision

Colleague development is invested in through a framework that includes:

- Corporate and local inductions for all new colleagues
- Access to a wide range of learning and development opportunities
- Regular appraisals and one-to-ones
- Apprenticeships, digital and employability skills programmes and free online courses

This approach seeks to ensure that elected members and colleagues are well-equipped to deliver high-quality services, respond to emerging challenges and contribute to the council's strategic ambitions.

Strategic risk management

The council has an established and integrated approach to managing strategic risks, to support the delivery of its priorities, maintain effective governance, and provide assurance to stakeholders.

At the heart of the arrangements is the Integrated Assurance Framework, which enables the council to draw assurance from;

- Service management and operational controls
- Corporate oversight functions
- Internal audit
- External audit and inspectorates

The council produces an annual Risk and Assurance Map, which:

- Aligns Strategic Risk Areas with the City Plan priorities
- Identifies Corporate Risk Areas essential to maintaining internal control
- Includes risks associated with council-owned companies

The Audit and Governance Committee provides oversight of the risk management process. Regular progress reports are submitted to the Committee, highlighting assurance levels and significant findings. An Annual Report summarises the year-end position and supports the preparation of the Annual Governance Statement.

Targeted work is undertaken to support the Risk and Assurance Map and each council-owned company also has a tailored audit plan, feeding into the overall assurance picture.

The council's Strategic Risk Profile is shaped by the City Plan and reflects the dynamic environment in which the council operates. Risk management support is provided to senior managers to ensure that mitigation actions are implemented and monitored effectively.

Internal communications and staff engagement

The council's approach to internal communications and staff engagement is rooted in the principles of openness, inclusivity, and continuous improvement, aligning with the council's values of "we enable, we innovate and we respect", to foster a well-informed, motivated, and engaged workforce.

Staff engagement is seen as an ongoing dialogue with colleagues supported by a communication, consultation and engagement cycle that aims to share information and updates, seek feedback and ideas and involve staff in shaping decisions and improvements.

The council uses a variety of tools and platforms to ensure timely and accessible communication with staff, including our 'That's the way we do things' newsletter, Teams cards, Managers Update, Intranet, all staff Teams live events and Senior Management Team events.

To ensure staff have opportunities to contribute and be heard, the council supports regular employee surveys, runs a by-monthly People Forum, networks, Trade Union engagement and consultations on change.



**THAT'S
THE WAY
WE DO
THINGS.**

Sunderland
City Council

We innovate

We enable

We respect

6. Financial planning and management

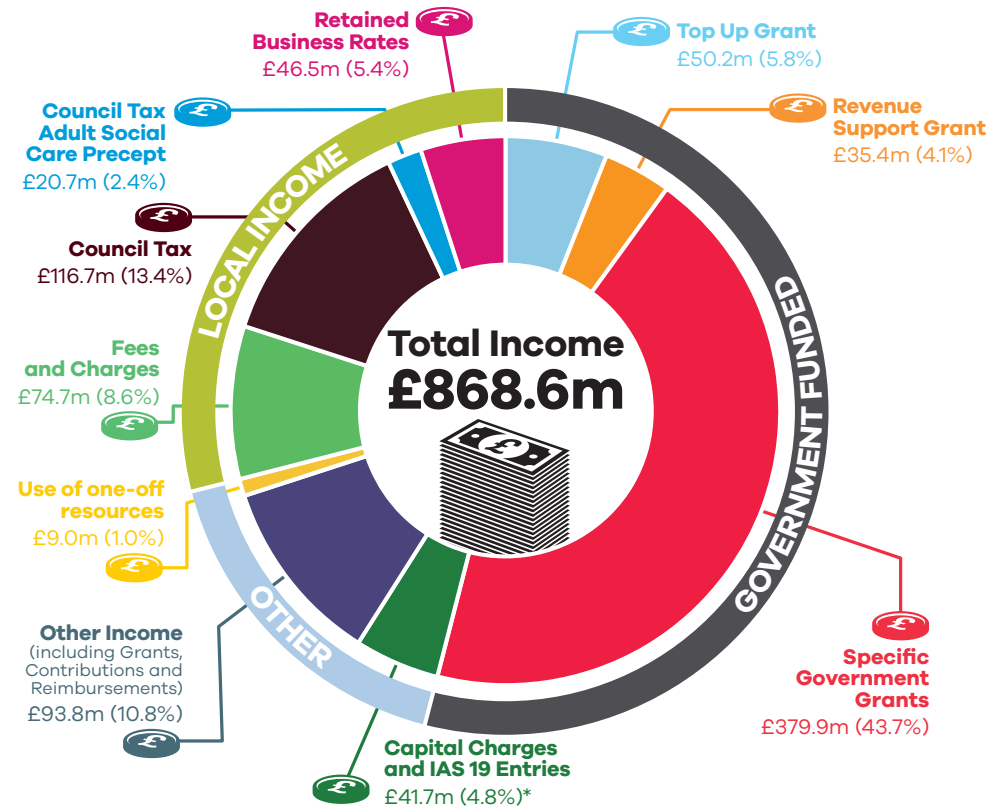
Current financial health of the council (level of reserves, savings/efficiencies achieved, external audit opinion)

