



LGA Corporate Peer Challenge

Rugby Borough Council

10th – 12th October 2023

Feedback report



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1. Executive summary

Rugby Borough Council (RBC) previously commissioned a Corporate Peer Challenge (CPC) in 2013. There has been much change and challenge over the last ten years including the continued pressures facing local government, Covid-19, and more recently the ongoing impacts for the Council and its communities around the cost of living. The peer team recognised there was some apprehension from the Council regarding the CPC, and would recommend RBC ensures that a more regular programme of external check and challenge, and support, is planned in its drive for improvement.

RBC has recognised the need to change and modernise, with an aspiration to be a 21st Century Council fit to serve the residents now and into the future. This ambition was clear to the peer team. Following the recent elections RBC now has a minority Conservative administration and a new Council Leader, with a relatively new CEX in post since 2020. Now presented a timely opportunity for the Council to undertake a CPC to reflect on its challenges and opportunities to support its modernisation plans.

The Council's Members and officers are passionate and dedicated to the Borough and there is an organisational focus on the importance of putting its communities and customers first. This was at the heart of RBC, and is embedded through the organisation and a clear focus with the Members and officers the peer team met with. This organisational focus was referenced by partners too, highlighting good relationships in place with RBC being viewed very positively by most partners the peer team spoke to. There are opportunities for building on these too – where partners would value more of RBC's involvement, both from Members and officers, to strategically lead the place together and work collectively on the County-wide geography.

There is now an opportunity for the Council to consider its priorities as there is currently a prevailing view that it is trying to do *'everything, everywhere, all at once'*. There is such a lot being done, particularly internally, at RBC. The Council is rightly

ambitious - knowing it needs to change and modernise – but much of this work is being delivered by the same staff, meaning there is a risk to effective delivery. The Council acknowledges the risks of ‘change fatigue’. The peer team feel that there is benefit in giving further consideration to RBC’s priorities in relation to its available resources – both money and people – to improve its capacity. This would also provide clarity on what are the Council’s key areas of focus.

There is an impressive and constant focus on the Rugby Blueprint, as the culture change programme, at the top of the organisation. The change in culture which RBC is trying to achieve is understood by the Leadership Team but this is less well understood and embedded in parts of the organisation. There is an important role for the Management Team to play to embed this further.

RBC’s Corporate Strategy 2021-24 has four priority outcomes alongside an annual delivery plan. Further consideration to what success looks like and the identification of SMART objectives so that progress can be more precisely measured would strengthen this further. It is understood that work is already in progress on this and feeding into the development of a performance driven organisation. This would also provide much needed clarity on the role officers contribute to overall Council objectives for inclusion in their individual performance reviews.

The Council is on track to finalise its HR Strategy and develop its approach in being a learning and development organisation and the peer team encourage the Council to continue this. Staff need to see the benefits of the Council investing in them and implementing quick wins will allow staff to begin to ‘feel’ this change. RBC is also planning to introduce an appraisal process in 2024 which is critical and long overdue. This is important for staff and the delivery of the Council’s goals. The peer team encourage RBC to take this forward with pace and energy and ensure this is clearly linked to performance management and the Corporate Strategy.

RBC has a balanced financial position, with a 4 year rolling forecast in place. This

has been supported by the Council's prudent approach to business rate gains. In the current financial climate RBC is in a good financial position and the peer team feel that it would now benefit from a longer term approach to financial planning to capitalise on its stable financial footing. The peer team recognise the challenges around this, in the current one year settlements, but further consideration on funding assumptions and modelling over a longer period may support RBC with financial planning.

Overall there are good Member / officer relations across RBC but there are pockets where this is not as effective as it could be. The peer team heard from all political groups and senior officers that there is now an appetite to embed the Member Officer protocol and move forward and work positively for the benefit of Rugby and its communities. The peer team encourage the Council to understand the barriers, invest time in developing these relationships, and approach this in a constructive way.

The Council should be proud of its achievements and celebrate its successes. Staff and Members are achieving significant successes for their communities when working together. This is generating a shared pride of cross-Council achievement: for instance the peer team heard first-hand about the recent Britain in Bloom Gold award, and the achievement of performance targets at the quarterly staff briefing. Officers take pride in this and understand the impact they have in service delivery and RBC should maintain and consider how to strengthen this.

