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September 2013

Dear Andrew

**Rugby Borough Council  
Corporate Peer Challenge 22-24 July 2013**

On behalf of the peer team, I would like to say what a pleasure and privilege it was to be invited into Rugby Borough Council to deliver the recent corporate peer challenge as part of the LGA offer to support sector led improvement.

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Rugby were:

- Sandra Dinneen-Chief Executive, South Norfolk District Council Councillor  
William Nunn – Leader of Breckland District Council
- Mark Parkinson – Assistant Chief Executive, Exeter City Council
- Jill Emery-Associate, LGA
- Paul Clarke – Senior Advisor, LGA (Peer Challenge Manager)

**1. Scope and focus of the peer challenge**

You asked the peer team to play particular attention to the following areas as part of the challenge

- The council as an organisation: the way it acts, the way it seeks to resolve issues, its philosophy and its culture:
- The Council's people and with particular emphasis on managers;
  - What do we expect of them?
  - How should they behave? and,
  - How should we seek to develop them?

- The council's structure and ask what the reviews are telling us about
  - customer services,
  - support services,
  - the way we procure services, systems and goods

The team explored the above within the broader context of considering the core components looked at by all corporate peer challenges:

1. Understanding of the local context and priority setting: Does the council understand its local context and has it established a clear set of priorities?
2. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
3. Political and managerial leadership: Does the council have effective political and managerial leadership and is it a constructive partnership?
4. Governance and decision-making: Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
5. Organisational capacity: Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

We hope the feedback provided will help Rugby Borough Council (RBC) build upon its self- evident strengths and stimulate further debate about the future and how your plans and practice might further develop and evolve.

## **2. The peer challenge process**

It is important to stress that this was not an inspection. Peer challenges are improvement-focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. 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 for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing.

This letter provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (20<sup>th</sup>-22<sup>nd</sup> July 2013). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors.

### **3. Summary of the main messages**

Overall Rugby Borough Council (RBC) is a good council. You have built a track record for delivering better engagement with and therefore better outcomes for the community of Rugby and have done so in a difficult and challenging economic environment.

You have strong and improving performance in several areas, for example very impressive recycling rates. Over recent years, through a determined strategy of change, coupled with progressive management, by many measures relating to customer satisfaction and efficiency of delivery you are council who is seen to be delivering well.

You have excellent working relationships internally and externally. The strength of your internal political management and officer working has served you well. You have a model of leadership that has suited you and it has delivered. The Leader of the Council provides you with a strong and progressive focal point. The Executive Directors reflect that leadership and across the board we found positive politician and officers who have Rugby's best interests at heart.

The effective leadership translates externally with an exemplar engagement from both the Leader and therefore the council in your engagement in and influence over the Local Enterprise Partnership (LEP). The Executive Directors are also singled out for praise by your community groups and representatives who are proud to stand by you.

As such you are really well positioned for the future and that is important. The challenges and observations we make in this letter are reflective of a council that has invited challenge and is willing to change. In our view there are areas where you could and should pay further attention now to stay keeping 'on top of your game'

You have every right to be ambitious and we would urge you to be so. You have been sometimes coy about your achievements and your plans. You have also been sometimes almost an 'apologist' for the way you have organised yourself politically and managerially. Our strong view is that you shouldn't be. It has worked for you so now build upon that. This is about structure and process but more importantly about enunciating the leadership style that you need to adopt going forward and having the right people to deliver that.

In truth, we sometimes found your 'narrative' a difficult one to understand and it took us sometime to completely understand what sort of council you are and hopefully our challenge will help you define what you want to be going forward. There were many policies, principles and approaches that you use currently to

describe what you do that can confuse or overwhelm. Our message in this respect is about refining this ambition in simple and consistent ways now. Once you have done that, and we know you will, you should get on the front foot in communicating this effectively both with your internal stakeholders but more importantly with and through your external ones too.

The slightly more detailed feedback below adds weight to the summary and is presented in a way that reflects the style and detail of the presentation delivered to RBC on the last day of the challenge.

#### **4. What struck us about Rugby- the place and the council**

The council has enthusiastic and purposeful leadership and this sets the tone. The Leader of the Council, his cabinet and the cadre of members we met with all demonstrated their desire to engage, learn and improve for the benefit of themselves but more importantly the council and for Rugby too. This same approach is reflected in the officer group. We met engaged and vibrant Heads of service all completely committed to what they believed the council is trying to achieve. As we left the council our overall impressions were of a passionate cabinet and of very motivated senior managers.