The core government funding the council receives has reduced by over 22% in real terms since 2010–11.

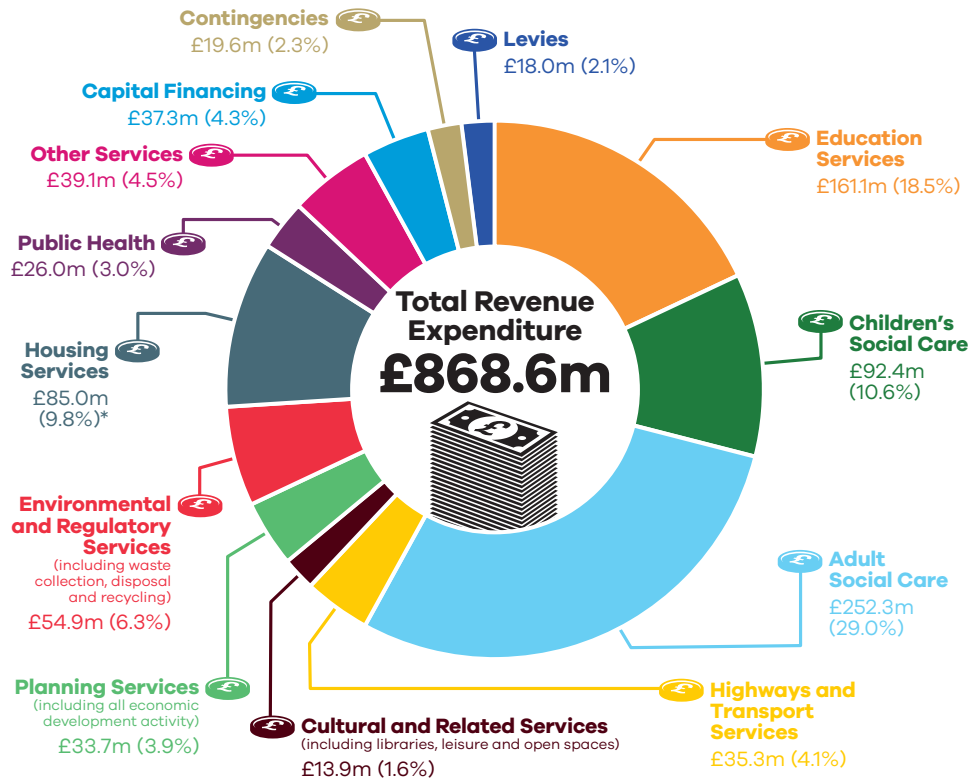
Alongside this reduction in income, the council's costs continue to increase and pressures on our services grow particularly the services we must continue to deliver and fund to support our vulnerable adults and our children.

This all means that for 2025–2026, we have had to make further budget cuts of £10.241m and use £9m of reserves to balance the budget.

