

Leader of the Council
Councillor Paul Watson

Chief Executive
Dave Smith

Sunderland City Council
Civic Centre
Burdon Road
Sunderland
SR2 7DN

Dear Paul and Dave,

Sunderland City Council – Corporate Peer Challenge Report

1. On behalf of the team, I would like to say what a pleasure and privilege it was to be invited in to Sunderland City Council. The team very much appreciated the welcome we received, the openness and honesty with which people engaged in the peer challenge process as well as the support provided in the lead up to, and during the course of, the challenge.
2. This Corporate Peer Challenge delivered by the Local Government Association (LGA) is part of the new approach to sector led improvement. Our four days on-site with you were preceded by a discussion of the scope for the work and how you wished to use the knowledge and experience of local government sector colleagues to give ‘critical friend’ challenge to the issues you are dealing with.
3. This letter acts as a record of the Corporate Peer Challenge you commissioned and gives greater detail to the points raised in the presentation delivered to you on Friday 8th November 2013. These issues are described in detail for you to take forward on your journey of improvement.
4. The peer challenge process took the form of scoping meetings and conversations, a document and data review prior to being on-site, and then an on-site timetable of interviews, focus groups and conversations. The feedback on the final day summarised this and outlined the key issues. This letter covers more detail for you to consider.

5. The Corporate Peer Challenge Team was:
 - **Simon Warren**, Chief Executive, Wolverhampton City Council
 - **Councillor Keith Wakefield**, Leader of Leeds City Council
 - **Councillor Peter John**, Leader of the London Borough of Southwark
 - **Jane Burns**, Director: Strategy and Challenge, Gloucestershire County Council
 - **Stewart Martin**, Head of Commissioning, Health and Community Services, Hertfordshire County Council
 - **Ami Beeton**, Adviser, Local Government Association
 - **Marcus Coulson**, Programme Manager, Local Government Association

6. To give consistency and structure to the peer challenge team's data collection, discussions and deliberations five key questions were used in this process. These are:
 - Does the council understand its local context and has it established a clear set of priorities?
 - Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
 - Does the council have effective political and managerial leadership and is it a constructive partnership?
 - Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
 - Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

7. In conjunction you asked the team to consider at a number of areas to add value to your own improvement process. These were:
 - Providing external "critical friend" challenge to our transformation journey ahead and an opportunity for reflection
 - Considering the depth of understanding and how well embedded and integrated the current agenda around community leadership is
 - Considering capacity and capability challenges to date and moving forward around alternative service delivery modelling
 - Assisting the council in assessing the journey towards understanding and using customer insight to manage demand and improve customer journeys and experience

- Considering level of understanding and capacity and capability challenge to date and moving forward around customer relationship management
8. It is important to stress again that this was not an inspection. The peers used their knowledge and experience to reflect on the evidence presented to them by the people they met, things they saw and the material they read.
 9. Using the five key corporate questions allows the Local Government Association (LGA) Local Government Development Team to achieve a level of consistency between different Corporate Peer Challenges over time. When engaged on-site with client councils we give feedback that is specific and relevant.
 10. The LGA Peer Challenge Team focus on what can add the most value through this process rather than imposing a framework that some clients may find unworkable. On this occasion the most useful feedback the on-site team could give was on the five areas of focus identified during the scoping process to develop our understanding and a set of headlines that spoke to the narrative of Sunderland City Council and the present position of the authority. We believe this gives greater clarity to our views on the key issues you face, so enabling you to move forward more easily.

Executive Summary

- Community Leadership Council is a clear brand
- Values of Proud, Decent, Together guides the way you approach things
- We see you prioritising
 - Economic Regeneration
 - Skills for jobs
 - Inclusiveness through pride in the city
- The future will be more of a challenge in a number of ways. Therefore priorities need to be more clearly articulated and understood

11. The Peer Challenge Team opened the presentation with a summary of our feedback to Sunderland City Council. The Council has a clear brand as a Community Leadership Council and through this seeks to deliver engagement with the public and further improvements. The values of Proud, Decent, Together, were generated from a comprehensive process and they resonate with the people of the City, their past, present and future. The Peer team saw the Council prioritising economic regeneration, skills for jobs and inclusiveness through a pride in the city for all the people.

12. The future for the Council and the City as a whole will be more challenging in a time of further efficiencies, changes to how services are delivered and greater pressure on resources. To achieve this we suggest the Council's priorities are clearly articulated to staff, partners and all those who use services so they recognise their role and the expectations upon them. This would also include an understanding of the opportunities being created in the city for communities, families and individuals.

