

Southampton City Council
2025 Corporate Peer Challenge
Action Plan

Foreword from Cllr Lorna Fielker, Leader of Southampton City Council

Over recent years Southampton City Council has faced significant challenges, including financial instability resulting in the need for Extraordinary Financial Support (EFS) from the government.

In response, we have adopted an ambitious agenda for change to transform and modernise the council. Our goal is to transform Southampton City Council into a modern, efficient organisation which puts residents at its heart.

Our 'adapt | grow | thrive' transformation programme sets our intention to improve value for money, modernise services and save £50m over four years to make us a financially sustainable organisation. We are reviewing our internal governance to improve decision making and developing a new People and Culture strategy to better support and develop our staff.

Keeping our focus on residents and our city, we are working with partners to develop a new Southampton 2035 City Plan to provide an overarching set of missions for the city over the next ten years which will be collectively owned and prioritised by the council and partners. A key component of this mission will be a focus on driving the economic growth and prosperity of the city, building on our newly published Renaissance Vision for the city centre, and ensuring local people are best placed to access the benefits growth brings. Local Government Reorganisation and the introduction of a new Mayoral Combined County Authority will also bring big changes and opportunities for our city.

With such a broad agenda for change, in January 2025 we invited Officer and Member colleagues from other councils to provide a check and challenge on our improvement as part of a Local Government Association (LGA) Corporate Peer Challenge (CPC). This builds on other recent external reviews from CIPFA, EY, Grant Thornton and others.

While we recognise, we are still at a relatively early stage of our transformation, the Corporate Peer Challenge was an important opportunity for feedback on our ambitions and capacity to deliver them as well as helping us shape the next phase of our improvement.

The 33-page Corporate Peer Challenge report sets out 11 specific recommendations for the council and includes a range of reflections and observations from the staff, partners and residents they spoke to. The recommendations include a focus on setting a clear vision for the organisation, supporting the growth of the city, improving how we make decisions and strengthening how we engage with and reflect the diversity of our residents.

We welcome the feedback and while it highlights lots of areas to progress, it is clear that we are going in the right direction. In many cases, the recommendations will help to strengthen work which is already underway as part of our transformation programme, in others they highlight important areas for the next phase of our improvement.

This action plan sets out a response to the recommendations made by the peer team.

Cllr Lorna Fielker

Leader of the Council

Foreword from Jillian Kay, Chief Executive of Southampton City Council

Since joining Southampton City Council at the end of April, I have seen a commitment across the organisation to transforming into the modern, resident focused organisation we need to become. I welcome this Corporate Peer Challenge report for the insights into the progress made over the last year and the recommendations about issues we need to address for the future.

This is a pivotal moment for Southampton. Between the council's ongoing transformation, the city's ambitious growth plans and the opportunities presented by the Government's devolution agenda, there is an opportunity to make lasting positive change.

Building on early discussions and reflecting on the Corporate Peer Challenge findings, I have set three initial priorities for my first months as Chief Executive.

Continuity – Continuing the necessary focus on SCC's financial sustainability and transformation to ensure it is an effective and efficient organisation which gets the best value from taxpayers' money for Southampton.

Momentum – Increasing the pace and ability of our partnerships across the city to deliver positive change for residents.

Opportunities - Seizing the opportunities of Devolution and Local Government Reorganisation for our city and region.

As an inclusive leader, I am committed to working with Members, partners and colleagues to deliver the actions set out in this plan, build on the work already underway and drive forward our improvement.

Jillian Kay
Chief Executive

Southampton City Council's Corporate Peer Challenge action plan

In January 2025 Southampton City Council welcomed a team of officer and Member colleagues from other local authorities as part of a Local Government Association (LGA) Corporate Peer Challenge (CPC).

As part of the process the CPC peer team reviewed key finance, performance and governance information provided by the council, before spending four days in Southampton from 6th to 10th January meeting with over 100 council officers, councillors, partners, staff focus groups and residents.

Delivering the CPC recommendations

Following the CPC, the peer team provided a detailed report including 11 recommendations to help guide the council. We are committed to learning as much as possible from the Corporate Peer Challenge process and to addressing each of the recommendations in full.