This year's allocated budget for day-to-day services was £868.6m. The majority of budget funding comes from Government grants with the council tax contributing around £16 of every £100.



The chart below shows what the council plans to spend on its services in 2025-2026. Total or gross expenditure is the total revenue costs of running council services before any income from grants, fees and charges are taken into account.



In addition to its revenue expenditure, the council has an ambitious approved capital programme of more than £400m over the next four years, with more than £250m of this programmed for the next year. This has been set with the aim of delivering on the City Plan priorities including securing capital investment in the city in order to deliver growth and jobs.

The council remains in sound financial health, with strong reserves, prudent financial management, and a clean external audit record. Whilst some services continue to face significant demand and cost pressures particularly adult and children's social care, these cost pressures have to date been largely mitigated and managed through robust budget monitoring, efficient service delivery and effective treasury and risk management. The council remains vigilant to future risks, particularly those related to inflation, demand-led services, and national funding uncertainties.

For the financial year ending 31 March 2025 a £0.5 million surplus was achieved which was transferred to the General Fund balances to support medium-term financial stability.

- Total Usable Reserves (Revenue and Capital): £199.511 million (up from £195.517 million in 2023/24)
- General Fund Balance: Increased from £13.5 million to £14 million
- School Balances: £9.33 million (ring-fenced and not available for general Council use)

Usable non-school reserves equate to 21% of gross expenditure, though slightly down from 23% the previous year.

In their most recent audit (2024-25), the council's external auditors, Forvis Mazars LLP auditors concluded that:

- No significant weaknesses were identified in the council's Value for Money arrangements
- The council continues to demonstrate sound financial management, effective governance, and a commitment to continuous improvement

Value for Money

The council's Value for Money arrangements are embedded within its broader governance and performance management framework. Key features include:

- Robust financial planning and monitoring, including monthly challenge sessions and quarterly Cabinet reporting
- Performance management systems that track delivery against the City Plan and service objectives
- Procurement and contract management practices that secure social value and local economic benefit
- Internal audit and risk management functions that provide assurance and support continuous improvement

Key facets of the Medium Term Financial Strategy

The council's MTFS is a dynamic and forward-looking strategy that aims to balance ambition with realism. It supports the delivery of the City Plan while ensuring the council remains financially resilient, responsive to change, and focused on delivering value for money. It provides a structured approach to managing the council's finances over a rolling four-year period, ensuring that resources are aligned with the council's strategic priorities, while maintaining financial sustainability in the face of ongoing economic uncertainty and increasing demand for services.

The MTFS includes targeted investment and service redesign to manage budgetary pressures effectively and sustainably and a programme of savings and efficiencies to close the funding gap, including:

- Service reviews and redesigns to streamline operations
- Contract management and procurement efficiencies
- Workforce planning to ensure the right skills and capacity are in place
- Financial Resilience and Risk Management
- The council maintains a prudent approach to reserves and risk, including:
 - Use of reserves to smooth the impact of funding shortfalls while avoiding structural reliance
 - Scenario planning to assess the impact of inflation, interest rates, and funding reforms
 - Robust monitoring through monthly directorate challenge sessions and quarterly Cabinet reports

Key financial risks and plans to manage them

The key financial risks facing the council are:

- Rising demand and costs for adult and children's social care services
- Inflation and cost pressures
- Uncertainty in Government funding including the outcome of the Fair Funding Review and subsequent 2026–2027 Local Government Financial Settlement
- Homelessness and housing pressures
- Funding and delivery associated with the Dedicated Schools Grant Block High Needs Block
- The general and global economic position and the direct impact on public sector finances
- Litigation risks

Challenge sessions are held with Directors to review financial performance, identify emerging pressures, and agree corrective actions. Supports the early identification of any variances to allow for timely intervention. The council's financial position is formally reported to Cabinet on a quarterly basis. These reports include:

- Forecast out-turns for revenue and capital budgets
- Explanations for variances
- Proposed mitigation strategies for overspends
- Updates on savings delivery and use of reserves

This process supports transparency and accountability in financial decision-making and enables political oversight of the council's financial health.

