

LGA Corporate Peer Challenge

Southwark Council

23-25 October 2023

Feedback report





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1. Executive summary


Overall, the London Borough of Southwark is a good council, in a vibrant place at the heart of a global city. The new political and managerial leadership brings energy for change, both internally and externally of the organisation. The council is working through a transition from the previous to the current leadership and is developing plans to deliver new strategic priorities. It has a bigger role to play in the sector both in and beyond London.

The council has a strong track record of physical regeneration, particularly in the north of the borough which is known for a number of new and repurposed iconic buildings, and which attract large numbers of people to visit and work in the borough. It performs well in both adults' and children's social care, has built an impressive volume of new council homes, its local economy is thriving, and joint work on community safety is well regarded.

There are clear challenges facing the council which are having a significant impact on residents' quality of life. These include the availability of homes to rent, the need to tackle high volumes of council housing repairs, and the cost-of-living crisis affecting residents. In the light of the challenging financial and demand led pressures that many councils face, now is the right time to further refine and focus the council's strategic priorities to ensure that they continue to be deliverable.

Finances are relatively stable, with high levels of reserves which partly reflect the success of urban regeneration and the income the council can generate. However, in keeping with challenges across local government, there are uncertainties for the medium and long-term sustainability of the budget, as well as a trend towards increasing overspending which need to be addressed. The most urgent of these are housing related: the Housing Revenue Account (HRA) is in deficit and the large capital Housing Investment Programme is increasingly affected by interest rate pressures and construction inflation. The council is assessing the changing realities of its financial landscape and how this will affect what can feasibly be delivered in the medium term: the approach should ensure that councillors fully understand this changing landscape and how it relates to the council's priorities and delivery.

Until recently the council has had fairly autonomous departments and a lighter corporate centre. But the new leadership of the council, the context of greater



financial challenge for residents and the council, and the ambition for the new 2030 Strategy to bring a place leadership approach to delivery brings a different focus to the organisation. This brings new expectations and demands on how officers should respond and operate, which in turn requires more co-ordination across cross-cutting areas of working, and more cohesion at the senior level.

Members and officers expressed frustrations about the way some back office but important core functions operate, and which sometimes feel as if they get in the way of prompt responses to residents, as well as streamlined working. More emphasis is needed on getting the basics right including internal communications; the human resources (HR) function; organisational development; what is expected of staff as new priorities have emerged; how individual and collective performance is recorded and reported; and how requests from councillors, MPs and residents are handled and responded to. Many people in the organisation want it to perform and respond better and quicker to external demands in a more consistent and coherent way.

As the overall vision of Southwark 2030 is developing there is an opportunity to utilise it to reiterate and refine political priorities. Consideration needs to be given to how best to deliver priorities within the resources available, underpinned and supported by a change programme that enables people to respond appropriately within agreed parameters, and which is coordinated at the highest levels. Engaging with residents and partners through the next phase of this programme will be important.

Southwark 2030 is welcomed as an opportunity to set out what the council will do next, who is involved, and how staff and partners can deliver through a strategic change programme which galvanises the organisation and the borough. Partners hope it can help to build on positive changes in the council's relationship with them and communities to encourage more consistent engagement across the borough. Now would also be a good time to explore how the council's senior political and managerial teams want to work together, to clarify each other's expectations, behaviours, boundaries and success measures, so that a new working relationship can be forged. This will be important if delivery is to be sustained and more outcomes are to be achieved.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

2.1 Recommendation 1

Use Southwark 2030 to reinforce priorities (the what) and focus the change programme (the how)

2.2 Recommendation 2

Introduce a clear, resourced change programme with ambition, values and behaviours, linked to performance and internal success measures, e.g. equality, diversity and inclusion (EDI)

2.3 Recommendation 3

Create a new, well-owned corporate centre that can make it easier to work in the council and drive transformation, prioritising internal communication

