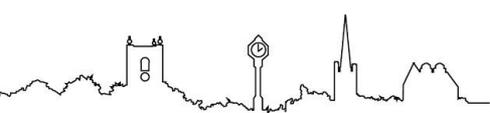


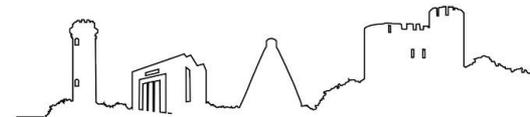
Appendix 1

Fit for the Future Programme Scope, Milestones, Timelines and Success Measures

Phase 1, 2 and 3



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Spending Controls

Problem Statement: At project initiation, General Fund spend in 23/24 will exceed budgets by £15.4m, depleting GF reserves to £6.4m. The External Audit report surfaced a history of under delivering against savings targets, and financial reporting lags, creating additional risk to the year-end position. Spending controls will need to remain in place until at least June 25, until the programme delivers a sustainable organisation or remain in place at least until the Council's unringfenced reserves return to a level of 20% of net revenue spend, avoiding a Section 114 Notice situation and accepting impact on services.

Management Information:

Phase 1:

Spending Controls activity measures
Direct impact of pay related spending controls (one off retrospective reporting)
Forecast/actual reduction in outturn (proxy impact)

Phase 2:

- Strategic forecast of spending controls impact
- Measurement of impact

Milestone Timeline:

Spending Controls Phase 2 approved by Cabinet: 20th March

Scope:

Phase 1:

- Urgently design and launch robust spending controls & underpin controls with processes/tools/measurements/reporting.
- A coordinated approach and process to track delegated action, including for £33m of spend below the procurement threshold of £213,000.

Phase 2:

- Undertake lessons learnt and ensuring learning from phase 1 informs future phases to improve efficiency, transparency, ownership and flow of process.
- Engagement plan to stimulate action, improve understanding of the need for spending controls, so a 'control spending' mindset is embedded at every level of the organisation.
- Improvements to processes underpinning controls of 'people-spend', learning lessons from Phase 1. Recommendations to Cabinet on options to extend non-people spend controls, which currently only approve or not procurement contracts above threshold.
- Create assurance through governance and reporting that controls are reducing spending.

Project Resources and Responsibilities:

Lead Director: Iain Newman

Spending Controls Working Group: Iain Newman, Luisa Fulci, Helen Martin, Nick McGurk

Suspend & Refresh Council Plan

Problem Statement: The current public and colleague facing Council Plan, agreed with partners and members, is not financially viable. As an organisation, it is not possible to have a medium to long-term vision if the budget cannot be balanced beyond 2025.

Project Resources and Responsibilities:

Lead Director: Luisa Fulci

Working Group: Helen Martin, Mayada Abuaffan, Kathy Jones

Scope: Suspend

Symbolically withdraw the current plan, supported by engagement and communications so all colleagues, members, partners, residents and other stakeholders are made aware it is not deliverable. Communicate that any medium to long-term vision, is not currently financially viable, sending a strong signal of Exec and Member commitment to the Spending Controls and Improvement Programme.

Milestones and Timeline:

Suspend existing Council Plan – 15th February
Approve refreshed Council Plan - 15th April

Scope: Refresh

Explain that the current Council Plan will be replaced by a cross-organisational one-year Plan, focused on delivering an Improvement Programme which will design and deliver a financially sustainable organisation.

Design the new plan - CPMO to facilitate a ‘Stop, start, continue, amend’ exercise, and Directors to identify circa 5-7 shared Council wide strategic priorities. Individual Directors to simplify/prioritise Service Plan performance indicators and actions, aligned to service planning process; and review/agree actions for outstanding audit recommendations. Engage Members, partners and colleagues, and create a golden thread through existing governance arrangements.

Communicate the new plan through clear and agreed messaging, which reassures residents and engages partners and media with key messages about the Improvement Programme. Create a clear golden thread that aligns Council task, individuals and environment to the Council Plan through clear comms and engagement and the new appraisal process.