In-year budget monitoring/financial management processes including the approach to underspends and overspends

Where overspends are forecast, mitigating actions are identified and implemented within the service area. If necessary, corporate contingencies or reserves may be used, but only as a last resort. Persistent overspending areas are subject to in-depth reviews to identify structural issues and redesign services if needed.

Underspends are not automatically reallocated. They are reviewed corporately and may be:

- Used to offset pressures elsewhere in the council
- Contributed to General Fund balances or earmarked reserves to strengthen financial resilience

- Reinvested in priority areas or transformation initiatives, where appropriate

Capital programme/investment plans and the financial sustainability of the council

The council's capital investment is guided by its Capital Strategy, which provides a framework for prioritising and delivery capital projects in line with the City Plan ensuring that investment:

- Targets economic and social challenges identified in the City Plan
- Supports long-term regeneration and inclusive growth
- Is aligned with the council's financial sustainability goals

The Capital Strategy includes:

- Long-term planning of capital expenditure and debt repayment
- A focus on value for money, with projects assessed for deliverability, affordability, and outcomes
- A commitment to prudence and proportionality, in line with the updated CIPFA Prudential Code

Investment Strategy, Capital Strategy and Minimum Reserve Provision Policy

The council presents its Investment Strategy, Capital Strategy, and Minimum Revenue Provision Policy as part of its annual budget report. These strategies are reviewed and approved by Cabinet and Full Council, to support transparency and alignment with statutory requirements.

Financial decision making including internal governance arrangements and public engagement

The council's financial decision-making is underpinned by strong governance, clear accountability, and a commitment to transparency and public involvement. This supports the effective use of financial resources on the city's strategic ambitions while helping maintain long-term sustainability.

The council adheres to the CIPFA Prudential Code for Capital Finance in Local Authorities and the Treasury Management Code of Practice, ensuring that all investment and borrowing decisions are affordable, prudent, and sustainable.

Residents and stakeholders are involved in financial decision-making through:

- Consultation on the annual budget including Council Tax levels and service priorities
- Publication of the Statement of Accounts, MTFs, and Capital Strategy online, along with accessible summaries
- Cabinet and Council meetings held in public and webcast where possible
- Community engagement through Area Committees and thematic consultations to gather input on local priorities and investment needs

Equal pay audit

While the council has not published a formal equal pay audit in the past three years, it has demonstrated a strong commitment to pay equality and transparency through:

- The Annual Gender Pay Gap report (2023) showed a mean gender pay gap of 7.17%, down from 9.44% in 2021
- The council's Pay Policy Statement confirms compliance with the Equality Act 2010 and outlines its approach to fair pay, including the relationship between the highest and median salaries
- The council's Corporate Workforce Equality and Diversity Annual Report includes workforce data by protected characteristics and outlines actions to promote fairness and inclusion



7. Capacity for improvement

How the council adapts, learns and improves

The council is committed to being a learning organisation, embedding reflection, innovation, and improvement into its governance and service delivery. This is underpinned by:

- A performance management framework that tracks progress against the City Plan and service objectives
- Regular service reviews and transformation programmes that identify opportunities for efficiency, innovation, and better outcomes
- A focus on evidence-based decision-making, supported by data analysis, benchmarking, and evaluation
- The development of an Impact Framework to measure progress and inform future planning

Organisation development

The council invests in its workforce to build capacity and foster a culture of learning:

- Staff are encouraged to participate in continuous professional development, leadership programmes, and cross-service collaboration
- Lessons learned from projects, audits, and reviews are shared across the organisation to inform future practice

The council is committed to building a resilient, skilled, and inclusive workforce. Through the Future Council programme, the council is:

- Reviewing workforce structures to ensure they are fit for purpose and future-proofed
- Developing a new Workforce Strategy to support recruitment, retention, and succession planning
- Embedding a Leadership and Management Competency Framework that includes expectations around equality, inclusion, and trauma-informed practice