Rugby has weathered the recession well and you have been a key influence on this. Rugby, the place is one of the fastest growing towns in West Midlands. You have driven growth and investment yourselves and the Leisure Centre and Crematorium are examples of this. You have brought investment into the town and have purposefully sought to redefine that town centre offer.

We were singularly impressed with your attempts to publically support your local college with a £1m investment. Also the £33m National Power Academy with its focus on engineering and construction again is building the engineers and other key trades and occupation that will sustain Rugby for the future.

Your significant investment in the Cycle paths network is again a positive demonstration of how you seek to keep communities connected. In terms of communities we also applaud your commitment to ensuring as best you can a constant supply of affordable housing. You are rightly proud of your commitment to ensuring that local people can afford to secure a foothold through housing in their own communities.

We met a group of your own apprentices. Again at a time of economic austerity you have chosen to invest in apprenticeships. This has helped you build a strong relationship to the local college, demonstrates your positive approach to the careers of young people in Rugby and has created for you a number of ambassadors for your council. They are an impressive group of young people and are a credit to you.

We have already commented upon your strong and purposeful influence on the Local Enterprise Partnership. You (and all your LEP partners) are at the forefront of influencing £2.5m of grants across the sub region and significant infrastructure projects. All of these things will make a real difference to your economy. The fact that of all the board members, your leader was chosen to be the representative of the public sector from that partnership when it meets Government ministers is evidence of your influence and the esteem in which your Leader is held. When it comes to influencing growth and investment we know you will always be 'at the table'.

Your recycling rates are more than impressive and it is self-evident through this and some of the initiatives that are evident in your own Council buildings, for example the range of energy efficiency schemes you have that you have a strong environmental focus. Equally some of these schemes have also resulted in considerable cost savings for you (you estimated that this has saved your own costs by £250k in the last 4 years).

We were told that you invest in many important partnership arrangements with a focus on keeping Rugby safe. Examples include faith based street pastors and support workers to link to your eastern European community groups with a strong focus on reducing crime and improving health outcomes. This and other such schemes it has been estimated to have saved the local taxpayers £3.75m.

All of the above shows you live out your commitment to having engaged neighbourhoods and are testimony to support your core strapline 'Clean, Green, Safe'

We saw evidence of a council which is at ease with itself but within that encourages positive challenge. We witnessed excellent member and officer working relationships. The leader sets the tone for this and it is important for the council to reflect upon the value he brings. That dynamic is so important to the positive influence of a local authority and this foundation has allowed you to deliver the whole range of benefits outlined in above

We saw members, in particular cabinet and officers, in particular Heads of service who are embracing the concept of system thinking. This has made real impact; it has delivered better outcomes for customers and efficiencies too. Specifically:

- In development control not only are you projecting savings of £178K for 2012/13 but we heard about how your fast-tracking of certain applications created an atmosphere amongst some national developers and investors that you are truly 'Open for Business'
- We heard that Housing repairs are done 6 times more quickly now. And you have reduced the lead times for benefit processing from 52 to 28 days ( November 2012)

- In terms of housing voids you have increased rent income by £200k by reducing the down time from 55 days in 2011/12 to 22 days now

## **5. Working with partners and community groups**

‘They walk the talk’. This was one of the key messages that several of your partners told us. In doing so more than one of them was commenting upon the personal commitment of your executive directors to make this happen. This message therefore emanates right from the top of your organisation and is embedded throughout your staff group.

This personal commitment from the top is harnessed to structured mechanisms to ensure community groups of place and interest are engaged. This was evidenced by the way you engaged core individuals and groups in the development of the footprint for the Leisure Centre. Importantly the engagement was at the very start and it has shaped a better outcome.

We have referred to the LEP and your role is pivotal in delivering regional infrastructure and prosperity. However, we were also struck through our discussions with yourselves and your partners that there is a significant challenge in ensuring that a positive dialogue with Warwickshire County Council is achieved. The feedback we received indicated to us that time, effort and commitment will need to be put to this by all parties as at present it is a weakness. It is one we know that you are positively seeking to address. Given that the county council was not directly involved in the peer challenge we encourage you to prioritise this.