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

Consideration should be given to RBC's priorities in relation to its available resources (money and people), which would improve capacity. This would also provide clarity, internally and externally, on the Council's key areas of focus.

2.2 Recommendation 2

Give further consideration to what success looks like for the Corporate Strategy Priority Outcomes through the development of a Performance Management Framework which reflects the 'golden thread' through to service plans and individual objectives.

2.3 Recommendation 3

The Council should consider adopting a longer term approach to financial planning by extending the planning horizon of the MTFP and ensuring it is informed by a range of financial scenarios (best to worst) to reflect the uncertainty in local government funding. A longer term financial approach would also help with the delivery of the new Corporate Strategy.

2.4 Recommendation 4

The Council should continue to proactively investigate innovative ways to address the significant identified funding gap. There is an opportunity to utilise the time offered by the Council's solid financial position to proactively investigate innovative ways to address the significant identified funding gap (e.g. through 'invest to save' initiatives) and protect service delivery.

2.5 Recommendation 5

The Council should continue to invest time in developing Member/Member and Member/officer relationships, capitalising on the current appetite to 'reset' the relationships and move forward and work positively for the benefit of Rugby and its

communities.

2.6 Recommendation 6

RBC should continue to develop its HR Strategy and its approach to being a learning and development organisation, and implement some of the quick wins as soon as possible for the benefit of its staff.

2.7 Recommendation 7

The Council should continue to proactively harness its network of partners to collectively deliver better outcomes for their communities. Partners value the role and contribution of the Council and this can be built upon for benefit of Rugby and its residents.

2.8 Recommendation 8

The Council should continue to encourage and empower officers to identify and implement best practice through sector-led improvement as part of the Rugby Blueprint journey.

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:

- **Kathy O’Leary** – Chief Executive, Stroud DC
- **Cllr Michael Wilcox** - LGA West Midlands Conservative regional Member peer, and Lichfield DC and Staffordshire County Council
- **Emily Yule** - Strategic Director (Deputy Chief Executive), Rochford DC and Brentwood BC (Monitoring Officer – Rochford DC)
- **Russell Stone** – Director of Resources, North Kesteven DC
- **Drew Powell** - Director of Strategy and Governance, South Hams DC and West

Devon BC

- **Maariyah Ali** – Shadow peer and National Management Trainee, Royal Borough of Kensington & Chelsea
- **James Millington** - Peer Challenge Manager, LGA

Members of the extended peer team:

- **Cllr Alistair Dewhirst** - Liberal Democrats, Devon County Council
- **Cllr Alan Rhodes** - Labour, Cabinet Member for Corporate & Financial Services, Bassetlaw DC

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?

The Council asked the peer team to particularly reflect on the following areas as part of the above 5 core components:

- a) A review of how the Council is progressing as an organisation against the Rugby Blueprint principles and how, whilst noting successes to date, the Council can go further to embed these principles and progress this journey
- b) A review of how the Council can progress in becoming genuinely performance led – how this supports delivery of the Rugby Blueprint and how it can be used to better empower staff in delivering corporate outcomes
- c) Recognising that for several years the Council has continued to see a high level of sickness absence relating to mental health - what further steps can the Council undertake to support employee wellbeing?
- d) During 2022/23 delivery of planned savings was a challenge for various reasons. The Council has taken steps in the current year and steps are also planned for the forthcoming year to help strengthen this area. Is there anything further we can be doing to support this?
- e) A new All Leaders' Steering Group has been established to support cross-party working within the context of 'no overall control' – what more could the Council be doing to promote effective cross collaboration between the political groups, ensuring that decisions continue to be made in the best interests of the community and the Council's corporate objectives?

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 at Rugby Borough Council during which they:

- Gathered information and views from more than 35 meetings, in addition to

further research and reading.

- Spoke to more than 90 people including a range of Council staff together with members and external stakeholders.