Digital and data

The council's Digital Strategy focuses on three pillars: Digital City, Digital Council, and Digital Customer. Key initiatives include:

- Expanding 5G and full-fibre connectivity across the city
- Using data platforms and digital twins to inform planning and service delivery
- Supporting digital inclusion through the Go Online Sunderland programme and Digital Health Hubs, which have now supported over 135,000 users
- Leveraging data to identify vulnerable residents and improve performance monitoring

Procurement

The council's Procurement Strategy is aligned with its City Plan and co-operative values. It promotes:

- Social value and local economic impact through the Buy Sunderland First scheme
- Ethical and sustainable procurement, including commitments to the Modern Slavery Act and low-carbon procurement
- A category management model to manage £300 million in annual spend, with 40% of third-party spend going to Sunderland-based businesses

Programme management and transformation

The Future Council programme drives transformation through:

- Cross-cutting reviews (e.g. ICT, leisure, waste, commissioning)
- Directorate-specific improvements aligned to financial sustainability
- A focus on value for money, innovation, and collaboration with partners and communities

Climate change and ecological emergencies

Sunderland declared a climate emergency in 2019 and has committed to becoming:

- A carbon-neutral council by 2030
- A carbon-neutral city by 2040

The council's Low Carbon Action Plan includes:

- Strategic priorities for behaviour change, energy efficiency, green economy, and low-carbon transport
- A 2030 Task Group and Low Carbon Team to coordinate delivery
- Integration of carbon reduction into procurement, planning, and service delivery

Performance management framework

The council operates a comprehensive Corporate Performance Management Framework aligned to the City Plan and the Corporate Plan.

The council is developing an Impact Framework to assess long-term outcomes and ensure evidence-based decision-making. Performance data includes:

- City-level outcomes (e.g. employment, health, education)
- Corporate indicators (e.g. financial health, organisational capacity)
- Action monitoring against the City Plan timeline

Key programmes and projects

The council is delivery a wide range of strategic programmes under the City Plan and UK Shared Prosperity Fund (UKSPF), including:

- Flagship Projects:
 - Riverside Sunderland regeneration, including the New Wear Footbridge, Culture House, and Crown Works Studios

- International Advanced Manufacturing Park (IAMP) - a hub for clean energy and green manufacturing
- Smart House and Virtual Smart House - showcasing assistive technologies for independent living
- UKSPF-Funded Initiatives:
 - Digital Health Hubs - expanding digital access and health support
 - Sunderland Skills & Inclusion Programme - improving employability and skills
 - Business Renewables Energy Efficiency Sunderland (BREEZ) - supporting local businesses to reduce carbon emissions

Workforce information

The council publishes detailed workforce data and policies to support transparency and organisational health:

The council has a structured Attendance Management Policy that promotes health and wellbeing, supports return to work, and addresses unified absence through fair procedures.

The Corporate Workforce Equality & Diversity Annual Report 2024 includes data on:

- Workforce demographics by protected characteristics
- Recruitment and progression trends
- Health and wellbeing initiatives

A Scrutiny Task and Finish Review on workforce wellbeing highlighted the importance of mental health support, leadership engagement, and creating a positive working environment to reduce stress and turnover.

Community capacity

The council actively engages with residents, communities and partners:

- Consultation and engagement are embedded in policy development and service design
- Area Committees actively engaging with residents and community partners, including local VCSE, in determining and delivering key priorities for action which are unique to the area's needs.
- The council works closely with partners through the Sunderland Partnership, sharing learning and aligning efforts across sectors
- Community Engagement Champions - The council leverages a network of dedicated champions, such as Health Champions, Ageing Well Ambassadors, and Digital Champions, to strengthen community engagement and promote inclusive participation across local priorities and initiatives
- Community engagement and insights in the Joint Strategic Needs Assessment to support the refresh of the Sunderland Healthy City Plan

The council is committed to building strong, resilient communities by empowering residents, supporting the voluntary and community sector, and embedding co-design into service planning and delivery. This approach is central to the council's Co-operative Council ethos and its Community Wealth Building strategy.