We have grouped the recommendations into four themes:

- **Shaping our priorities**
- **Transforming our council**
- **People and culture**
- **Championing Southampton**

Each theme includes a summary of the council's response to the recommendations made by the peer team including the actions we have undertaken since the CPC, the further high-level actions we have planned and indicative timescales for completion:

- **Short term** – April – July 2025
- **Medium term** – August – December 2025
- **Longer term** – 2026 onwards

Alongside the high-level actions set out in this plan, copies of the CPC report have been shared with all colleagues in the council so that the insights in the report will help to inform service improvement and business planning priorities across the organisation.

Theme: Shaping our priorities

CPC Recommendation:

- Recommendation 4: Develop and deliver a Corporate Plan with a clear vision and key priorities:

Urgently develop and deliver a medium term sustainable Corporate Plan, with a clear vision and set of key priorities which are relevant to Southampton, underpinned by values and behaviours which are coproduced by staff, members, and partners. Ensure you have expert senior leadership in communications to lead engagement with residents and staff in shaping and telling the city story. Recognise your EDI responsibilities in this piece of work - make sure your priorities reflect the diversity of your population, unpinned by values and behaviours which are inclusive and coproduced by staff, members, and partners.

Our response:

With the scale of change Southampton City Council (SCC) has experienced over the past year, the focus of the organisation has shifted significantly. The 2024 Corporate Plan update was necessarily focused on the mechanics of transformation and reshaping the organisation, however now this work is more embedded we must be clearer about the outcomes we are working towards for residents, both as a city and for our organisation.

Developed with partners, and with the input of thousands of our residents through our recent City Survey, our new Southampton 2035 City Plan will set out five core missions for Southampton to collectively work towards over the coming decade. A new Corporate Plan for SCC will be shaped around a shared set of organisational priorities for the council directly aligned to the city missions. This new 'golden thread' will focus our efforts on improving Southampton for all the residents we serve and ensuring the organisation is operating effectively and ready to seize the opportunities of Devolution and Local Government Reorganisation.

To embed this new approach, a proactive communication and engagement campaign will build awareness of the Southampton 2035 City Plan missions and explain to staff how the priorities in the new Corporate Plan align and their role in delivering it. An updated business planning approach and set of performance indicators reflecting the City and Corporate plans will ensure we are accountable for our progress.

Our residents' voices and views will form the heart of our new City and Corporate Plans, but we recognise we must go further. Improving our engagement with local people and ensuring decision making reflects the strengths, needs and values of our city's diverse and vibrant communities is vital if we are to build solutions which work for local people. This will be particularly important as Local Government Reorganisation progresses and our population changes.

Further actions we will take:

| Action | Timeframe | Lead Officer |
|--|------------|--------------------------------------|
| Finalise the new Southampton 2035 City Plan with our partners setting out a collective vision and set of core missions for Southampton City over the coming decade. | Short term | Director of Strategy and Performance |
| Develop a new Corporate Plan in collaboration with staff and Members, and reflecting resident feedback from the recent City Survey, setting out how the council will contribute to delivering the Southampton 2035 missions, the adapt grow thrive transformation plan and Administration priorities, and setting out refreshed equality objectives. | Short term | Director of Strategy and Performance |

Theme: Transforming our council

CPC Recommendations:

- **Recommendation 1: Reflect, learn and celebrate the progress made from the 'adapt' phase of your transformation programme:**
Reflect, recognise and celebrate the progress made over the last 12 months and make sure that is secured and consolidated. Understand the learning from the council's transformation plan's 'adapt' phase, before moving onto the 'grow' stage of your transformation journey. Keep up the momentum and stick to the plans for transformation/savings.
- **Recommendation 3: Agree the parameters that will trigger your Improvement Board's exit strategy:**
Agree with the Improvement Board an objective set of parameters that trigger their exit strategy at the appropriate time
- **Recommendation 7: Urgently drive improvements in governance:**
Urgently drive improvements in governance and decision making to solidify the future stability and growth of the organisation with a fast-paced plan that shows clear accountability. This will also attract inward investment to the city.
- **Recommendation 10: Work with the Improvement Board to tackle the housing challenge:**
Don't underestimate how difficult the housing challenge is. Work with the Improvement Board to improve member oversight, create capacity so that services are equipped to drive stepped change and tangible improvement. This will require organisational change.
- **Recommendation 11: Resolve issues with the audit of your accounts:**
Dedicate resources across the council to ensure issues with the audit of the 2023/24 accounts are not repeated in future years and that Value for Money judgements do not indicate significant weakness particularly around housing.