2.4 Recommendation 4

Enhance the Anchors network and introduce key account management for the top 50 council partners

2.5 Recommendation 5

Maintain prudent financial management with a clear and well-owned Council Delivery Plan

2.6 Recommendation 6

Prioritise the housing repairs improvement plan and stabilise the HRA via strategic oversight of the capital programme and revenue budget

2.7 Recommendation 7

Streamline informal governance structures, improve the ward member support function, standardise the member-officer briefing arrangements and Cabinet/Corporate Management Team (CMT) engagement

2.8 Recommendation 8

Improve resident access for requests, complaints, Freedom of Information (FOI) and Subject Access Requests (SARs) to enable effective performance monitoring and feedback

2.9 Recommendation 9

Agree a digital strategy that utilises technology, artificial intelligence (AI) and innovation to drive change, with sharper use of data to improve performance and insight to understand residents' experiences

2.10 Recommendation 10

Clarify the success measures for the pivotal initiatives of People Power, Closing the Gap, and Neighbourhoods. Be clear on the intended outcomes of these key programmes

2.11 Recommendation 11

Play a bigger role in London and national sector leadership

3. Summary of the peer challenge approach

3.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Cllr Bev Craig, Leader, Manchester City Council
- Tom Riordan CBE, Chief Executive, Leeds City Council
- Cecilie Booth, Executive Director of Corporate Services and Section 151 Officer, Peterborough City Council
- Piali Das Gupta – Strategy Director: London's Future, London Councils
- Tunde Olayinka – Executive Director, Communities and Skills, GLA
- Thomas Cattermole – Director of Customer Access, London Borough of Brent
- Emma McGowan – Director of Design and Transformation, Surrey County

Council

- LGA Peer Challenge Manager – Judith Hurcombe

3.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas 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?
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?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In addition to these questions, the council asked the peer team to provide feedback on the following issues, which have been referenced in the five main areas outlined above:

- How to further bolster partnership readiness to work together collaboratively and at pace to deliver the 2030 vision
- How to further strengthen the council's culture in ways that empower, support and inspire the workforce to work in collaboration with residents
- What more needs to be done to build organisational capacity and ways of working to deliver at pace?

- What critical success factors should be considered as you start on the transformation programme
- How to balance being ambitious, innovative and a leading voice in local government with tackling the basics of providing consistently good services to residents?

3.3 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 in order to ensure they were familiar with the council and the challenges it is facing. The team then spent three days onsite at Southwark Council, during which they:

- Gathered information and views from more than 35 meetings, in addition to further research and reading.
- Spoke to more than 100 people including a range of council staff together with members and external stakeholders.
- Some team members were given a tour of Peckham Rye station and parts of the wider Peckham area, including Peckham Library and key community assets

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1 Local priorities and outcomes

Southwark is a borough of contrasts, with significant wealth and private investment, as well as some of the most deprived neighbourhoods in the country which record some stark health inequalities. It has a very diverse population which is younger than the London and England average, with around a quarter of residents from the Black ethnic group, one of the largest Latin American communities in England, and with over 80 languages being spoken in the borough. It has the fourth largest LGBTQ+ population in England.

There are some strong services being delivered by Southwark Council. Its Children's Services were rated by Ofsted as Good in the most recent inspection of September 2022, and 98% of the borough's schools are rated as Good or Excellent. On the metrics provided through LG Inform, the council's service performance largely hovers around the average when compared to other London Boroughs¹.

Councillors are proud of Southwark's track record on physical regeneration and projects to develop support for communities. This includes the big iconic schemes that the borough is known for at Borough and Bankside and others planned and underway at Canada Water, Old Kent Road, and Elephant and Castle. The ongoing restoration of Peckham Rye Station includes co-design with local people. Projects such as The Nest, which is a mental health wellbeing advice and support service for young people aged 13-25, show high levels of outcomes and satisfaction from service users.