The council's engagement strategy, provides a platform for residents to share their views on neighbourhood priorities, service improvements, and local investment.

Key features include:

- City-wide and neighbourhood-level consultations
- Online and in-person engagement opportunities
- Thematic discussions on issues such as financial wellbeing, community safety, and environmental quality
- Collating insights to understand what local people think is important

Community capacity is supported through:

- Area Committees and Neighbourhood Investment Plans, which allocate funding and shape local priorities with resident input
- The Voluntary, Community and Social Enterprise Alliance, a co-produced partnership between the council, NHS, Gentoo, and the Voluntary and Community Sector. It provides a strategic voice for the sector and supports co-design of services and commissioning opportunities
- Five Area Voluntary and Community Sector Networks, which feed into Area Committees and ensure grassroots organisations influence local decision-making
- Volunteering infrastructure supported by the Sunderland Voluntary Sector Alliance, which promotes high-quality volunteering and community participation

The council works with residents and partners to co-design services and projects, including:

- UK Shared Prosperity Fund (UKSPF) projects such as Digital Health Hubs and community hubs, which are delivered in partnership with local organisations and shaped by community needs

- Community-led Local Development (CLLD) programmes, which use participatory approaches to design and evaluate social and economic development initiatives
- Community Involvement in Performance and Monitoring

The council involves communities and partners in performance management through:

- City Outcomes Framework: Developed with input from partners, this framework tracks progress against City Plan ambitions using indicators on health, education, economy, and community wellbeing
- Area Committee reporting: Local performance and investment outcomes are shared with residents and Voluntary and Community Sector representatives through regular meetings
- Monitoring and evaluation frameworks for funded projects, which include community feedback, case studies, and learning to inform future delivery



8. Sharing successful practice

Stronger Communities



Sunderland City Council, in partnership with a wide range of agencies and community organisations, has made a strong commitment to promoting social cohesion and fostering a sense of belonging across the city.

In response to the civil unrest that took place in August 2024, the council commissioned The Belong Network to lead an extensive programme of listening and consultation. This work formed the foundation for the development of a new Stronger Communities Strategy. By drawing on the expertise of Belong - a nationally recognised organisation dedicated to social integration - the council aims to establish a robust framework that supports inclusive, connected, and resilient communities.

We want to ensure that positive initiatives which are underway and planned can help build trust and strong relationships with and between all our city's people and address the issues of disconnect and distance that take away from the strength and unity that we can all build and benefit from.

It is a 'whole systems' framework: the approaches set out in it do not apply just to one or two organisations, or to particular workers and teams, but to all of those concerned with the benefit of our city and residents, from senior managers to front-line workers and volunteers. It will shape the work of local agencies from the council and Gentoo

to the police and health service, from activities by small neighbourhood-based organisations to the way the University relates to local communities.

Alongside all the efforts to renew and develop the city and underpinning the services and businesses that matter to local people, the framework will set out how a wide range of organisations will work ever more closely with local residents from all areas of the city to support stronger communities in Sunderland.



Between November 2024 and June 2025, Belong engaged with residents across all areas of the city. This included:

- Delivering 36 workshops, forums, dialogue events and focus groups
- Undertaking 109 structured interviews
- More than 430 individuals representing 48 different organisations taking part, many of them on multiple occasions
- Holding two city-wide cohesion summits

To bring together diverse voices and perspectives, ensuring that the strategy will reflect the lived experiences of Sunderland's communities.

Who and where we engaged

belongnetwork.co.uk

A central pillar of the council's approach is partnership and collaboration. Community cohesion is promoted through cross-sector working, with the council convening and participating in structures such as the Sunderland Partnership, the Hate Crime and Tension Monitoring Group, the Safer Sunderland Partnership, the Armed Forces Partnership, and the Skills & Employability Board to name a few.

These forums bring together key partners including Northumbria Police, the NHS, Tyne & Wear Fire & Rescue Service, Gentoo, Sunderland AFC, the University of Sunderland, Sunderland College, and the voluntary sector.

