

LGA Corporate Peer Challenge

Sunderland City Council

25-28 November 2025

Feedback report



Corporate Peer Challenge



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1. Introduction

A team of local government peers, led by the Local Government Association (LGA) delivered a Corporate Peer Challenge (CPC) of Sunderland City Council from 25-28 November 2025. This was the council's second CPC with the first one carried out in 2019.

CPC is a well-established and respected improvement and assurance tool that provides robust, strategic and credible challenge and support to councils. Further details about the CPC process can be found in Appendix A.

The peer team consisted of highly experienced and knowledgeable senior local government councillor and officer peers (see section four). The peer team considered the five core areas covered by all CPCs: local priorities and outcomes, organisational and place leadership, governance and culture, financial planning and management and capacity for improvement, in addition to a focus on 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; and the council's broader leadership capacity including its chief officer group and supporting leadership tier to deliver its ambitions going forward.

This report provides Sunderland City Council with feedback on the peer team's findings. It provides the council with a set of high-level recommendations alongside further recommendations under each of the CPC's core areas. There is an expectation the council will publish this report and a clear action plan to respond to all the recommendations highlighted.

2. Executive summary

Sunderland City Council is a confident and ambitious organisation with a strong sense of pride in the city. It has a clear and widely understood vision to make Sunderland a connected, international city with opportunities for all. Elected Members, staff and partners are aligned to this ambition and are committed to improving outcomes for residents. There is a strong sense of enthusiasm across the workforce, with staff showing real pride in working for the council and a shared

commitment to its values and behaviours.

The council has successfully attracted significant external investment and has an impressive track record of delivering complex regeneration programmes.

Developments such as Riverside Sunderland, the International Advanced Manufacturing Park and Crown Works Studios are reshaping the city and creating significant opportunities for economic growth. Ensuring regeneration projects have a strong connection with the local community will enable the council to better engage and meet resident needs

The council provides strong place-based leadership both within Sunderland and across the wider region. It plays a leading role in key partnership bodies, including the North East Combined Authority (NECA), the Sunderland Partnership, and the Sunderland Health and Wellbeing Board/Delivery Boards. It is respected as a capable and dependable partner, maintaining strong relationships locally, regionally, and nationally. There is now an opportunity to strengthen the consistency of shared system leadership commitment, ensuring all partners remain aligned to the long-term goals.

The latest data from the 2023/24 CIPFA resilience index shows that the council is in a stronger financial position than many other councils, supported by healthy reserves. However, current reliance on reserves and one-off funding to balance the budget is not sustainable. Long-term pressures in social care, SEND and homelessness continue to increase. Decisive action is now required to secure a balanced and sustainable budget for the medium term and reduce long-term demand for services.

In recent years, the council has strengthened its corporate governance framework, performance management, and financial controls. These systems are now well established and provide growing confidence that the organisation is well-managed and financially sound. To sustain and further strengthen this position, the council should continue to ensure its future sustainability by strengthening its approach to savings, underpinned by a programme of transformation, including how demand for services is managed. To maintain effective oversight, the council should enhance overview and scrutiny, review local governance arrangements, maintain

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proportionate processes that avoid unnecessary bureaucracy, and keep rigorous oversight of external bodies and partnerships. This balanced approach will preserve organisational resilience, encourage innovation, and ensure continued strong democratic accountability.

Services delivered by the council are generally strong and have been externally validated. For example, it achieved an 'Outstanding' rating in its 2021 and 2025 OFSTED (Office for Standards in Education, Children's Services and Skills) inspections for children's services, a 'Good' rating in 2025 for adult social care by the Care Quality Commission (CQC). This provides a solid foundation for developing more preventative approaches to service delivery. Children's services have improved notably, and adult social care continues to perform well, supported by stable leadership and strong partnership working.

The organisation is delivering a large and complex programme of work at pace. While leadership capability is evident, there is a clear risk of overstretch. Stronger prioritisation, more disciplined programme management, clearer sequencing of change, greater consistency in management practice, and completing and implementing a comprehensive workforce strategy will all be beneficial.