Over the past year the council has worked alongside communities and partners to develop a renewed vision for 2030, due to be reported to Cabinet in Spring 2024. Its development has involved a wide range of local residents, partners, businesses and stakeholders, and the overall approach is positive and energetic.

The Fairer, Greener, Safer Delivery Plan 2022-26 (CDP) was agreed by Cabinet in September 2022 and sets out how the organisation will deliver the administration's political commitments to tackle inequalities in health, opportunities and deprivation. It has seven stated priorities to address the rising cost of living, building more council

¹ [Oflog Dashboard Report for London Borough of Southwark | LG Inform \(local.gov.uk\)](#)

homes, reducing carbon emissions, protecting both physical and mental health, and creating new jobs and opportunities. At the headline level these are widely recognised both internally and externally of the council. Delivery is shaped by three broad strands of People Power, Closing the Gap and Neighbourhoods, each led by a Strategic Director, and with the overall aim of delivering a cultural shift with a stronger whole council approach.

People Powered aims to bring a more resident centric approach to how the council does its business, and staff are buying into its concept of treating residents as if they were their own family members. Closing the Gap aims to reduce gaps in inequality, poverty, racism and discrimination, and an independent research study is underway to gain more insight into how these areas affect Southwark's residents. The Neighbourhoods programme focuses on 10 neighbourhood areas, each to have a vision and action plan, underpinned by funding linked to local priorities.

There are aspirations at the highest levels of political and managerial leadership to see faster delivery and action relating to these priorities. What is less clear however is how these link to individuals' performance and their roles in delivery. Making more overt connections between these through staff appraisal will help employees and the organisation more widely to focus on realising the high-level ambitions.

Southwark Stands Together is one of the strands of the CDP. Developed in response to community concerns about Black Lives Matter it is regarded as a success by participants. The peer team felt that this could be expanded further to incorporate broader equality, diversity and inclusion ambitions and targets, which more clearly reflect the diversity of the borough, for example the growing Latin American population, and residents from the LGBT+ community.

An area of significant concern and focus for residents and the council is the quality and maintenance of council housing. Southwark is the largest local authority landlord in London, with around 40,000 dwellings and around 27% of the borough's population living in council owned properties. Its new build rate is impressive for social housing, with over 1,000 new homes being built for rent each year and in 2021 the council built the largest number of council homes in England. However, owning a large housing stock brings pressure on maintenance and repair to a reasonable standard, and backlogs and costs have been subjected to a recent focus in the

context of challenging financial circumstances.

A Repairs Improvement Residents' Board (RIRB) with Cabinet member input has been created, with the purpose of driving further improvements to the service and managing expenditure. There is still more progress to be made, as partners, staff and councillors report that housing repairs are a live issue for residents. The Housing Ombudsman also issued reports into two cases of maladministration at Southwark earlier in 2023. Perceptions locally are that the service is beginning to improve, and this is reflected in feedback from residents, and some small reductions in the number of complaints received when comparing recorded data from March 2022 with March 2023.

There are mixed views about how the council manages its performance. Staff told the peer team about different systems which don't necessarily align with each other, as well as a range of initiatives which are aspirational rather than set up to be target or outcome focused, which are then in turn hard to show delivery against. They also reflected that an enhanced focus on performance would help to further drive up quality and catch risks earlier.

There is a clear ambition at the highest level for pace and delivery. It will be important for the council to prioritise so that it can focus on the quality and timeliness of delivery, and to articulate measures of success so that officers and the organisation more broadly can plan to deliver. These should be based on SMART targets which are outcome focused, agreed and widely understood. They also need to be underpinned by agreed resources which support delivery. As part of that approach, consideration should be given to what the council will stop doing so that the headline priorities are within reach of being achieved.

4.2 Organisational and place leadership

The political leadership has a clear vision and ambition for what Southwark should be delivering for its residents and communities. Partnership working is regarded as good by key stakeholders, who feel engaged with the council and what it is aiming to achieve through this vision. Partners feel the council interacts well with them at the most senior levels and speak of positive strategic relationships.