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

The Council's Corporate Strategy 2021-24 was adopted in 2020. The Strategy is supported by an annual delivery plan and an annual progress report. The Strategy has four priority corporate outcomes:

- **Climate:** Rugby is an environmentally sustainable place, where we work together to reduce and mitigate the effects of climate change
- **Economy:** Rugby has a diverse and resilient economy that benefits and enables opportunities for all residents
- **Health and Communities:** Residents live healthy, independent lives, with the most vulnerable protected
- **Organisation:** Rugby Borough Council is a responsible, effective and efficient organisation

The Corporate Strategy was developed in consultation with the local community, attracting more than 1000 responses, demonstrating how the Council actively listens to its communities in the development of its priorities. As a further example of this, there had been a good programme of engagement on its Climate Change agenda where a survey was delivered to understand local perceptions and the Rugby Climate Summit, which was attended by over 70 individuals and organisations, was

held prior to adopting the Climate Change Strategy.

Equally, the peer team heard that RBC is keen to regularly engage with its own staff, who as members of the community can also offer valuable insights. The peer team did feel that this rich data from the organisation's staff surveys and the Resident Survey could be better shared and built upon to further support the development of strategies and plans. This could be an opportunity for a 'you said, we did' approach and would work well for the Council, demonstrating how it has heard views and responded.

The peer team consistently heard that "*the Council knows its communities well and when to step in and help*" and that there is a real commitment and drive to "*do what's right*" in delivering local public services. This was in reference to both Members and officers. The Council understands the opportunities and challenges presented by the rapid growth of the Borough where the population has increased by 14.3 per cent, from around 100,100 in 2011 to around 114,400 in 2021, and by 2035 is expected to be more than 130,000. RBC is keenly aware of the disparity in the quality of life within the Borough, which is quite marked, and two of the Borough's Lower Super Output Areas (LSOAs) are in the 20 per cent most deprived in England. RBC recognises how to prioritise the activity at a ward level and the 'Ward Walks' were viewed positively as an effective way to understand the areas and the ward councillor priorities. The peer team recognise the work that has progressed on area action plans and levelling up and agree that such programmes should continue, delivered in priority order and focused as it has done on the areas which would benefit most.

RBC's recent Covid-19 response and the ongoing cost of living response for its local communities have been commendable. The work which it has led with partners to support the Borough's communities has been extremely valuable. This has been a catalyst for the Council's organisational change and has sharpened the community focus of the organisation, and the value of the voluntary and community sector as key local partners.

The objectives of the Council's 'change programme' and link to the Corporate Strategy was not entirely clear to the peer team. A clearer tie back between the Corporate Strategy and the 'change programme' where the Council communicates: what it is aiming to do; how it is expecting the values and behaviours of staff and Members to help it get there; what are the core priorities; and the steps RBC will take to achieve them, would be beneficial. The peer team felt that the 'how' is not clear in the Rugby Blueprint – so a tighter join up between the Rugby Blueprint, Corporate Strategy and the change programme would be helpful in supporting people to understand the strategic intent.

RBC's ambition to move towards being an increasingly performance-led and learning and development organisation is positive. Although RBC has a Corporate Strategy Delivery Plan, it would benefit from this being longer term with a stronger focus on deliverables and timescales. However, the Council is taking some important steps along this journey and recognises that its Performance Management Framework requires sustained effort and further refinement. The peer team agree that RBC's focus on this is needed to create a solid link to the delivery of the Corporate Strategy. There is currently a very long list of KPIs and this needs to be reviewed to ensure they are SMART, strategic and precise – with clarity on when the targets will be achieved.

The LGA's LGInform can be utilised as part of this to explore data for benchmarking with other areas and provide important information for RBC to evaluate service delivery. For instance, reviewing the performance of RBC services compared with its CiPFA near neighbour councils (https://lginform.local.gov.uk/reports/view/lga-research/lga-research-report-headline-report-bar-charts?mod-area=E07000220&mod-group=CIPFA_Near_Neighbours&mod-type=comparisonGroupType accessed Oct 2023 – figures correct at time) shows:

- RBC is performing well against the measure of the numbers of major planning applications processed on time (100%), but is performing less well on the processing of minor applications (85% decided on time) compared with the average (92%). *Figures for Q1 of 23/24.*

- RBC is ranked fourth highest (4 days) for the mean time taken to process housing benefits claims and change events – the average is 3 days. *Figures for Q4 2022/23.*

Measures from this LG Inform report are an example, and indeed the Council may have more relevant and up to date figures to include, but it may wish to continue to explore its performance and benchmarking further in this way. This information and other metrics can provide a valuable contribution to the Council's performance framework and assist its approach in evaluating and improving service delivery.