Although the council is well placed and performs to a high standard, challenges remain. Not all communities currently experience the benefits of investment equally, and many of the benefits are yet to be secured. Inequality remains stark in some areas. Perceptions of community safety, trust and civic pride are also fragile in certain neighbourhoods. The council must now intensify its focus on tackling deeper social challenges, particularly in relation to health and wellbeing, including by building on initiatives such as SARA (Southwick Altogether Raising Aspirations) and HALO (Hetton Aspirations Linking Opportunities). Without this, regeneration risks being perceived as something done to communities rather than with them and for them. Physical regeneration must therefore start connecting more clearly with the needs, voices and lived experiences of residents and communities.

Following the civil unrest in summer 2024, the council carried out extensive community engagement, demonstrating openness and commitment through the Stronger Communities Framework. The focus should now shift to delivery, turning

insight into visible neighbourhood-level action by empowering residents and placing trusted voluntary, community and social enterprise (VCSE) organisations at the heart of delivery. A shared partnership delivery plan, aligned to existing strategies, alongside scaled community-led approaches, improved digital inclusion, and better access to economic and social opportunities - particularly in deprived areas - will help build cohesion, strengthen community capacity and manage demand.

Overall, Sunderland City Council is a well led, ambitious and improving organisation. The next phase of its improvement journey should focus on translating investment into real social impact, strengthening relationships with communities, working even more collaboratively with its partners and putting financial sustainability at the heart of service delivery.

3. Recommendations

The following are the peer team's key recommendations which have been prioritised on the grounds of urgency and importance.

3.1 Recommendation 1 - 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.

Financial sustainability is critical to maintaining service quality. Without reform, funding pressures can lead to reactive cuts that weaken outcomes and increase inequality. Invest to Save is one mechanism that ensures resources are used strategically, funding changes that reduce long-term costs rather than short-term savings that increase demand later. A strong early-intervention model reduces reliance on expensive services by addressing issues earlier and promoting independence.

3.2 Recommendation 2 - Build on the work undertaken with the Belong Network 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.

A strong narrative gives clarity and purpose to community work, helping residents, partners and staff understand what the council stands for and how they can contribute. Without this, activity can feel fragmented, and people may disengage.

3.3 Recommendation 3 - 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.

Strategic partnerships are most effective when decisions are based on evidence rather than assumptions and clear goals are set. Understanding population change, deprivation patterns, service demand and health outcomes will enable better priorities to be set. Without clearly defined targets and ownership, partnerships risk becoming discussion forums rather than drivers of delivery. SMART targets ensure clarity, while named leads and shared accountability strengthen performance and trust between partners.

3.4 Recommendation 4 - 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

An engaged, skilled workforce is the council's greatest asset. Without a future-focused workforce strategy, recruitment difficulties, skills shortages and staff turnover threaten service sustainability. A long-term approach supports staff wellbeing and performance while creating a pipeline of talent for future leadership roles.

3.5 Recommendation 5 - 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

Strong leadership drives organisational culture, performance and innovation. Managers require the skills to lead change, manage performance and support staff effectively. Members play a vital role as community leaders. Equipping them as connectors helps bridge the gap between the council and residents, improving responsiveness and trust.

3.6 Recommendation 6 - 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

Strong governance ensures transparency, accountability and effective decision-making. When roles are unclear or overly complex, accountability becomes blurred, and decision-making slows. Involving Members across parties and using external challenge increases objectivity, helps rebuild trust and demonstrates a commitment to reform. Reviewing arms-length organisations is particularly important to ensure good governance, alignment with council priorities and value for money.

4. Peer team

Peer challenges are conducted by experienced LGA peers, including elected councillors and senior officers. The composition of the peer team was shaped by the specific focus of the challenge, with the LGA selecting peers based on their relevant expertise. The peers for this CPC were:

- **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 ONeill** (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)

5. Detailed feedback and recommended actions

This section of the report provides detailed feedback along with additional recommendations related to the five core areas of focus plus 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; and the council's broader leadership capacity including its chief officer group and supporting leadership tier to deliver its ambitions going forward.

When developing the action plan (in response to the CPC's findings), the council should consider both the key recommendations presented in section three and the additional recommendations set out below.

5.1 Local priorities and outcomes

Sunderland City Council has a clearly articulated ambition for the city that is well understood by elected Members, staff and partners. The vision for Sunderland is expressed through the city plan 2025-2035, which is reinforced by the corporate plan 2025-2028, creating a clear strategic framework for regeneration, economic growth, improved health and stronger communities. Together, these plans set a clear direction for the city and align long-term ambition with day-to-day delivery, ensuring that staff and partners understand the city's priorities and their role in delivering them.