Leadership

- There is clear political and managerial leadership based on a strong partnership between the Leader and Chief Executive, which is endorsed by members, staff, unions and partners
- Senior members and officers understand their respective roles and how these complement each other to move the Council forward
- There has been significant and positive progress in political and managerial leadership over the past 4 years:
- “Relationships have never been better”
- The Leader is seen as accessible and collaborative. He is a key influencer regionally and in the Key Cities movement
- The Chief Executive is well-respected and his meetings with a range of staff are greatly valued
- The Council is seen as fundamentally important to the positive future of Sunderland
- The Administration’s political vision and priorities need further development and clearer articulation
- Develop member and community capacity in order to change behaviour, manage expectations and thereby reduce demand
- There is some evidence to suggest that change projects could be more effectively coordinated to avoid unintended consequences for service delivery
- Communication of the transformation message to staff, members, partners and public needs to be relentless and consistent

13. It was clear from the initial meeting to scope this work, through the set-up phase and whilst we were on-site that there is a joint political and managerial leadership of the Council and the City based on a strong partnership between the Leader of the Council and Chief Executive. They demonstrate a positive relationship with thoughtful clear messages given to all stakeholders. This approach is welcomed and endorsed by members, staff, unions and partners.

14. The positive relationships are further echoed between senior members and officers who were able to reflect on their understanding of their respective roles and how these complement each other to move the Council forward.

15. The recent history of member and officer relationships at Sunderland City Council is now a good one as there has been significant positive progress in political and managerial leadership over the past four years. This led one person involved to comment “Relationships have never been better”.
16. The Leader of the Council is seen by other members, staff and partners as accessible and collaborative, about which they talk positively. He is a key influencer in the North East Region and in the Key Cities movement. This demonstrates that Sunderland City Council has the desire and ability to promote itself on regional and national stages and speak about its ambition to drive improvement.
17. The Chief Executive of Sunderland City Council is well-respected. In particular his regular meetings with a range of staff to explain the position of the Council and the on-going need for efficiencies and transformation are greatly valued at this time of change.
18. The Council is well placed in its partnership and regeneration plans. It is seen by all stakeholders with whom we spoke as fundamentally important to the positive future of Sunderland. This includes all the areas and locations across the city and the identity of the City as it moves forward.
19. While the values of the Community Leadership Council are clear they are not universally understood. The Team could not find an articulation of the Council’s priorities, the absence of which led to a degree of confusion at the front line on what people should be doing. This was demonstrated through the comment from one employee in a focus group, who summed up the thoughts of many: *“we think we are doing a good job, but we don’t know whether we are doing the right thing”*. If there is confusion within the Council, then it is reasonable to assume that this would be true of the population in general. The Council may wish to revisit its priorities and how these are used and understood by employees and residents alike.
20. A key aim of the transformation process for Sunderland is to change the behaviour of the population, manage expectations about what the Council can provide and thereby reduce demand. To achieve these aims – which we accept many councils face - you should consider how you are going to develop the skills and abilities of elected members and the capacity of your local communities to cope.
21. During our time on-site with you there was some evidence to suggest that change projects could be more effectively coordinated to avoid unintended consequences for service delivery. There are various types of change: transformation projects, alternative service delivery activities and efficiency projects, which can create occasional misunderstandings across directorates as to genuine priorities. We suggest you consider how to reduce the potential

for these through more robust programme management, clear allocation of resources, effective directorate level engagement and on-going communication.

22. It is clear to us all that the current changes to local government are profound, but its final size, shape and role remains unclear. Therefore it is impossible to paint a picture for staff showing what the Council will look like in a few years time. Dealing with this level of ambiguity is very difficult, particularly when you are transforming the Council at an impressive pace. In order to give coherence to what you are achieving the Team strongly suggests that you relate the many transformational projects that are running at the moment to a clear articulation of your priorities.

Community Leadership

- Community Leadership infrastructure in place: Area Committees, (*Place and People Boards*), Three major boards, - HWB, Education and Economy Boards
- Localism being developed through a level of financial autonomy (SIB)
- Partners are engaged
- Effective joint member/officer leadership
- Area Committees are working innovatively on local priorities
- Consider how Areas Committees can help deliver council priorities by:
 - Addressing the communication and understanding at the operational level of both members and officers
 - Ensuring use of available resources
 - Continuing to nurture social capital
 - Deciding how to deliver a more tangible impact for local people and communities and publicise them
 - Considering how to develop public engagement in meetings and spending processes
 - Agreeing which further services can be devolved

23. You have your Community Leadership infrastructure in place such as the Area Committees and their Place and People Boards. This gives a clear focus for frontline councillors and, through the provision of budgets, an ability to get things done that are important to constituents. The three major boards; Health and Wellbeing, Education and Economy would fit nicely into a set of strategic priorities.