A robust approach to performance will help RBC to develop the 'golden thread' and relationship between its corporate priorities, service plans and the objectives set for individual members of staff. Service Plans are key elements of this, and whilst they have been developed, they would also benefit from being more consistent and clearly linked to the Corporate Strategy. The performance objectives for every member of staff, at each level of the organisation, should be measurable. The Council recognises the importance of doing this and the peer team encourages that it does this at pace. RBC also recognises that the introduction of a robust and consistent appraisal process and regular 1:1s are important for staff. The peer team heard that staff have variable experiences with these currently – with some confirming they have regular 1:1s and some not recognising this at all. The peer team encourage RBC to consider bringing forward the timescales for implementing its new consistent Council-wide approach.

4.2 Organisational and place leadership

The development of a new Corporate Strategy beyond the current 2021-24 Corporate Strategy will be critically important to the future direction of the Council. It is important in developing this that all Members engage to shape this to ensure that the voices of all the Borough's communities are heard. The Corporate Strategy is at its most powerful when it serves the needs of all of wards and communities. The peer team recommend that for the benefit of Rugby and its communities all Members

consider how to work together to agree the priorities and how to deliver on them. This is particularly important for the Corporate Strategy, as a long term piece of work, and in the context of a Council without a majority administration.

RBC has recognised the need to change and modernise. There have been some significant changes in recent years which have driven this and a key positive change for the organisation is seen to be the new CEX, who is keen to make progress on this agenda quickly alongside a new Leadership Team, consisting of a Deputy Chief Executive and 8 Chief Officers. The peer team saw how the Leadership Team are embedding well and have the potential to drive the organisation forward.

The Leadership Team has recognised that it needs to create the capacity and time for horizon scanning and be more outward looking – this is driven by the CEX and the peer team encourages this approach. Creating capacity to do this and looking at the future challenges and opportunities is important for the whole organisation. The Team needs to undertake this important strategic role and not become tied up in the more operational matters which can be handled by other officers, as appropriate. This could also include reviewing how to make the most of the weekly Leadership Team meetings in creating capacity for longer term strategic thinking and collective problem-solving.

The further planned development activity for both the Leadership and Management teams will positively benefit organisational leadership. It is important that these two teams work closely together as one, and the peer team stresses the importance of avoiding the danger of creating a ‘two tier culture’.

Discussions with the peer team and feedback from staff surveys have shown how internal communications have improved and that staff feel informed, with the programme of regular briefings and written communications supporting this. RBC will want to keep this under review and continue to check with staff that this is the most effective way to engage with them, and if there are opportunities for other officers to

take more of a lead on this, as there are benefits of it not always being driven by the Leadership Team.

RBC is focused on how it can support staff wellbeing. The peer team recognises that the Council is already doing some good work on this including a mental health first aid scheme; occupational health service; and financial support for accessing/fast-tracking medical appointments. This is appreciated by staff. The peer team felt that staff wellbeing and wellness could be enhanced further by revitalising the staff groups to also support the Council's EDI ambitions. This is around everyone feeling included and welcome to be their true selves at work, ensuring they feel supported in this, and that this is peer-led, building on the positive work which RBC has done around mental health support.

Partners the peer team met recognise and value the input of the Leader and would welcome the increased input of all Members. Where Members are involved, particularly on a ward-level, partners were complimentary about their engagement. For example, RBC's role in tackling key issues such as ASB and unwanted attention through the Community Safety Partnership was welcomed by the Police and Rugby First. Partners value engaging with councillors as the local elected representatives and there are opportunities to build on this.

Partnership working is generally good and RBC can build on and sustain this. The Chief Executive was identified by partners including Health, the Police, education and other public sector partners as a key positive player in improving place leadership and they would welcome more of this from the CEX and other senior officers. Relationships with parish councils (via the Warwickshire Association of Local Councils) has also improved recently and a quarterly forum has been reinstated, with RBC hosting in November. However, some relationships will need to be nurtured, particularly where key personnel in partner organisations are changing, and RBC will need to build new connections and maintain these.