This alignment is supported by performance measures linked directly to strategic objectives, fostering a shared sense of purpose across the organisation. The council makes effective use of data and insight to inform planning and decision-making, which has led to measurable improvements in resident sentiment in several areas. For example, increased resident satisfaction, a reduction in smoking prevalence to

below 10% through partnership working, the launch of the 'Sunderland App' to improve access to local information, and the establishment of the Housing Innovation & Construction Skills Academy (HICSA) to raise skills and aspirations among young people. These initiatives demonstrate a strong commitment to health and wellbeing and economic diversification, particularly through the creation of higher-value jobs in areas such as clean energy and manufacturing to increase disposable income and address comparatively low average earnings.

The council has also invested in strengthening its performance management approach. A well-developed performance framework is in place, with regular corporate reporting supported by an emerging impact framework. Performance is monitored consistently, with an increasing emphasis on understanding not just outputs and activity, but the real impact services have on people's lives. This represents an important shift towards measuring outcomes rather than just performance and outputs. To continue this improvement the council should review whether there can be more transparency around performance against targets under the corporate plan.

Partnership working through the Sunderland Partnership is well established. Partners share a clear common vision, and the council's priorities are widely known and supported across the partnership. However, there is scope to improve the consistent sharing of data between partners and to strengthen joint delivery and performance management arrangements. There is also scope to develop a stronger understanding of what actions are needed to address the key challenges for the city, and why. Clearer ownership of actions, well-defined milestones and a stronger culture of shared accountability would support a move from collaboration towards genuine joint delivery.

The council has a strong track record of service improvement which is supported by external validation. For example, Ofsted rated the council's children's services (Together for Children) as 'Outstanding' in their 2021 and 2025 inspections; the CQC rated adult social care (Sunderland Care and Support) as 'Good' across all nine inspection domains in 2025; the council - as a registered provider of social housing and operating under the standards set by the Regulator of Social Housing – achieved

high tenant satisfaction with 90% of residents reporting positive experiences; and has had no significant findings issued against the council by the Ombudsman in recent years.

Despite these improvements, not all residents perceive that they experience the benefits equally. Neighbourhood-level issues remain, particularly around perceptions of personal safety, antisocial behaviour and environmental quality. There are also stark differences in health outcomes across communities, for example, in Southwick and Fulwell, which are only separated by Thompson Park, healthy life expectancy differs by 10–12 years. This is primarily driven by socio-economic deprivation, which affects factors such as income, education, employment opportunities, and living environment. This highlights the scale of inequality within the city and the need for targeted action.

While overall, levels of satisfaction in services are improving, there is variation between neighbourhoods and different population groups. In some areas, residents feel disconnected from public services and lack confidence that decisions reflect lived experience. To address this, the council should develop a consistent, organisation-wide outcomes framework that also extends across partnerships to ensure measurable improvements in services that directly affect residents.

Furthermore, engagement and co-design practices differ between services, indicating a need for a more consistent approach to working with residents, businesses and the voluntary sector. There is also a need to ensure that the benefits of major regeneration, including developments at Riverside Sunderland, translate into real improvements in local opportunities and quality of life - which will be vital in promoting inclusive growth.

The council has developed a promising approach to community development and safety which is beginning to gain traction across the organisation. While consultation activity is widespread, the next step is to embed engagement as a core part of service design rather than treating it as a separate activity. This is especially important in areas such as community safety, health and employment pathways. There is therefore an opportunity to strengthen co-design and engagement further with communities, particularly those that historically feel less heard.

In addition to the key recommendations, the peer team also recommend the council progress the following actions:

- 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
- Seize 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 so that key stakeholders have a clear line of sight.

5.2 Organisational and place leadership

Sunderland City Council provides strong place-based leadership both within the city and across the wider region. It plays a leading role in key partnership bodies including the North East Combined Authority (NECA), the Sunderland Partnership, the City Board and the Health and Wellbeing Board. The council is widely regarded as a capable, dependable and influential delivery partner with excellent relationships at local, regional and national levels.

This credibility has enabled the council to attract significant external investment and successfully deliver complex regeneration programmes. High-profile examples include Riverside Sunderland, the new Eye Hospital, the International Advanced Manufacturing Park (IAMP), smart city initiatives, and major developments in culture and healthcare.