## **6. Your external narrative-describe a Rugby that is fit for the future**

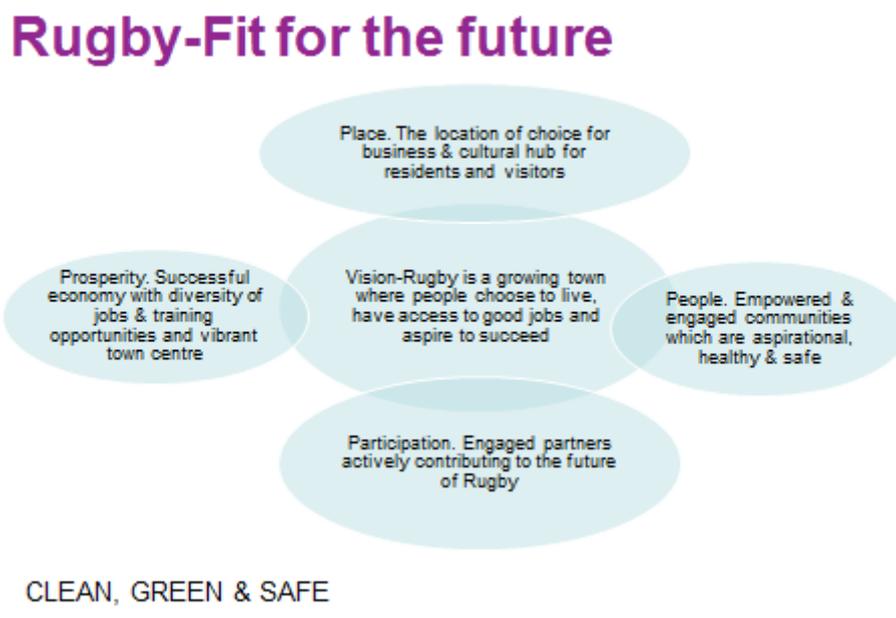
We believed the story you tell, what we have called you ‘external narrative’ needs some further attention. Our feedback to you was that it took us nearly two days to find out what you are doing and what you want for the future. When we discovered this we were bowled over but our challenge to you is to next time tell us straight away!

There was a core issue externally about refining your message and keeping it consistent and straightforward. You should pay attention to this and indeed its impact internally too and in our view apportion time and resources to get it right and then keep getting it right.

You are a council that has and wants to deliver an ambitious future and time and again demonstrates unequivocal community leadership. We saw you embracing and nurturing the notion of collaboration. This means that you are seen to support the equality & diversity for individuals and neighbourhoods. Your acid test ‘Does it work for

Mrs. Smith?’ is your practical way of ensuring that the rhetoric of strategic intent matches practical delivery. We applaud you for this.

It is for you to say and describe that narrative and we endorse your approach to underpinning this with your strapline message ‘clean, green and safe’ as that commitment is evident in all you do. The diagram below was our attempt at helping you to capture the essence of what we saw and heard both internal and external stakeholders say about Rugby.



### 7. The way you work internally to help deliver that narrative.

We saw evidence of effective stewardship of finances, strong people management, positive approaches to change through systems thinking and of good collaboration. However, these strengths did not always reinforce each other and there were some challenges within each too. As such these drivers for positive change are not as effective as they might be. Specifically

#### 7.1 Finances

Your Medium term financial plan is currently on track but there are difficult financial times ahead. Our very rough and ready estimates, which you no doubt will be looking

at closely, indicate to us that the changes to the funding arrangements for the New Homes Bonus will have mean you will be looking to make savings in order of £750k for the short-term and longer term its impact could be as much as £2m.

We are aware that as it stands your New Homes Bonus funding is fully committed so you will need to work purposefully to say how you will fill this gap. This might mean a range of measures: increased business rates and income from capital developments, the need for you to identify and deliver additional efficiencies, external funding increases and enhanced income generation. Whatever way you address this it will require some strong and difficult choices and we would advise that you do this soon so you have a realistic MTFP going forward

## **7.2 People**

A truism we know but you described your people as your greatest strength. In applauding this and in seeing evidence of this too we have nevertheless highlighted some key challenges for you to ensure that this was more evident and importantly more of strength than it already is

We felt that you should define and communicate a more coherent approach to leading your people. There was evidence of a number of initiatives but not all of them were joined up. We found that there were performance appraisals but not 100% completion, though this is a clear expectation. Equally, your staff survey results were slightly disappointing and especially the number of staff who engaged. As such we believe it is time to look again at how you could improve employee engagement.