24. Your view of localism is being developed through a level of financial autonomy for Area Committees and also using the Strategic Initiative Budget (SIB) approach. Firstly the small budgets given to front line councillors allows them to make small changes within their wards to help local people. The SIB approach is altogether larger and allows councillors, through the Area Boards, to focus major funding streams, for example, mending potholes or the resurfacing of roads.

25. We found that all your partners were engaged in the community leadership work and attend and account for their performance at joint meetings. This included the, Police, Fire and Rescue Service, Further Education College, the

voluntary sector, Clinical Commissioning Group (CCG) and Sunderland Live. Furthermore the Police expressed a real desire to see greater joint working, whilst the CCG recognises the huge opportunities integration offers. Interestingly some partners, the CCG in particular, were keen to see the Council ensure that its focus is not purely on savings, but on the opportunities that genuine transformation offer – not least in integration with health. Improved communication of priorities and community leadership may well help in this regard.

26. The work of elected members in the Area Committees and in the respective Boards was being driven by effective joint member/officer leadership in these arenas. This is a good foundation upon which to develop.
27. The Area Committees are working innovatively on local priorities. Examples we saw included negotiated differences in street scene activities and approaching NEETs differently such as the funding of thirty-nine apprenticeships with local employers.
28. We believe that the Areas Committees are doing a good job which could be further enhanced to help deliver council priorities in a number of ways:
 - a. Firstly, there appeared to be a level of variability in the understanding of the role of Areas Committees and what they could achieve. Therefore the communication and understanding at the operational level of both members and officers should be improved.
 - b. Secondly, in view of the fact that the use of funds across all Area Committees has been variable, we suggest you consider how each committee could use all the available resources.
 - c. Thirdly, you should continue to nurture social capital by considering the genuine capacity of the local voluntary sector and its ability to develop further and ensuring local Councillors are at the heart of the dialogue. This would enable the Council to rationalise budgets in the future. Examples of activities to consider from other councils would be assistance with environmental clean-up activities, the Village in Bloom initiative and volunteering to help the elderly.
 - d. Finally, there should be the opportunity to decide how to deliver a more tangible impact for local people and communities. Outcomes should then be evaluated and publicised to demonstrate success to the public. Consideration should be given to furthering the localism agenda by greater public engagement in meetings and spending processes. This would develop greater democratic accountability and agreement across the Council to identify further services and decisions that could be devolved.

Context and priorities

- The Council is leading the City by:
 - Having a clear ambition for regeneration
 - Being a trusted partner
 - Embracing the LEP to raise its regional presence
 - Achieving recognition through national awards
 - Playing a lead role in the national Key Cities initiative
- Major transformations in services have been delivered
- The University and the College are well placed and willing to be used as economic drivers of regeneration
- Recognise the potential of the creative and cultural sector in supporting economic growth
- Your values (Proud, Decent, Together) reflect your communities
- Clarify and communicate your key priorities to all
- Make clear to staff, partners and potential investors what a future Sunderland will look like and their part in it
- Review how performance management and reporting can help you realise your priorities

29. It was clear that the Council is leading the city in a number of ways. Firstly due to a clearly articulated ambition for regeneration. Secondly because it is a trusted partner, which is a commendable achievement and is based on good leadership. The Council is achieving recognition through national awards and is also embracing the Local Economic Partnership (LEP) to raise its regional presence and playing a lead role in the national Key Cities initiative, not least through the Leader.

30. During its recent history the Council has achieved major transformations in governance, service design and service delivery whilst good relationships have been maintained with both staff and partners with many reflecting on the great respect they have for these achievements. This is significant.

31. We spoke to both the University of Sunderland and Sunderland Further Education College. They are well placed and willing to be engaged as partners in the economic regeneration in the City. Their potential is as yet under used and should be considered further. We believe they could be

much better utilised as part of the regeneration plans which are critical to the future success of the City.