Strong and stable political and officer leadership is a notable strength in the council. The Chief Executive is highly regarded for transformational leadership, and Cabinet

Members and senior officers work effectively together to provide clear direction. Looking forward, there is an opportunity to further invest in Member development so that elected Members can strengthen their role as community leaders and can act as a bridge between the council and local residents.

Both the Sunderland Partnership and the City Board benefit from good engagement from most partners. However, there is scope to enhance their impact by introducing stronger political leadership; securing a clearer shared commitment to system-wide leadership; and ensuring more consistent and equitable contributions from all partners. This will help maintain collective focus on the long-term ambitions of the city plan, rather than individual or short-term projects.

Despite impressive physical regeneration in Sunderland, many residents perceive that they do not yet feel the benefits in their daily lives. Investment is visibly transforming the city centre, but the links to jobs, skills, health, and opportunity are not always clear in every neighbourhood. The council is therefore encouraged to reframe its regeneration narrative: moving from a primary focus on infrastructure to an explicit emphasis on social change, inclusion, employability, and access to opportunity. Clearer communication is needed so residents can see how major investments can directly improve their lives and communities.

There are opportunities for the Sunderland Partnership to develop shared, high-profile campaigns led by trusted local organisations and supported by a clear communication framework that brings a wide range of community activity under one recognisable umbrella. The new Stronger Communities Framework provides an excellent vehicle to turn this narrative into visible and meaningful action on the ground.

In addition to the key recommendation, the peer team also recommend the council progress the following actions:

- Strengthen shared system leadership by bringing greater political leadership into the Sunderland Partnership and City Board and ensure all partners remain aligned with the long-term city plan beyond individual projects.
- Rebuild community confidence and engagement through the Stronger

Communities Framework and support the Sunderland Partnership to deliver shared campaigns and a unified communication framework that connects regeneration to residents' lives.

- Continue to deepen relationships with NECA and its member organisations to maximise regional opportunities and funding for Sunderland.

5.3 Governance and culture

Over the last five years, the council has made significant improvements to the quality, consistency and reliability of its corporate 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.

The peer team found the council's governance arrangements to be sound and continuing to improve. The council has invested considerable effort in improving internal systems, financial discipline and assurance frameworks in recent years, resulting in improved levels of confidence both internally and externally.

There is a strong culture of professional accountability across the organisation. Internal controls are effective and are supported by a well-functioning audit and governance committee and a robust internal audit service. The audit and governance committee play an effective role in risk oversight and receives high-quality reports. The council also demonstrates a clear commitment to transparency, including through publication of financial information and accessible decision-making processes. These arrangements provide appropriate assurance and demonstrate compliance with audit standards.

While overall governance is secure, opportunities exist to further strengthen democratic accountability in the following areas:

- Overview and Scrutiny: whilst Overview and Scrutiny arrangements are operating with commitment and professionalism their impact would be enhanced through stronger pre-decision involvement, closer alignment with strategic priorities, stronger portfolio holder engagement and more consistent senior officer support.

- **Area Committees:** While Area Committees play a valuable role, current arrangements do not always align well with community identity. They also warrant further review to bring greater clarity of purpose, improved operating models and stronger links to community engagement structures. This would improve their overall effectiveness and impact.
- **External and Arms-Length Organisations:** The council should continue to keep governance arrangements for all its external and arms-length organisations under review to ensure that accountability remains clear and that risks are appropriately managed in the interests of the council and residents.

There is a very positive organisational culture within the council, and it benefits from a committed and loyal workforce with a strong attachment to the city and a clear sense of responsibility for Sunderland's future. Staff demonstrate high levels of energy, enthusiasm and pride in working for the council with strong alignment to organisational values and behaviours.

Relationships between Members and officers are constructive and underpinned by mutual trust and respect. These have strengthened significantly in recent years and could be strengthened further by making improvements to the management of casework to ensure consistency of approach and better communication. Cabinet is cohesive and professional, providing effective leadership and strategic direction.

To ensure ongoing regulatory compliance the council should continue to keep its document retention and information governance policies and processes under review.