Partners generally find it difficult, however, to stay on top of all of the different interactions and approaches across various council teams, and sometimes it can feel that engagement is ad hoc and transactional. Some partners feel they are approached on many different things and would value better prioritisation to make best use of their time and resources. They describe very solid engagement feeling they were on an equal footing during the Covid-19 response and the cost-of-living crisis, with concerns that some of that energy has dissipated as the council and its communities have settled into post-pandemic working. The council has a good relationship with the voluntary and community sector (VCS) and the latter is keen for more ongoing engagement, working alongside the council as equal partners, with consideration given to how to enable everyone to play a full role.

There is a strong appetite to focus more on delivering together and partners were really positive about the council's ambitions, but some have concerns about a proliferation of strategies and priorities. They have a keen interest in helping to translate strategy into action, even if that action starts off through a modest approach.

The overall approach to partnership working could be improved by undertaking some detailed analysis and mapping of stakeholder relationships, and then introducing a key account management approach with named lead officers for each key relationship.

Many people participating in the peer challenge showed personal knowledge and commitment to improving their understanding of and delivery for local communities. At the organisational level there is a clear focus on tackling inequalities, which is evidenced by the articulation of the 'closing the gap' strategy. This has resulted in minority groups being given extra support to thrive, such as subsidised rent and business advice for BAME micro businesses.

However, there are concerns of a lack of parity or voice for all of Southwark's communities given the evident diversity across the borough. Clear metrics are missing for success measures on EDI, so it will be difficult for the council to show it is making progress in this area, what it will deliver and when, and how it plans to meet the needs and aspirations of residents. Looking externally at how others have done this well will also support continuous improvement in this area.

There are examples of good co-production with residents and communities, leading to 'you said, we did' outcomes, particularly in relation to the construction of new homes and some place-making initiatives. There is a desire to involve young people voices in shaping the services that affect them with the Young Advisers initiative being well received. Young people for example reflect on some highly positive interactions with the Youth Justice service, citing tangible and exemplary support which has made a profound difference to their lives and life chances.


However, there are concerns that engagement with residents, especially the underserved can be mixed and sometimes inconsistent. Young people feel that engagement can be improved through a better understanding of the barriers they face to participation, for example young carers and their needs. And more widely stakeholders would like improved feedback loops to inform participants of how their involvement and engagement has been heard. The council has showed a keen interest in developing new, more participatory ways of engaging with its residents and communities; however it must work harder to hear the rich diversity of voices in the borough. This is an area where a focus on internal and external best practice, and stronger strategic leadership and co-ordination will be crucial if the council is to meet its ambition of being people powered.

Although Climate Change considerations have been included in the signing off process for decision making reports, the overall approach to climate change appears to have a lower profile than some of the council's stated priorities.

4.3 Governance and culture

It is clear that staff, councillors and partners are proud of Southwark and what has been achieved to date. Communities feature strongly in the council's approach, and the commitment to improving the quality of life for residents is overtly stated.

How the council works at the most senior levels is undergoing a transition. There is a strong directorate culture which has supported good quality service provision. However, the new leadership, post Covid-19, is reflecting the need for the council to act as one council in line with modern service expectations, increased service



demand, and the challenging financial burdens placed on residents and council services.

How members and officers work together across the organisation is not always consistent. Some officers describe member behaviours that can border on micro-management, yet others describe supportive councillors who are open to challenge and advice as well as being inspirational to work with. Similarly some members indicated frustrations with not getting a timely or adequate response to their queries from officers, whilst others felt the quality of officer support they receive is very strong.