In addition, the council works closely with community-based networks such as the Interfaith Forum, the BME Network, the Disability Forum, the Refugees & Asylum Seekers Multi-Agency Meeting, and the Veterans Forum.

The council also prioritises connecting people to opportunities through its developing skills strategy. This involves linking residents to employment and training programmes, with a particular focus on those in insecure work or furthest from the labour market. Youth-focused initiatives in education, training, and careers are central to this effort, alongside strategies that address poverty, financial resilience, health, wellbeing, and culture. By embedding inclusivity into regeneration and economic growth, the council ensures that all residents can benefit from the city's development.

Community safety is another key strand of Sunderland's stronger communities agenda. The council's work is aligned with the Community Safety Plan 2025–2029, ensuring that cohesion is embedded within safety priorities.

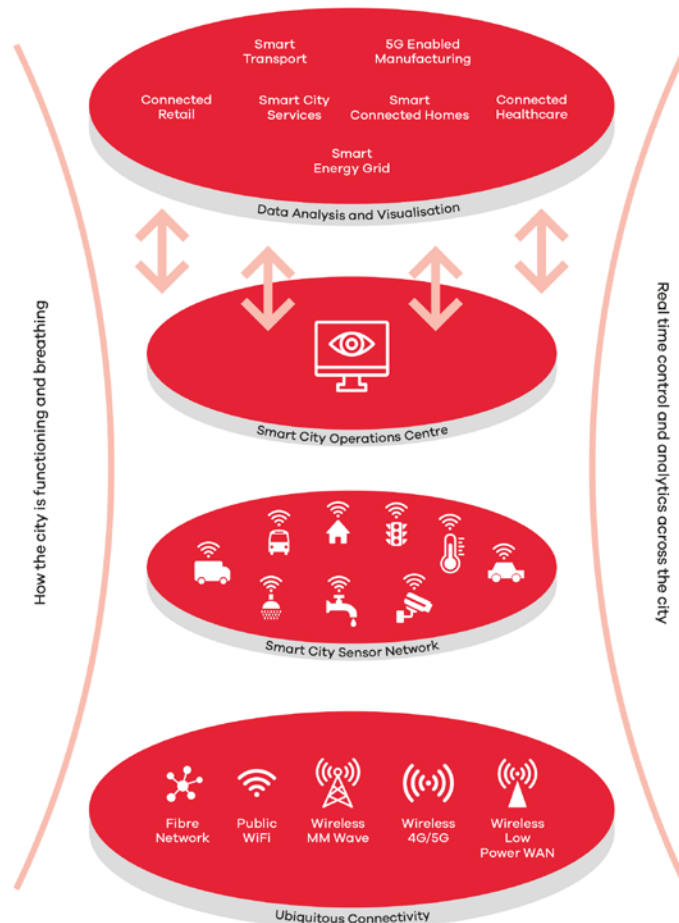
Actions include developing systems for hate crime monitoring and community sentiment analysis, providing trusted reporting channels for minority groups, and tackling misinformation and extremism through initiatives that promote critical thinking. These measures aim to build trust, reduce tensions, and create safer neighbourhoods for everyone.

The council is committed to promoting Sunderland's identity in ways that resonate with all residents, including those who may feel excluded from regeneration efforts. Through arts, heritage,

The UK's Smartest City

As a recognised leader in Smart City innovation, Sunderland is harnessing advanced technology to enrich the lives of its residents, boost economic growth, and pave the way for a smarter, more connected future.

The Sunderland Way



What sets Sunderland apart is its whole systems approach to the opportunities presented by Smart City technology and innovation.

The city is committed to working in a way that ensures no one and nowhere is left behind. So determined was the city's leadership to deliver on this promise that it has worked tirelessly to attract key players to invest in Sunderland in a way that goes against the grain of traditional market models and has ensured equity for all, including the city's most disadvantaged communities. Sunderland sees its future as a world-leading Smart City as the key to helping its businesses and communities grow and flourish and it is laser focussed on achieving its ambitions.