Our response:

Over the past year we have made significant progress developing and beginning to deliver our transformation programme. From a standing start in 2024, we have already saved £9.5m whilst transforming many of the services we run. Keeping up the momentum and delivering genuinely transformed services is vital if we are to become the modern, sustainable council our residents deserve. The CPC provided valuable feedback as we begin to shape the next phase of our transformation and learn from our experience over the past year, particularly around the need to increase the visibility and understanding of the programme, its purpose and importantly its successes.

Since the CPC we have reflected on the feedback with our Improvement Board colleagues and set a path to the Board being stood down in December this year. This balances the benefits of continuity as we develop and adopt the second phase of adapt | grow | thrive, with our growing confidence as an organisation committed to leading its own improvement.

As recommendation seven highlights, improving governance is a clear priority to both enable agile change and provide assurance to Members, residents and investors. Since the CPC we have reshaped the Governance and Constitution transformation project reflecting on the feedback and the need to streamline internal governance processes as well as Constitutional elements. We are also working with Members to update the council's programme of elected Member training and development, ensuring it meets their needs and interests.

Improving our housing service is a major priority for the council and will be reflected as such in the new Corporate Plan. Since the CPC we have recruited a delivery partner to reduce the backlog of works, create capacity in the service and drive improvement to meet the Regulator of Social Housing's Consumer Standards. New Housing and Asset strategies are under-development setting out current and future steps we will take to improve the quality of our stock, meet decent homes standards, reset our relationship with our tenants and deliver the housing mix our residents need in the city.

Our financial stabilisation also continues with a balanced budget set in March 2025 without the need for extraordinary financial support for day-to-day spending. In February we updated Audit Committee on the council's response to the 2023/24 audit and the actions already taken to address the adverse Value for Money judgement and our plans for the future.

Further actions we will take:

| Action | Timeframe | Lead Officer |
|---|------------------|----------------------------------|
| <p>Develop the next phase of our adapt grow thrive transformation programme building on the successes and lessons from phase one.</p> <p>Ensure that the programme is visible and well communicated so that staff understand its importance, purpose and the impact it is having.</p> | Medium term | Director of Transformation |
| <p>Maximise the impact and benefit drawn from the SCC Improvement Board before it is stood down in December 2025.</p> <p>Build on the experience of working with the Improvement Board to embed a culture of learning from, adopting and sharing best practice within the local government sector.</p> | Medium term | Chief Executive |
| <p>Streamline the council's governance arrangements including completing the update of the Constitution, improving internal governance processes to reduce duplication and enable agile decision making, and increasing forward planning.</p> | Medium term | Director of Legal and Governance |
| <p>Drive improvements in our housing service to improve customer service and ensure tenants have a voice in decision-making, invest in SCC managed properties including meeting the decent homes standard on all possible properties and put residents at the heart of a new Housing Strategy to meet the housing needs of the city through a single vision for landlord functions, housing supply, regulation and homelessness prevention.</p> | Medium term | Director of Housing |

Theme: People and Culture

CPC Recommendations:

- **Recommendation 2: Recognise and mitigate the risk around your chief executive appointment and align senior management recruitment timescales:** Recognise the inherent risk around the chief executive recruitment process and mitigate this. Align future senior recruitment with timescales that allow the future chief executive to own the organisational structure. Create a strategy for stabilisation and retention to reduce current levels of churn.
- **Recommendation 8: Drive your organisational development function, your culture change and customer service programmes at pace:** Centrally drive at pace the organisational development function and culture change and customer service programmes so there is a consistent approach which is realised across all services

Our response:

Better supporting our staff to succeed is vital to our transformation. We recognise the challenges highlighted in the CPC report and the benefits which can come, for service delivery and staff themselves, from improved and more consistent organisational development and culture. The introduction of a Director of People and Culture role has already helped bring focus to this area, beginning a new programme of staff engagement, revitalising our Employee Resource Groups (staff networks), reviewing our HR policies, developing a new reward framework and a new learning and development programme tailored to different staffing cohorts. This and other work will be brought together in a new People and Culture strategy shortly including a strand on improving our internal equality diversity and inclusion work.