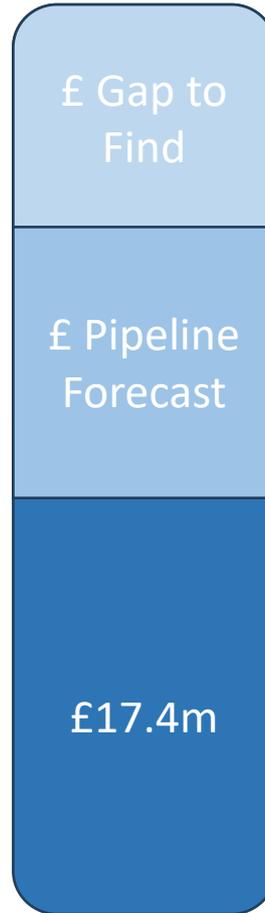
Phase 2 Programme Success Measures, focused on the funding gap

Overarching Programme success measure = Total Target - £37.4m

(identifying as much as possible in 24/25)

MTFS savings/income, cumulative impact £17.4m by 26/27, made up of savings delivered in 24/25, 25/26 and 26/27. Programme success measures:

- £ Delivered
- £ Assured
- £ At Risk
- (£ Not Delivered/deliverable, not included in the total)

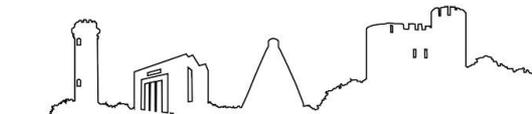


Stretch Target Savings/Income - £20m to find and deliver through additional incomes/savings initiatives, the 24/25 Change Portfolio and Org Redesign.

Programme success measures:

- £ Pipeline identified
- £ Pipeline approved
- £ Delivered
- £ Assured
- £ At Risk
- All measures to clarify financial impact 24/25, 25/26, 26/27

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24/25 Change Portfolio

- A 24/25 'Change Portfolio' of projects will deliver a significant % of the pipeline income/savings.
- A 'Stop, Start, Vary' exercise will a) create a pipeline of savings/income and b) will create capacity for change.
- Strategic Criteria underpin the Change Portfolio and 'Stop, Start, Vary' process

Strategic Criteria	Priority
Is this project fully funded, i.e. through the Capital Programme or the current MTFS, and in line with Spending Controls?	Essential
Will the project deliver Financial Benefits? E.g. efficiencies, cash-out, improved revenue.	High, once Essential criteria met
Does the project deliver benefits that are crucial to the Customer experience, and therefore help to deliver a sustainable organisation?	High, once Essential criteria met
Does the project deliver non-financial benefits aligned to the Improvement & Sustainability Programme objectives?	Medium, once Essential criteria met
Is the project case for change essential to meet Regulatory / Legislative / Statutory standards?	Necessary
Don't meet above criteria	Stop
Does the project have maturity to deliver benefits?	Set a new standard



Project: Governance

Problem Statement: The LGA Peer Review surfaced issues with Strategic Executive Board (SEB), and that improvements to Member and officer working are required if DMBC is to meet the financial challenge ahead. Members and officers must collaborate effectively to find ways to balance the budget, underpinned by a 'golden thread' of governance, clear roles and responsibilities, and an effective and value for money Democratic Services – all focused on the financial sustainability of the Council.

Project Resources:

Lead: Balvinder Heran

Working Group: Mohammed Farooq, Steve Griffiths, external support

Including Members TBC

Project Manager: Kelly Grandison

Scope: Design and deliver improvements to governance for 24/25 to create a 'golden thread of governance' to oversee financial challenge, including:

- Review SEB, including membership, ToR etc. and align Director's personal objectives to the Improvement Programme.
- Clarify purpose of Informal Cabinet meetings, and review support arrangements so discussions better flow into formal meeting structures.
- Review Scrutiny arrangements, focusing on the financial challenge.
- Functional review of Democratic Services, creating capacity to manage member engagement, and a 'golden thread of governance' focused on financial challenge and the Improvement Programme.
- Implement new arrangements so options produced by officers can be progressed through formal governance as soon as possible, underpinned by a 'culture reset' led by Group Leaders after May.