In addition to the key recommendations, the peer team also recommend the council progress the following actions:

- Strengthen Overview and Scrutiny 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
- Keep governance arrangements of arms-length organisations under review to ensure the council, and therefore the residents' interests, continue to be protected

- Consider reviewing the council’s constitutional arrangements on a cross-party basis following the next local elections

5.4 Financial planning and management

The council has demonstrated strong financial leadership over a sustained period and is in a comparatively resilient financial position. Good financial management has resulted in a strong balance sheet, supported by an adequate level of earmarked reserves. This is supported by the latest data from the CIPFA resilience index for 2023/24, which shows the following:

- The reserves sustainability measure highlights a relatively high level of reserves and that reserves have declined by a relatively small amount.
- Overall rankings for the ratio between interest payments and net revenue expenditure are relatively high for the comparator group.
- Gross external debt is relatively high for the comparator group.
- The social care ratio shows a moderate level of risk.
- The council’s performance in terms of the fees & charges it generates is relatively high for the comparator group.
- The level of net revenue expenditure funded by Council Tax is relatively low for the comparator group suggesting high risk.
- The council shows about average business rate growth above baseline for the comparator group.

Members and officers have shown a clear understanding of the financial challenges facing the council and have maintained financial stability during an extremely challenging period for local government. The council has responded positively to rising demand, inflationary pressures and funding uncertainty, while continuing to deliver services and invest in the city.

The council operates a strong ‘one council’ approach to financial management, with services demonstrating clear ownership of budgets and medium-term financial plans. Financial risks and pressures are well understood and inform budget planning and decision-making. The budget-setting process has matured, enabling Members and

officers to make informed decisions about priorities and the necessary trade-offs required between needs, priorities and funding pressures over a multi-year period.

Financial reporting is clear and accessible and there is good organisational awareness of the main financial risks. Budget management is generally effective, supported by regular reporting to the chief officer group and Cabinet, with appropriate management action where required. However, consistent with national trends, children's services and adult social care continue to experience in-year pressures driven by demand - which remain a significant area of financial risk.

The council has made effective use of its capital programme to attract external matched funding and deliver major regeneration projects and city-wide improvements. Innovative use of the council's covenant has successfully leveraged significant private sector and external funding, reinforcing Sunderland's reputation as a place that delivers at scale and pace. The Smart City programme is being harnessed by using technology to improve targeting of services and increase productivity.

The development of the new hospital in the city in partnership with the NHS Trust is a notable achievement. The alignment of NHS and council funding is an impressive example of public sector collaboration and demonstrates the council's ability to influence and deliver projects of regional significance.

However, despite these strengths, the council faces substantial financial challenges in the medium term. The council is currently reliant on use of reserves to set a balanced budget, and the Medium-Term Financial Strategy (MTFS) identifies a significant funding gap by 2027/28, even after the full use of smoothing reserves and assuming maximum council tax increases each year. While the outcome of future funding settlements may reduce some of this pressure, uncertainty remains. The council should therefore develop a robust savings plan that addresses the funding gap as well as the financial pressures and risks that have been identified so that it can manage and mitigate them.

The council's current reliance on reserves is not sustainable in the longer term. The peer team therefore encourages the council to develop a more ambitious savings

plan and a single council-wide transformation programme to restore a structurally balanced budget. This could look at reshaping services to meet changing demand and the creation of a funding pot for strict Invest to Save projects. This programme should focus on prevention, demand reduction and efficiency, supported by robust governance and investment discipline.

Although there is evidence of good practice in prevention and early intervention, this is not yet operating at sufficient scale to significantly reduce demand for the highest-cost services. Strengthened system-wide leadership and closer working with partners is needed to deliver more consistent impact across the Sunderland public sector system.

The Smart City programme is also a clear strength and has achieved national recognition. However, the peer team encourages the council to strengthen the link between Smart City investment and financial strategy to ensure benefits in productivity and efficiency for the council and its partners are quantified and built into medium-term financial planning. Financial resilience must be viewed not as a technical issue but as central to the council's ability to deliver its ambitions for Sunderland.

In addition to the key recommendations, the peer team also recommend the council progress the following actions:

- Develop a robust savings plan that addresses the funding gap as well as the financial pressures and risks that have been identified so that they can be managed and mitigated against.
- 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
- Explore opportunities to deepen and broaden work with partners to develop positive approaches to prevention and early intervention to reduce demand for the most expensive services
- Tie opportunities arising from Smart City management more closely to financial

planning to ensure efficiency and productivity so that gains are quantified and realised.