How these relationships work at the strategic and frontline levels is at times at odds with the aspiration for an empowering culture which enables staff to flex and deliver People Power. Values and behaviours and the member-officer protocol and expectations, as well as the council values and behaviours, should be revisited. These mixed views point toward a need to invest in building member-officer relationships outside of everyday operational matters to establish and deepen trust and shared purpose.

The ongoing work on Southwark 2030 presents an opportunity for closer and clearer working between the Corporate Management Team and the Cabinet. Taking some time to reflect on roles and responsibilities, values, behaviours, priorities, what will be delivered, by whom and when, will be invaluable if delivery is to be sustained, and to encourage a deeper approach to risk and challenge. Expectations from the political leadership need to be clarified through a series of honest and realistic conversations, including what is appropriate and realistic given the changing profile of the council's resources. In thinking about how the council can better prioritise, consideration should also be given to what can be delivered later, or in a different way, so that capacity is not overstretched and the potential for frustrations is minimised.

There have been recent changes in key positions within the CMT which means new working relationships and understandings will need to be forged across the senior leadership team, as well as between the political and managerial teams. Care needs to be taken to ensure that the changes at CMT level do not become destabilising or

become a distraction for staff when the organisation is expecting them to deliver at pace.

Delivery of the 2030 vision also needs to be underpinned by clear governance structures which set out how partners, staff and residents can engage. The current informal boards arrangement is unclear, and the temptation to add more arrangements without reviewing what is already in existence should be avoided. Streamlining the informal boards will also help to contribute to better use of the council's officer and member capacity.

Complaints are discussed at CMT through a quarterly performance report including analysis of members' enquiries, complaints and information requests, and the top 10 service areas are presented for discussion. In June 2023 the Audit and Governance Committee received a report on members' enquiries which followed a full process review during Spring 2023 with a refreshed framework being rolled out. Some members expressed frustration to the peer team about how their casework enquiries are handled, voicing concerns about the agreed standard for responses, the amount of time it can take to get responses from some officers, and an overall inconsistency of approach.

Officers also expressed concerns about how to balance members' enquiries with direct enquiries from residents, and which ones should take precedence as part of an overall approach to customer service. The member-officer protocol states that members should direct enquiries to staff through senior management but there appear to be differing approaches across the directorates, which may contribute to members' and officers' perceptions of inconsistency. There is no "one size fits all" remedy to requests for service or complaints, irrespective of their source, but taking some time to talk through the issues involved between members and officers may help to develop solutions. Greater rigour is now being applied to member enquiries through the casework system but members have yet to experience the benefits.

At the high level there is enthusiasm and commitment for the concept of People Power, but there are some concerns about what this means for ward councillors and

their roles when residents and communities are playing a greater role. This should be openly discussed and resolved.

4.4 Financial planning and management

The council's general finances are relatively stable, and budget pressures have been generally managed well in the past few years. Revenue reserves appear to be healthy, with a General Fund balance of combined general and earmarked reserves of £235m on 31st March 2023. The 2023/24 budget was balanced by using £2.5m of earmarked reserves, which is also relatively small when compared to some other upper tier councils. The overall level of reserves for the council are lower than the average across London when compared to the council's net revenue budget.

There are however challenges both in the short and longer term. During 2022/23 there were overspends arising in some service areas, reflecting in part the impact of a higher than anticipated pay award. Homelessness, home to school transport and increasing numbers of households with no recourse to public funds, of which the latter cost £6.2m in the last financial year, are contributory factors in the forecast.

Southwark has around 55,000 properties in the HRA with a total combined income and expenditure of around £250m per annum. There has been overspending on the Housing Revenue Account for the last 2 years and in October 2023 an in-year overspend forecast was of £13.8m, and despite increases to the budget for the current financial year these have been exceeded by inflationary pressures and the impact of government policy such as the revised definition of high rise property. Budget gaps for the HRA have been identified of a total of £62m for the 3 years to 2026-27. HRA reserves have declined over the last 2 financial years and if the forecast overspend is realised, the reserves will reduce again. Given the overall size of the council's HRA, its HRA reserves are low.