Since January's CPC, we have also appointed Jillian Kay as our permanent Chief Executive following a robust recruitment process involving staff, partners and elected Members. We were alive to the transition period risks highlighted in the CPC report and Jillian met regularly with the interim Chief Executive, Leader, Cabinet, partners and other colleagues prior to officially joining SCC to ensure continuity and a smooth handover, including involvement in decisions on organisational structure. This approach has continued since Jillian's start, with a visible programme of ongoing engagement planned.

We also welcome the CPC's recommendation that we seek to better understand the drivers behind the high turnover of senior staff in recent years and will ensure this is reflected in a new retention plan.

Further actions we will take:

| Action | Timeframe | Lead Officer |
|---|------------|--------------------------------|
| Develop a new holistic People and Culture strategy which drives improvements including to staff engagement, learning and development, recruitment, equality, diversity and inclusion, and organisational culture. | Short term | Director of People and Culture |
| Investigate historic exit interviews of senior executives including tenure and identify trends and themes for high turnover. A retention plan will be developed aligned to the People and Culture strategy. | Short term | Director of People and Culture |

Theme: Championing Southampton

CPC Recommendations:

- **Recommendation 5: Develop a delivery plan for growth:** It is essential to develop and deliver a clear plan for growth that draws together housing growth and renewal, connectivity, land use and skills with an appropriately resourced delivery plan.
- **Recommendation 6: Lead and embrace government agencies and investors to help deliver growth outcomes for Southampton:** Lead and embrace, but also hold to account, government agencies, anchor institutions and investors for helping to delivering growth outcomes for Southampton. A focused growth plan is one tool.
- **Recommendation 9: Create a confident and an externally facing culture:** Move away from being an insular organisation. Be confident and embed an externally facing culture. As leaders of place seek good practice, learning from others to raise Southampton's regional, national, and international profile. This should be driven by both the senior political and officer leadership.

Our response:

The CPC highlights fairly that recent financial challenges, changes of leadership and inward focus have distracted the council from its important place leadership role. Southampton is an incredible city of opportunity with a lot to share and celebrate and we are committed to being its champion and telling its story better.

Growing and regenerating our city – and ensuring local people are able to access the benefits - will ensure Southampton continues to thrive and will form a core pillar of our new Southampton 2035 City Plan. We will set out our plans through a new Growth and Prosperity Plan and directorate redesign to ensure we have the resources and focus to deliver the inclusive growth Southampton needs. Our Local Plan and Housing Strategy will also align with this vision. But we are not waiting to take action, since the CPC we and our partners have launched our Southampton Renaissance Vision, an ambitious prospectus for city centre regeneration, with the potential to deliver thousands of new homes, jobs and businesses.

We will also build on the CPC feedback from our partners to shape a more confident and externally facing culture. We will strengthen our partnership working and seek opportunities to promote Southampton at regional, national and international level, playing an active role in external bodies including the emerging Mayoral Combined County Authority, LGA, Key Cities, UK100 and other forums to learn and share best practice.

Further actions we will take:

| Action | Timeframe | Lead Officer |
|---|-------------|---|
| Complete the development of a Growth and Prosperity Plan which sets out a single approach to delivering economic growth in Southampton and aligns with our emerging Local Plan and Housing Strategy. | Medium term | Executive Director of Growth and Prosperity |
| Play a leading role in the establishment and operation of the new Hampshire and the Solent Mayoral Combined County Authority to ensure it reflects, understands and supports Southampton's priorities for growth. | Longer term | Executive Director of Growth and Prosperity |
| Improve our approach to communications and engagement to ensure we are best set to hear the voice of our residents, to champion and celebrate our city's diversity and to communicate the story and priorities of both the council and the city of Southampton more widely. | Medium term | Director of Strategy and Performance |