5.5 Capacity for improvement

The council has rebuilt many of the core organisational foundations needed for sustained improvement. Performance management systems are now stronger, workforce management is more systematic, and leadership capability is clearly evident at senior levels. Key building blocks – such as planning, performance monitoring and risk management – are in place and provide a solid platform for creativity, innovation and talent development.

The chief officer group is committed and highly capable and the peer team was impressed by the dedication, professionalism and ambition shown by the senior leadership team and management capability across the wider organisation.

The council has exemplary digital and data capabilities. Its Smart City innovations, digital inclusion work and large-scale use of assistive technology e.g. neighbourhood community safety system, predictive analytics and city management are impressive. The council is rightly recognised as a leader in digital innovation and data use. These strengths represent a major asset for future service improvement.

However, the scale and pace of current activity are placing leadership capacity under considerable strain. The council is delivering multiple transformation programmes, major capital schemes and service redesigns at the same time. This level of activity may not be sustainable in the medium term without sharper prioritisation. The council is encouraged to reduce complexity, concentrate effort on fewer critical priorities and build in more time for reflection and evaluation.

Good progress has been made in rebuilding the fundamentals of workforce management and development, which has improved understanding of current capacity and capability. Completing the comprehensive workforce strategy should now be a priority. This should cover recruitment, retention, skills development, leadership pipelines, and succession planning. The council should continue to invest in management development using the recent 360-degree feedback process to

provide targeted support. Performance appraisals should shift their emphasis from compliance to development and impact so that staff at all levels can clearly see how their work contributes to corporate goals.

Member development also needs strengthening to support Members in their evolving leadership roles, particularly in community engagement, scrutiny, and partnership working.

In addition to the key recommendations, the peer team also recommend the council progress the following actions:

- Accelerate the shift in narrative from ‘programmes and projects’ to ‘places and people’ – focusing on what a package of interventions will actually mean for local communities and how it will improve residents’ lives.
- Closely monitor leadership capacity given the demands of large capital programmes, ongoing transformation and external social pressures; build in more time for strategic reflection (both internally and with partners) and for reviewing impact.
- Finalise and implement a workforce strategy that supports the current workforce while planning for the future covering recruitment and retention, talent management, learning and development, and succession planning.
- Address variations in management performance and culture by using the 360-degree feedback investment to create cross-directorate cohorts of managers for focused development.
- Further develop the appraisal system so that there is a clear ‘golden thread’ linking individual objectives to strategic outcomes and turning appraisals into genuine personal development plans.
- Review and enhance Member development to strengthen their roles as community connectors, enabling them to drive local delivery and maximise their impact in committees and in their wards. As part of this process, review the Area Committee structure to empower individual communities.
- Considering the changing external environment, keep policies and practices

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under review to protect the safety of both Members and officers.

Additional areas of focus

1. 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

Following the civil unrest in summer 2024, the council responded quickly by commissioning extensive community engagement work. This included city-wide consultation, facilitated workshops, interviews and city-wide summits thereby reaching hundreds of residents and organisations. The process demonstrated the council's honesty, openness and a willingness to listen and learn. The resulting Stronger Communities Framework clearly signals the council's commitment to strengthening cohesion and belonging.

The real test now is delivery. Residents will measure success not by commitments, strategies and documents, but by tangible and on-the-ground change. The Stronger Communities Framework can be used to directly shape how the council engages residents and works with partners. Insight must therefore turn into visible action at neighbourhood level. This also includes reviewing Area Committees to ensure they better reflect community identity and give residents meaningful influence and refreshing voluntary-sector partnerships to achieve deeper, more authentic community reach.

By working through the Sunderland Partnership a shared delivery plan for the Stronger Communities Framework, with clear outcomes for each theme, should be agreed. These should explicitly link to and strengthen existing strategies, such as the city health plan and the skills strategy. Furthermore, by building on the successful partnership with the Belong Network, the council should co-produce with residents and trusted local organisations a powerful and authentic narrative that fosters a shared sense of belonging; and a clear set of practical actions tailored to the needs and priorities of each community. Trusted community organisations and the VCSE sector should then be placed at the heart of delivery. The council can also build on

and scale proven approaches – such as the SARA model – to empower communities across the city by transferring assets, providing micro-finance and supporting the wider development of social capital - enabling the VCSE sector to lead wherever possible.