Partners view RBC as a key influencer and want to see the Council at the table as much as possible to take advantage of all the opportunities which are coming forward. For example, the Council needs to remain sighted on the Government's plans on County Deals and how it may need to shape and influence the discussions. A greater presence at regional level could also lever in increased investment to the Borough and continue to improve the outcomes for Rugby's communities.

Local business leaders reflected on the increased and positive engagement, including around planning and economic development and the shared ambitions which the Council is forging. For instance, there has been good engagement on the development of the Rugby Town Centre Regeneration Strategy and now may be an opportune moment to strengthen relationships with partners to secure buy-in and commitment as part of the next stage. Businesses want to be further engaged in this and move together with the Council for the benefit of the Borough.

The Council has a clearly articulated priority outcome on climate, with an action plan in place which sets out the goals for 2030. RBC has a range of measures including: progressing energy efficiency measures to Council buildings and its housing stock; the planned decarbonisation of Council vehicles; development of the green corridor for safer cycling; and working with local businesses for addressing their needs around Climate Change. There is an impressive programme which has been developed. The Council recognises that it needs to work with others on this and partners feel there is an opportunity to reinforce the focus on the Council's carbon emissions and leading by example to support the strategic messaging. Others can then take inspiration from this.

4.3 Governance and culture

The peer team heard positive views about how good governance is seen as a shared responsibility by all officers at RBC and not just the statutory officers and the Leadership Team. To support this there is a well-developed suite of policy and

procedure documents which underpin the Council's governance framework. There are opportunities to help with the navigation of these, by making them more concise and focused, and the peer team thought that there was an opportunity to simplify these to make them more accessible.

The Council would benefit from developing its culture of empowerment which complements this governance framework. For instance, the peer team did feel that there may be opportunities to review the scheme of delegated authority and this can be reviewed and benchmarked with similar councils to assess whether the current levels are appropriate for the size of the organisation. It did appear that some of the levels may benefit from being adjusted to ensure RBC is delegating appropriately, and if there is an opportunity within this to free up capacity at the top of the organisation and support RBC's ambitions around empowering officer decision making.

There are important changes currently being made, including the proposed changes to the code of conduct complaints process and the role of the Audit & Ethics Committee. These are positive and should be implemented quickly in a way that can help move the organisation forward positively. This is important as if not handled appropriately, continuing to deal with similar complaints can otherwise be a distraction to the business of the Council.

RBC recognises the importance of continuing to develop positive Member and officer relationships and ways of working for the benefit of Rugby and its communities. All staff seemed to understand that they served all elected Members of the Council and this will be important to maintain, particularly in a minority administration. The Member and Officer Protocol is positive step and this has been socialised well throughout the organisation. The recent LGA joint Member and officer workshop on the Protocol was very well received. There is an opportunity to consider how to develop this approach and embed further.

Building on this, it is recognised there is now an opportunity and appetite for a 'reset' of some of the Member and officer relationships which are not working as effectively as they could be. This opportunity needs to be taken for the benefit of the communities that the Council serves. The peer team would encourage the Council to reset and work on these relationships and this will require effort from everyone. A good example of this is the All Leaders' Steering Group which is a good means of ensuring all groups play their important part in the Council. For this Group to be successful everyone needs to play their part for it to be effective and RBC should consider collectively how to facilitate this.

In supporting the improvement of positive relationships, briefings for Members by officers appears to be good but there do not appear to be any consistent response standards for managing Member enquiries and expectations. It is understood that the introduction of consistent response times was agreed at the LGA facilitated Member Officer Protocol workshop in September 2023. RBC should ensure this remains part of its approach as it progresses plans to develop the Member enquiry system and this will help resolve the current frustrations Members feel in response to their enquiries.

The induction programme for new councillors was well received and RBC encourages councillors to have personal development plans and share biographies to understand their needs. There is an opportunity to build this into a more thorough and meaningful ongoing development programme for all Members to support them in their 'councillor career', in which all Members need to engage. This can draw on internal support and offers from other providers, including the LGA. There may be an opportunity to consider how Members can help to shape this more actively with officers than they do currently, and group Leaders may want to consider their important role in this. This applies equally to support those more experienced Members, in addition to those recently elected.

The peer team heard about the importance of the Scrutiny function to the Council and how the effective contribution this can make may be enhanced, particularly in

respect of the alignment to the Corporate Strategy Delivery Plan. This will help with focusing the resources needed to deliver scrutiny and RBC may want to consider the capacity and prioritisation given to this.