32. There is a thriving University and a Further Education College in Sunderland. There are two aspects to this part of the City's landscape that has the potential to enhance economic growth; firstly the creation of a distinct student culture and secondly to make more of an effort to retain home-grown graduates. In nurturing these two aspects we see the explicit recognition of the potential of the creative and cultural sectors as key.
33. Sunderland Council has put much work into understanding the values of the people of the city. Proud, Decent, Together resonate as authentic because they reflect your communities.
34. An area for improvement for the Council is to clarify and communicate your key priorities to all. We heard evidence and saw for ourselves, that it is not always possible to see where you are putting your energies. Whilst we have no doubt that Council staff and partners understand what they are doing and where they are going it is not clear in your generic literature. The Community Leadership Council brand whilst bringing people together does not say what you are doing, and not doing. This could and should be clearer.
35. The aspirations you have for Sunderland are impressive and the regeneration plans are exciting. We recommend you build on these strengths and make it clear to staff, partners and potential investors what a future Sunderland will look and feel like and their part in it. This message could also be targeted at those who will make the Sunderland of the future such as families and their children in order to raise their aspirations.
36. When considering the twin issues of performance management and performance reporting we saw a mixed picture. Whilst we are wary of the creation of a burdensome performance management architecture we think you should consider developing a collective understanding of performance against your priorities.

Financial Planning / implementation

- Strong and effective financial management by:
 - Strong political and officer leadership on MTFS
 - Track record of delivering huge savings
 - Good awareness of financial challenges ahead and being well placed to deal with them
 - Brave investments in a time of austerity including an ambitious capital programme
 - The use of innovative financial models: LABV, Leisure Trust, BID
 - Communicate the reasons for the uneven distribution of cuts across directorates to create a shared understanding of the reasons

37. The Peer Challenge Team were impressed by the strong and effective financial management of Sunderland City Council. This was evidenced by resilient political and officer leadership on the Medium Term Financial Strategy (MTFS) with a recent track record of delivering huge savings. There is a thoughtful awareness of the financial challenges ahead and the Council appears well placed to deal with them. There have been some brave investments made during a time of austerity which include an ambitious capital programme. The Council is also using a number of innovative financial models such as a Local Asset Based Vehicle (LABV), the work around the Leisure Trust and the Business Improvement District. All of which have the potential to work well for the authority.

38. There was only one area where the team thought the Council could seek to improve in this regard. Budget cuts have been made across directorates on different occasions which have not been distributed evenly; however the Peer Team recognise this has been done for good reasons. The area for improvement here is for the Council to communicate these reasons across the different directorates to ensure there is a shared understanding of the approach.

Capacity & Resources

- You are forward thinking and enthusiastic about change, innovation and risk e.g. Intelligence Hub
- Officers are empowered to lead in their own directorates and they demonstrate this
- The Council seeks to play to people's strengths valuing them for their unique contributions as staff are valued for their unique contributions capitalising on talent
- Your approach to Customer Services is well established and professional
- Community Directory sets out a useful list of Community Assets and resources which direct people to organisations other than the Council - publicise this to staff
- Consider frontline staff's capacity for transformation with dwindling resources
- Some frontline staff do not feel valued
- At a community level partners and officers would like frontline members to be encouraged to be more pro-active
- Seek to develop community capacity to deliver services

39. As an organisation going through significant change you demonstrate that you are forward thinking and enthusiastic about change, innovation and risk. An example of this would be your plans for the Intelligence Hub.

40. The Peer Challenge Team saw evidence that officers are empowered to lead in their own directorates and they demonstrate this through the way they describe what they do and what they have evidently achieved.

41. The Council seeks to play to people's strengths valuing them for their unique contributions and you seek to capitalise on their talent through moving them to areas where their skills can be best used. We heard from a number of staff who said they feel valued for their unique contributions. We heard examples of heads of service and others who were leading change projects outside of the remit of their 'day job'. They value these development opportunities and the ability to work with very senior officers and members.

42. Your approach to Customer Service is well established and professional. The Council's offer is consistent and coherent and includes business areas such as education, finance and social services. This has been achieved partly

through using a combined flexible workforce working shifts, especially in TeleCare and social services. It will be important to keep the offer relevant as customers' preferences for contacting the council change.