The HRA capital programme is large with committed spending of £1.7bn and whilst the council's housing ambitions are high, so are its borrowing requirements. If the housing programme is to be delivered over the next 10 years, this will require a further £1bn of borrowing. Financing the Housing Investment Programme also creates more pressure on the HRA due to the revenue costs of borrowing and the capping of rents in recent years. Officers are developing a plan to manage the in-year overspending and a medium-term strategy to improve financial stability and

have flagged the need to drive greater efficiency through HRA in order to meet the costs of borrowing. Members also need to ensure they understand and fully consider the risks associated with such high levels of borrowing.

Getting housing budgets onto a more sustainable path is a high corporate priority. A financial plan is in development. To do so will require a balancing of ambition and meeting needs particularly for people in temporary accommodation with the practical reality of what is available, affordable and sustainable, and may require some difficult political decisions. This may also require accepting a different balance of social and market value homes to support the overall viability of schemes. A spending moratorium on the capital and revenue aspects of the HRA, a recruitment freeze in the Housing Service and a Housing Board meeting fortnightly were introduced in October 2023. An Asset Management Transformation programme is underway.

The Dedicated Schools Grant (DSG) has been in deficit for a number of years and by the end of 2021/22 the cumulative deficit was £21.7m. The council has reached a Safety Valve Agreement with the Department for Education (DfE) through which it received £9.2m during the last financial year and where the DfE will pay off historic deficits as long as the council delivers against its agreed mitigation plan. Early progress has been positive.

The overall capital programme is large and a key issue is how this will be funded. At the February 2023 budget meeting reference was made to needing a full refresh of the capital programme in light of the high interest rate and high inflation environment. This is currently being put in place and is due at the February 2024 budget meeting.

A new Medium Term Financial Strategy has been created which largely outlines the issues and policies at a strategic level and provides the framework for a more detailed financial plan outlining year by year assumptions and pressures. Until this year the MTFS only included a one-year projection, but Cabinet in July 2023 agreed a 3-year budget planning process and outlook. October 2023 reporting identified forecast budget gaps of £23.8m for 2024/25, £42.8m in 2025/26 and £54.7m in 2026/27. Work has since commenced to establish how the council will address these gaps beyond the usual annual budget cycle.

The council is currently developing a new, three year strategic budget which will be agreed in February 2024. As part of this process, the new Strategic Director is

leading the organisation through a significant budget challenge process which is working to identify £50 million of budget savings over the course of the MTFs.

A full consultation and scrutiny process is planned in advance of the final 2024/25 budget setting meeting which will seek feedback and challenge financial risk, assumptions and savings options for the 2024/25 budget round.

The council's constitution requires the council assembly to agree the capital strategy and programme at least once every four years, and in February 2019 council assembly agreed a 10-year capital programme of £792m and a housing investment programme of £2.1bn. Given the nature of some of the challenges ahead and the risks associated with them, it would be worth considering increasing the frequency and visibility of the programme to members, over and above what is reported to Cabinet.

The last audited accounts for the council are from 2020/21 and these were published in September 2023. Unaudited accounts have been published for both 2021/22 and 2022/23. This is common across local government due to the acknowledged shortage of trained auditors and the changes to accounting requirements which are not a good fit with local authorities.

There are a range of projects which the council has developed but which don't recover their costs, for example the multi-storey car park in Peckham, which acts as a valued community hub. Members and officers are keen to innovate and empower the community to design to long standing issues and, in the process, promote lasting positive change. This is laudable. However, a wider and shared understanding is needed both within the council and with external stakeholders of how long investment can be safely sustained given continued resource pressures and mounting demand across a number of services.

An agreed set of principles/process to review whether to maintain investment could provide a structured and transparent way to take decisions about the future of these types of projects.