RBC officers and Members both describe a deep connection to place and are passionate about improving the lives of Rugby's communities. This can explain why the workforce is so loyal and even though they sometimes described feeling stretched by what is expected of them at work, they are loyal to the place. Employees describe their colleagues as highly supportive and collaborative within their teams and the peer team heard that there is a supportive 'family feel'.

The Rugby Blueprint, which was launched in 2022, is the Council's model for developing the organisational culture, and this was developed via a thorough engagement programme with staff. In discussions with the peer team this was recognised and supported by the majority of staff but there was inconsistent feedback from staff on what this means for them. The peer team recommends that the Council now considers the steps needed to be taken in 'how to get there' and the Management Team then has an important role to play to embed it with all staff.

As part of the improvement culture, the Council has created routes for staff to be able to raise issues and recommendations for improvement including using the internal sharepoint site. Staff are making suggestions. However, there does appear to be an inconsistent feedback loop. RBC may want to consider what existing forums and communications channels could be used to improve this, as this good intention can be undermined if staff feel that they do not get feedback on why their suggestions are not taken forward for further consideration. Similarly, staff raised that although the Leadership Team are keen on empowering staff to make decisions, at times their steer can appear slow, and officers would appreciate the outcomes and rationale behind the responses being reported back to them.

4.4 Financial planning and management

The Council has a balanced financial position, with a 4 year rolling forecast in place. The Financial outlook and wider determinants impacting the financial outlook are well understood by senior officers and Members. Arrangements are in place to ensure a sound basis for financial control and the accounts are produced on time and to a good standard, with regular budget monitoring taking place.

The Finance Team is well respected across the Council but the peer team noted that there are some vacancies within the team. This is currently being managed but to mitigate challenges around recruitment and retention RBC should consider further developing more finance professionals internally as there might be an opportunity and, given recruitment challenges, a need to grow internal talent.

Due to the growth of the Borough the business rates have played an important role in the Council's finances, where under the scheme that was established in 2013/14, the Council retains an element of growth in the business rates over its baseline value. Since 2017 the Council has held a business rates equalisation reserve to which excess growth above the baseline has been transferred each year. As a high growth Borough this has been a significant advantage to Rugby with a contribution to the reserve of more than £5M in 2022/23. This growth has supported the Council's budget pressures.

The Council's prudent and proactive approach to financial management has been demonstrated through setting aside significant Business rate gains, which creates a safety net in times of financial pressure. RBC has also had the foresight to borrow in advance of need to protect the scheme delivery and, due to delays in scheme delivery, is also generating a temporary financial return for the Council. It has also demonstrated its ability to plan well in setting aside of funds to deliver change and support the Council's modernisation agenda.

The Council is aware of its future financial risks. These risks include: the loss of all existing growth due to the business rates reset; the outcome of the fair funding review; the impending end of the New Homes Bonus scheme; and the impact of rising inflation. The Medium Term Financial Plan (MTFP) 2023/24 highlights the future risks, with gaps in future years currently assessed as: 2024/25 - £1.786M, 2025/26 - £3.534M and 2026/27 - £3.871M. The challenges now being faced, including inflation, will likely worsen this position. The Council should consider building on this approach and extending the planning horizon of the MTFP and ensuring it is informed by a range of financial scenarios (best to worst) to reflect the uncertainty in local government funding. A longer term and more strategic financial approach would also help with the approach to the delivery of the new Corporate Strategy.

As at the 31st March 2023 RBC's General Fund revenue reserves stood at £26.5M. Through RBC's solid financial position and the 'cushion' it has created with its business rates and transformation reserves there is an opportunity to proactively investigate innovative ways to address the significant funding gap it forecasts and protect service delivery. Whilst there is currently a balanced position RBC is aware that this is due to retained business rates growth and the use of reserves. In the time that is available, consideration should be given to how best to further develop the Council's approach to financial planning by making more of 'invest to save' opportunities which drive forward improvements and the delivery of savings. RBC has an opportunity to identify ways to close the budget gap by growing income, making efficiencies and driving an impactful transformational change programme. The Council should investigate best practice and see how it can learn from others to drive innovation. Delivery of this could then allow some of the reserve funding to be released to support corporate priorities.