Crucially, residents should be connected – especially those in the most deprived areas – to the economic and social opportunities arising from major projects. There is significant potential to adopt a public health approach that joins up existing neighbourhood-focused initiatives (such as Links for Life, family hubs, community safety hubs, digital hubs, neighbourhood health pilots, Pride in Place, leisure centres, and parks) to achieve greater coherence, community ownership, and long-term sustainability. Also, the Smart City strategy must continue to prioritise digital inclusion, easier access to services, and stronger resident engagement.

Finally, community cohesion should not be treated as a standalone programme, but it should be woven into every aspect of planning, service delivery, and communication.

2. The council's broader leadership capacity including its chief officer group and supporting leadership tier to deliver its ambitions going forward

The scale and pace of current activity are placing significant strain on leadership capacity. The council is running multiple transformation programmes, major capital projects, and service redesigns at the same time. Without sharper prioritisation, this level of activity risks becoming unsustainable. The peer team would therefore encourage the council to reduce complexity, concentrate effort on fewer critical priorities, and build in dedicated time for strategic reflection and evaluation.

Good progress has been made in rebuilding the fundamentals of workforce management and development, giving the council much clearer insight into current workforce capacity and capability. Completing and implementing a comprehensive workforce strategy is now a high priority. This should cover recruitment and retention, talent management, learning and development, leadership pipelines, and succession planning, while providing strong support for both the existing workforce and future needs.

The council should continue to invest in management development, using the recent 360-degree feedback process to deliver targeted support. In particular, it should address variations in management practice, performance and culture by bringing together cross-directorate cohorts of managers for focused development programmes.

Performance appraisals need to shift their emphasis from compliance to genuine development and impact. The system should be further refined to create a clear 'golden thread' linking individual objectives to the council's strategic outcomes, ensuring that appraisal documents become meaningful personal development plans and that staff at all levels can see how their work contributes to corporate goals.

6. Action plan and progress review

The senior political and managerial leadership of the council should review and reflect on the findings and recommendations from this CPC.

To promote the principle of transparency, it is a requirement of the CPC process that the final report of the peer team is published in-full within three months of the review being completed. In this instance, this requires the report to be published no later than February 2026.

There is a requirement for Sunderland City Council to develop and publish an action plan within five-months of the peer team being onsite, no later than April 2026. This action plan should provide clarity on the activity, milestones, and timelines that the council will work to in responding to the team's findings.

The action plan will also be central to the peer team's re-engagement with Sunderland City Council through a progress review which is due to be completed by September 2026.

The Ministry for Housing, Communities and Local Government (MHCLG) have published the Best Value Standards for Local Authorities. These standards expect every council to engage in a Corporate or Finance Peer Challenge at least every five-years. It is expected that Sunderland City Council would commission their next Corporate Peer Challenge no later than November 2030.

7. Contact details

In the meantime, Mark Edgell, Principal Adviser for the North East, Yorkshire & the Humber and East Midlands, is the main contact between your council and the Local Government Association. As outlined above, Mark is available to discuss any further support you require and can be contacted on email: mark.edgell@local.gov.uk or Tel: 07747 636 910.

Appendix A – What is CPC?

CPC is a valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officer peers undertaking a comprehensive review of key information and spending three days at the council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the [improvement and assurance framework](#) for local government. It is underpinned by the principles of [Sector-led Improvement](#) (SLI) put in place by councils and the LGA to support continuous improvement and assurance across the sector. These principles state that councils are responsible for their own performance; accountable locally, not nationally; share a collective responsibility for the performance of the sector; and rely on the LGA to provide the tools to support them. CPC is also key to councils in meeting their [Best Value duty](#). UK Government expect all councils to have a CPC at least every five years.

Scope and focus

The peer team considered the following five areas which form the core components of all CPCs. These are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council?

5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core areas outlined above, every CPC has a strong focus on financial sustainability, performance, governance, and assurance. In addition, the council asked the peer team to comment on:

- 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*

The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team 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 peer team prepared by reviewing a range of documents and information to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided information on the local context at the council and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team spent three days onsite at the Sunderland City Council during which they gathered evidence, information, and views from over 40 meetings, in addition to further research and reading and spoke to over 150 people including a range of council staff together with Members and external stakeholders.