Sunderland x Boldyn Networks

One of the most significant strides forward in Sunderland's Smart City journey was the announcement in 2021 of its 20-year joint venture with Boldyn Networks, the world's leading digital infrastructure expert. The partnership deal creates the conditions for innovation through a backbone of next generation 5G connectivity, based on a neutral host model, which is already supporting projects across sectors including transport, education and health.

Underpinned by upgraded free public Wi-Fi, a high-speed 5G coverage network and an IoT network based on a wireless long range wide area network (LoRaWAN) solution, the partnership is delivering reliable connectivity that is essential for ambitious and innovative cities like Sunderland.

A city that delivers

Sunderland has a track record of delivery. In the last five years the city has successfully secured £30 million of UK Government funding, with pioneering projects - ranging from autonomous vehicles to a 5G-powered digital immersive super-screen capable of streaming content from anywhere in the world - all delivering against agreed objectives, with significant impact.

Transforming the lives of residents and their families with Assistive Technology

Overview

In Sunderland, technology is more than a tool, it's a lifeline. Thanks to the city's leading work in assistive technology, over 6,500 homes are now equipped with cutting-edge solutions that empower residents to live safely and independently for longer.

This initiative is part of Sunderland's bold vision to create a smart city where technology works for everyone, improving lives and supporting the most vulnerable members of the community.

The impact

- **Enhancing independence and providing peace of mind:** As more and more residents are introduced to a suite of assistive technologies - including motion sensors and personal alarm systems - these innovations are proven to be game changers for some of the city's most vulnerable residents and their families.
- **Technology for good:** This assistive technology initiative doesn't just support older adults; it also protects vulnerable

residents with a wide range of needs. From people with disabilities to those recovering from serious illnesses, the technology provides a vital safety net.

- **A smarter, more caring Sunderland:** Sunderland's assistive technology is a shining example of how innovation can drive social good. By leveraging smart technology, the city is not only enhancing the quality of life for residents but also easing the burden on families and healthcare services.

Future Focus

As Sunderland continues its journey as a leader in smart city innovation, a commitment to protecting and empowering residents remains at the heart of its mission.

The city is proving that when technology meets compassion, the result is a community where everyone can thrive, and no one and nowhere is left behind.



Award-Winning Approach to Digital Inclusion

Overview

In a world where access to digital services is increasingly essential, Sunderland is a frontrunner in tackling digital exclusion and health inequalities. Through a network of 35 Digital Health Hubs, the city is not only improving health outcomes but also empowering residents with the digital confidence and skills they need to thrive.

The impact

- **Connecting and upskilling residents:** The Digital Health Hubs are about more than just connectivity, they are transforming lives by building knowledge, confidence and skills. The Hubs are supported by a team of dedicated volunteers called Tech Mates, who provide one-on-one assistance and guide visitors using digital tools. These volunteers are instrumental in helping residents build confidence in navigating the digital world.
- **Tackling digital exclusion:** The Hubs are part of Sunderland's broader Digital Inclusion Programme, addressing the digital divide by providing residents with access to technology, affordable internet through social tariffs and digital skills training. The city's innovative approach extends to its esports community hubs, believed to be the first of their kind in the UK. These six Hubs are designed to engage young people in underserved areas, offering a fun and interactive way to develop digital skills and experience the esports industry.

Located at the heart of some of Sunderland's most deprived communities, these hubs have already made a significant

impact. With so many Wi-Fi connections supported to date, they provide a lifeline for those who might otherwise be left behind. Six esports hubs are engaging young people in digital skills and a world of career opportunities, and countless residents are now equipped with the skills to access digital services, apply for jobs and connect with loved ones online.

Future focus

Looking ahead, Sunderland aims to expand its digital inclusion efforts, ensuring that no one is left behind in the digital age.

The Digital Health Hubs are a cornerstone of this mission, demonstrating the transformative power of technology when its accessible to all.



**Sunderland
City Council**