43. The Community Directory sets out a useful list of Community Assets and resources which direct people to organisations other than the Council. This is a good example of 'demand management'; guiding people to use resources other than the Council and boosting community capacity. Our recommendation is that you ensure you publicise this to all staff and monitor how well it is used.
44. Staff morale appears to be holding up robustly under the pressure of severance and increased workloads. However, given the demands of transforming at the pace you are going, combined with a general reduction in people, we suggest you consider the frontline staff's capacity for engagement and transformation with dwindling resources.
45. Some frontline staff do not feel valued. Whilst frontline staff felt they were doing a good job they didn't necessarily know if it was the right job. They were not always clear about council decisions that were played out in the media, for example the Bridge and Vaux site and felt that if they were better informed they could act as champions for the Council in the City.
46. While some front line councillors are very pro-active, others are less so. In general, at a community level partners and officers would like frontline members to be more pro-active. There is an opportunity for members in area committee meetings to actively pursue initiatives and fully deliver on their community leadership remit. This relates to comments in paragraph 28 about local decision-making and delegation.
47. Seek to develop community capacity to deliver services. There appears to be confidence in the local voluntary sector's ability to do more, yet this needs further testing with partners in this sector. This has also been referenced in paragraph 43.

Customer insight

- You have a good range of information in the authority and the City. But you still need to bring it together now and make better use of it in order to target diminishing resources more effectively
 - e.g. Care Bill, prevention, early intervention
 - Do not wait for the Intelligence Hub

48. There is a good range of customer information in the authority collected by you and partners. However you still need to bring this information together and make better use of it in order to target diminishing resources more effectively. Examples of where this would be prudent are in relation to the implications of the Care Bill, the changing demographic profile of a growing demand on services from the elderly and the need to ensure that prevention and early intervention activities are adopted. The Intelligence Hub should be a solution that will assist in these and other areas, although we recommend you act on these areas now and not wait for it to be a panacea which may not be affordable.

Addressing your scope

- Considering the depth of understanding and how well embedded and integrated the current agenda around community leadership is
- Considering capacity and capability challenges to date and moving forward around alternative service delivery modelling
- Assisting the Council in assessing the journey towards understanding and using customer insight to manage demand and improve customer journeys and experience
- Considering level of understanding and capacity and capability challenge to date and moving forward around customer relationship management

The Peer Challenge Team wanted to ensure we addressed the scope of this work as set out by you. To that end we include here some short summary points for consideration.

49. You asked about Community Leadership, as you take this for your branding and it is an important aspect of your way forward. Our reflection is that it is a

positive message for members, staff and partners seeking to reflect the past present and future of Sunderland. Our recommendation is that you consider the depth of understanding that is held, particularly by frontline councillors and how well embedded and integrated the current agenda is around community leadership.

50. Your approach to alternative service delivery modelling is being well led by staff from different areas of the Council as touched on in paragraphs 40 and 41. However adopting Trusts and Social Enterprises to deliver services effectively is a significant challenge which can require a new skill-set. We recommend you consider prioritising those which will bring the best return on investment in dealing with future cost pressures and which build the capacity and capability needed to deliver in a period of dwindling resources.
51. Our view on your journey towards understanding and using customer insight to manage demand and improve customer journeys and experience is covered in detail in paragraph 28 where we make a number of recommendations to develop the role and impact of Area Committees through the more proactive role of frontline members and the more extensive use of the community.
52. In terms of the level of understanding, capacity and capability required in the challenge to date and then moving forward around customer relationship management. Your approach to Customer Service is well established and professional. The offer is consistent and coherent including a number of business areas. It will be important to keep the offer relevant as customers' preferences for contacting the council change.

Next Steps

- Reflect on our comments and recommendations
- Consider what you do differently
- Consider communication of the key messages and to publish the final report

53. In order to take this work forward we recommend you reflect on the comments and recommendations made both in the presentation and report, as well as the dialogue we have had and are willing to continue to have, with you.

54. As a result of your considerations you may wish to think about what it is, that can be done differently at Sunderland to achieve what you know if possible. There is an opportunity for the Council to lead Sunderland into the future for the benefit of all concerned. This will only take place if individuals choose to take up the challenge.

55. The Local Government Association recommends that you publish this report in the spirit of transparency. There are positive messages for members, staff and the wider community of Sunderland that are a testament to the hard work and dedication of all those involved.

The Peer Challenge Team would like to thank you and all your colleagues for inviting the corporate peer challenge and to everyone involved for their participation. If you require further information please do get in touch with me, my details are below.

Yours sincerely



Marcus Coulson
Programme Manager
Local Government Association
Tel: 07766 252 853
Email: marcus.coulson@local.gov.uk
www.local.gov.uk/peer-challenges