Overall, the council's general financial position is relatively strong with increased general fund reserves over the past few years. However, there are growing pressures including SEN transport, children's social care and temporary accommodation where more grip and focus are needed, notwithstanding that these

are demand-led services over which the council has limited leverage. Like other councils, Southwark faces uncertainties about future funding which are difficult to plan for. Clear budget processes for members have been established but some members don't yet show that they fully appreciate how much will need to change due to future constraints. Achieving the delivery of existing priorities may mean that introducing new priorities is not affordable or realistic. Officers are working with members to develop an understanding of the challenges ahead on the budget and how this may impact service delivery and investment, particularly because Southwark has had a relatively strong financial position and the council has not had to take the sorts of decisions which other boroughs have already faced. Budget gaps have been forecast for future years which will need more corporate and strategic oversight, and which may require some previously unpalatable decisions to be made if they are to be addressed.

4.5 Capacity for improvement

Early results from the staff survey conducted during September 2023 shows high levels of engagement from staff and nearly three quarters of staff would recommend Southwark Council as a good place to work, with 80% saying they are proud to work for the council. There was, however, uncertainty amongst staff about the overall vision and plans of the council and employees' understanding of their roles and how they fit in to these plans.

Lower scoring responses were on levels of confidence about whether the council would act on the survey results, on pay and benefits, career progression opportunities and the visibility of senior managers. Some concern was raised on EDI. Whilst the majority of respondents agreed that the council is committed to it, there were also concerns from a significant minority about whether the council ensures fair and equal treatment of its staff.

Independent pay gap analysis was undertaken earlier in 2023 to cover the five years from 2018/19 to 2022/23. It showed that the median hourly pay for Black, Asian and minority ethnic employees across the council was 9.35% lower than for White employees, with some wider gaps in some directorates. This analysis has led to the council developing an ethnicity pay gap strategy for closing these gaps, and more

broadly to support the delivery of Southwark Stands Together. It feels like a key learning moment for the organisation.

The HR function has been boosted by permanent appointments and at the leadership level there is a clear sense of their priorities, supported by CMT. The new organisational development team and the new payroll system once established, will be important factors in providing the level of support the organisation needs.

EDI work across the council internally and externally has a strong presence and there is a good understanding of the characteristics of local communities, with various initiatives underway. However, it is not clear whether the voices of all groups are heard because the overall impression given is that matters relating to race are the most important and get the most attention. This may not reflect the actual delivery underway nor the council's intentions and thought should be given to inclusivity in its broadest sense so that these perceptions can be addressed.

ICT systems and approaches do not always meet the needs of staff. Managers spoke of long delays of around 3 months in some instances for new starters receiving laptops and them having to introduce "work arounds" in order to get equipment provided more quickly. They also describe delays in getting new members of staff access to necessary systems, such as finance, and frustrations on HR support and advice, and recruitment processes.

Staff are generally enthusiastic about the overall headline priorities of the council but in some instances are struggling to deliver because of a lack of clarity at frontline level, pressures on the "day job" and because they already feel stretched. They also have concerns that resources are not realistically aligned to the expectations of them, and the organisation's perceived lack of prioritisation.

They also said it is difficult to have conversations with some councillors about the practical realities of service delivery at the frontline. The tone of engagement from councillors to staff was described as appropriate for most but not all of the time, which again suggests that more overt attention needs to be paid to values and behaviours.

The buy-in to high levels of ambition needs to be balanced by the council needing to collectively to get the basics of some aspects of service delivery right, such as responsiveness to residents and internally across the council. This is recognised by

staff as an area which could improve. Some of this frustration is shared by external partners. Investing more in core council infrastructure and clarifying expectations about systems and processes will help to reduce divergence and improve consistency at the corporate level

At middle manager and frontline level staff are not yet describing the ambition expressed at senior levels for a culture change which allows them freedom to flex and deliver in the best ways for residents through doing things differently. The council is aware it has much to do in this area, and work has started on a new People Strategy.