You sometimes spoke about a 'pull' culture where you encouraged people to adopt progressive approaches to people management and systems and processes to deliver benefits to customers, improve the business and create productivity savings. Yet we saw evidence of certain service areas or parts of the council resisted or didn't engage.

As well as 'pull' any organisation needs 'push' too and we believe you should be purposeful in building this into any new defining of your organisational culture. You do want to engage 'hearts and minds' but people need clear performance expectations too. In thinking how you lead the organisation going forward we believe this is key.

We spoke with your senior managers and members and it seemed to us that we heard three core values which you might want to adopt and use to reinvigorate your approaches to people management. They are: The customer is key, be responsive and 'Can do'. We applaud all of these as long as the healthy mix of 'pull and push'

exists together. When things are important to you, 'can do' must be underpinned by, 'must do'

All of this will be underpinned by the people and the roles that help lead your organisation. We have commented that your existing approach has manifestly worked for you. However, you know it is time to flex that again to reflect your new challenges. Indeed the circumstances of the lead individuals are also changing. So the challenge to you is to prepare for this.

### **7.3 Collaboration**

Throughout this letter we have emphasised your track record for positive collaboration. Our message here is simply build on what you have got. You have some excellent individuals who lead with purpose. You should make sure you do not become too over-reliant upon them or at least have clear succession plans in place.

You have a customer focus but the one time we saw that slip somewhat was in this area. When we talked to you about how you could or should organise your service provision time and again you said you would do this to suit the needs of the council. This is a timely reminder that you should do that around the needs of the customer. We applaud your pragmatic approaches to in or out sourcing or delivering in partnership but keep your customer front and centre here too.

### **7.4 Systems thinking +**

We have used this phrase systems thinking PLUS to emphasise that your adoption of systems thinking has delivered clear and measureable benefits but in our view it is a means to an end and not the end itself. In truth it felt to us that sometimes it was seen as the latter not the former.

In this area you pride yourself on you customer focused but you also need to demonstrate how all services contribute to that aim. For example, we believe that systems thinking take up is patchy. In some areas it is totally embedded in others it is simply isn't. It is a positive lever for change so if it is to be embedded it needs to be so across your organisation.

To make this happen effectively we believe you may need to vary the level of support to meet different service/staff needs and importantly establish clear timelines and mechanisms for removing blockages should they occur.

We also sometimes struggled with your review and performance approaches. It wasn't always clear to us what outcomes you were seeking to achieve and how you were utilising output measures to gauge their achievement either.

We felt your reporting systems were somewhat complicated and we simply be a question about whether your current system is right for you. Establishing how managers use this or not what is a good starting point.

## **7.5 Communication**

We have made reference to this core theme already in this letter. Our overwhelming impression is of a council who tries very hard across a range of ways to communicate well externally. We think you do but we are less convinced it is done consistently and therefore effectively. As said a range of messages delivered in slightly different ways- and that is what we saw leads to uncertainty

This is true too of internal communication. You should look at the purpose and style of this and how you go beyond your hierarchy to do this well. We strongly advise you revisit this and apportion time and resources to do so but importantly make sure that the consistent, straightforward and recurring themes are repeated time and again.

## **8. Key suggestions and ideas for consideration**

The following are our suggestions to help you make best use of your undoubted skills, capacity and experience going forward and deliver some further improvements

- 1) Articulate a clear ambition/vision for Rugby: the place & Rugby the council
- 2) Clearly define your culture, what sort of organisation you want to be and use this as the platform to deliver your ambitions (systems thinking is part of an overall approach to achieve this)
- 3) Celebrate and communicate your success everywhere
- 4) Put in place the appropriate succession planning to guide you through your future challenge-get the right people in the right roles?

We have attached a set of slides that summarise the above feedback. The slides are the ones used by the peer team to present its feedback at the end of the onsite visit.

## **9. Next steps**

You will undoubtedly wish to reflect on these findings and suggestions made with your senior managerial and political leadership before determining how the council wishes to take things forward. As part of the peer challenge process, there is an offer of continued activity to support this. In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer

challenge to date. We will endeavour to signpost you to other sources of information and examples of practice and thinking.

All of us connected with the peer challenge would like to wish you every success going forward. Once again, many thanks to you and your colleagues for inviting the peer challenge and to everyone involved for their participation.

Yours sincerely

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