The peer team found that budget savings are largely delivered and Chief Officers 'own' their budgets and understand the uncertainties and challenges RBC faces. However, following the under-delivery of planned savings in 2022/23, future year savings are to be built into the annual Corporate Strategy Delivery Plan and

monitored via the Budget Working Group. RBC is also considering building into the annual employee appraisal process greater focus on realising the financial goals of the Council. To enhance this, in-year financial monitoring could be more robustly scrutinised by the Budget Working Group with late variances investigated, and the culture of openness and shared responsibility be further developed.

RBC should consider enhancing and embedding the framework around savings identification, income generation, delivery and monitoring of service performance and ensure corrective action is taken. The Council intends to link service performance with budget monitoring and the role of the Finance Business Partner, and both the Leadership and Management teams and the Budget Working Group are important to this.

The Council should ensure there is a focus on maximising the tax base and appropriately collecting outstanding debt. Figures in comparison to peers are not as high as they could be – for example the Council at 4.45% has the highest rate of council tax not collected as a percentage of council tax due (compared with its CiPFA near neighbour mean of 2.32% for 2021/22). Although RBC has not felt this financial disadvantage disproportionately due to the significant growth in the council tax and business rates base, this could make an important contribution to the Council's future financial position and should be tackled.

4.5 Capacity for improvement

The peer team recognises there is a real appetite for improvement at the Council and it has made some considerable progress over the past 2 years with the ambition of being a 21st Century Council. This is supported by the committed Leadership Team, Management Team, staff cohorts and Members. However, the Council is aware of the need to consider the impact of 'change fatigue' on its staff. The peer team supports this and recommends that RBC gives further consideration to the prioritisation and overall management of resources to match planned delivery.

There is an opportunity now for the Council to be clearer and provide a more consistent view on its priorities to staff and partners, as this was inconsistent to those the peer team met with. By sharpening its focus the Council can better ensure that everybody is clear on the things which are most important to RBC and what it is trying to achieve in what priority order, within a realistic and achievable timeframe.

The Council has aligned some resources to support the delivery of its corporate outcomes through the creation of the 'Corporate Strategy Delivery Unit'. This is an important element of RBC tightening its grip on the delivery of the expected outcomes and will play a key role in the developing the ambition as performance-led organisation.

RBC is developing its HR Strategy and its approach in being a learning and development organisation including launching the Developing Talent Programme, and people management training for all managers. RBC recognises the importance of its staff and the: appraisal system; approach to talent management; leadership skills for bigger roles and succession planning opportunities are important components to this. This is important and further work can be done through the development of the HR Strategy to support staff to understand their role and how it fits with the Council's vision. Equally, this needs to be the case for all elected Members - building on the benefits of the current approach to appraisals and profiles, to support their development.

The Council recognises the challenges around staff wellness and wellbeing, which is a significant issue. Staff turnover is 20% and sickness is 15.2 days per FTE, with the main reason for absence around stress/anxiety and depression. Prioritisation and managing workloads will be important considerations for addressing this as will proactively managing sickness absence.

There are several existing initiatives that support the wellbeing of the workforce, including an established mental health first aid scheme; a highly effective and valued

occupational health service; wellbeing focussed discussions; wellbeing action plans; and financial support for accessing/fast-tracking medical appointments. Seasonal campaigns to support staff wellbeing include mental health wellbeing week, cost of living support and support when working from home.

In discussion with staff RBC should consider developing a more comprehensive set of support options and ensure that these are accessible, understood and well publicised. Regular and structured contact with line managers and an annual appraisal linked to the Corporate Strategy, and a consistent approach to absence management, will support this. The Council can learn from others on this and looking outward and hearing how others are addressing this through wellness and wellbeing programmes which are contributing to a reduction in sickness absence / stress and improving staff satisfaction.

There are opportunities for building on the approach to staff recognition and reward and celebrating success. RBC has made some significant inroads and there may be opportunities to do more. Now is the time for the Council to continue to look outwards at what others are doing to support its improvement journey.

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 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, Helen Murray, Principal Adviser for the West Midlands, is the main

contact between your authority and the Local Government Association. Helen is available to discuss any further support the Council requires:

helen.murray@local.gov.uk.