More overt linkages need to be made between strategic plans and individual employees' roles in delivering them. Using the personal development plan process to enable everyone to connect in a way which is simple, universally applicable and consistent will help them to engage and deliver. Extending understanding of the vision and what it means also needs to be more widely promoted through internal communications.

In response to the Covid-19 pandemic and the Black Lives Matter movement the council introduced Southwark Stands Together, which is largely outward facing. An element of this is an internal group of champions and allies working together across the organisation to consider performance in key areas, such as employee engagement, equality at work and delivering better outcomes.

During 2023 a new digital approach to appraisals is being introduced through the My Learning Source Platform. This will enable objectives for all employees to be set using the online process Thrive@Southwark. Future plans aim to review values and behaviours and improve feedback loops. This will help to address the concerns raised by staff about capacity, but it will need encouragement and corporate leadership to ensure that there is consistent uptake and buy-in across all services and is not regarded as optional. At the time of the peer challenge however, the programme had a low profile and people did not yet appear to be making linkages between it and broader EDI concerns.

A clearer internal vision and case for overall change, transformation and organisational development is needed. It will be important for the council to clearly state its transformation priorities and the reasons behind them. Currently

transformation appears to be regarded mainly as a measure to balance the forthcoming budget gaps, rather than also as an opportunity to improve ways of service delivery as well as to consider what the council might stop doing, or do differently alongside others. A number of stakeholders for example suggest that transformation needs to be applied to how and what is offered on housing.

A need for culture change is recognised by staff, including the need to invest more in training and development, including better managerial skills and opportunities, which would help retention. Much remains to be done to build the organisation further, but there is evidence that the building blocks are being put in place, for example new posts have been created and with new leadership, and the OD team is out to recruitment.

Whilst the council has an emerging digital team it feels that the organisation is at the beginning of its digital journey. Clear delineation between what is picked up the IT shared service and what sits independently in the organisation will be helpful. A maturity assessment on the council's digital capabilities could contribute to an effective digital strategy. Developing an understanding of where new technology (including AI) will be key to ensure Southwark does not fall behind its peers. Using data as a key capability for the new corporate centre will help to drive performance, and using more insight and design-led practices will enable the council to better understand the experiences of residents. Developing a service design team and bringing all of these capabilities together will help to bring about change across the organisation.

As might be expected where departments have been strong, performance data has largely been held within directorates. There are concerns that the quality of this information is variable, and not enough insight or analysis is applied to what is happening in services. Sometimes there is a tendency of councillors to focus on the minutiae of delivery at operational level rather than seeing the overall big picture of what the council is delivering. Stakeholders feel more needs to be done to tackle silo working. These views all support the new council leadership's ambition to develop a more consistent approach to corporate working with reduced silos so that issues can be more widely shared and owned and resolved. Capacity at the corporate centre has been boosted through the appointment of two new Assistant Chief Executive posts.

A review has been undertaken of council wide capacity and now the organisation needs to decide how best to utilise it. The council should consider accelerating its approach to the development of its new corporate centre and its corporate resources in order to ensure it has the right skills, tools and approaches to develop new capabilities and ensure it becomes the integrated and collaborative organisation that the leadership aspires to, and which can support the delivery of the council's stated priorities.

Southwark is going through a period of significant change. It needs to put in place some further building blocks if improvement is to be sustained, and a golden thread needs to be traced between high level ambition and delivery. Relationships need to grow further, roles and responsibilities should be clarified, priorities need to be balanced by resources, and collaboration internally and externally needs to be developed and sustained.

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a progress review published within twelve months of the CPC, which provides space for the council's senior leadership to update peers on its progress against the recommendations from this report.

In the meantime, Kate Herbert, Principal Adviser for London, is the main contact between your authority and the Local Government Association. Kate is available to discuss any further support the council requires (kate.herbert@local.gov.uk, 07867 632404)