Key Milestones Timeline:

Improved Governance arrangements agreed: March



MTFS Savings Reporting & Assurance

Problem Statement: The organisation must reduce its operating costs, with as much savings/income as possible identified/delivered in 24/25. Some projects will take time to realise savings. Existing MTFS savings/income of £17.4m by 2026/27 will be submitted for approved by Council on 4th March but is insufficient and leaves a forecast financial gap. The size of the required savings/income target is unprecedented, further complicated by a historic low taxing and low reserves. Performance against relatively modest savings targets has historically delivered less than 100% (46% in 23/24, 71% to date in 24/25). This project must identify and deliver the improvements necessary to internal processes, grip and transparency to identify, assess, assure and report upon effective delivery of savings/income and whether it is sufficient to meet an agreed savings/income stretch target.

Key Milestones Timeline:

Processes for assurance and risk management of savings –
End March

Scope:

Lessons learnt exercise to identify opportunities for improvements to internal processes that maximise delivery and assurance of savings.

Create/review/improves processes and reporting which:

- Identify and agree savings/income stretch target;
- Change controls and communications if the savings/income stretch target changes in-year;
- Identify MTFS savings/incomes;
- Challenge new savings/income proposals to ensure robustness and likelihood of delivery for approval;
- Accurately and more frequently forecast savings/incomes, budget and savings management
- Risk reporting and remedial action/mitigation where delivery of targets is at risk;
- Create assurance of delivery.

Project Resources:

Lead Director: Matt Bowsher

Working Group: Matt Bowsher, Catherine Driscoll, Kathy Jones, Rachel Cooper.

Org Redesign: Case for Change

Problem Statement: Developing a 'Case for Change' is a key first step in organisational design and aligns to 'Programme Definition' which evidences and articulates the reasons why change is necessary so that the future state can a) resolve root causes of the problems the Council is currently experiencing, so programme benefits are sustainable and b) better meet the needs of stakeholders, including residents, Members, colleagues and partners.

Project Roles and Responsibilities:

Sponsor – Leader of the Council
SRO – CEx/DCEX
SME – AD People & Inclusion
Programme Manager, JW
Project Manager, MMc
Stakeholders: in consultation with shadow leader/cabinet.

Key Milestones Timeline:

Financial Business Case and Case for Change – April
Gateway Approval for projects 4 onwards – End Q1

Scope:

Desktop Review: LGA Peer Review Findings and Recommendations and External Auditors Report as objective inputs. Desktop review of existing data. Policy Review. Data from employee engagement. Insights from the EVP work.

Root Cause Analysis/Impact Assessment: Director and stakeholder interviews about root cause of LGA Peer Review and External Auditor findings, using '5 Whys' methodology. Draws together all the lessons learnt activities to date. Fishbone Analysis used to consult on themes and major root causes.

Case for Change: A narrative which sets out the reasons why change is required and the root causes that need to be resolved.

Financial Business Case: Will confirm the size of a Financially Sustainable Organisation and set out the benefits profile of each project and workstream so that the Programme can track financial benefits.

Success Measures: Will confirm how we measure success, for the Council, customers and stakeholders.

Org Redesign: Programme Scope

Problem Statement: The scale of the financial challenge requires a fundamental organisation wide re-design, which will rethink how we deliver services on almost every level. This will take a 'One Dudley' view across the whole organisation, responding to the problem statements/feedback raised in the LGA Peer Review and the External Auditor's report. By designing and delivering the right shape and size organisation the Programme will deliver a financially sustainable organisation, mitigating the S114 Risk and consequences for Dudley residents. Note: this is a programme in its own right – and should not be confused with a restructure.

Programme Roles and Responsibilities:

Sponsor: Leader of the Council

SRO: CEx/DCEX

SME: AD People & Inclusion

Programme Manager: Jen Williams

Project Manager: Michelle McLean

Stakeholders: in consultation with Shadow

Leader/Cabinet.

Dedicated team TBC

Scope:

Designs and delivers a financially sustainable organisation (TOM), aligned to a refreshed vision for the customer/resident, underpinned by effective governance, by '25.

Includes the following projects:

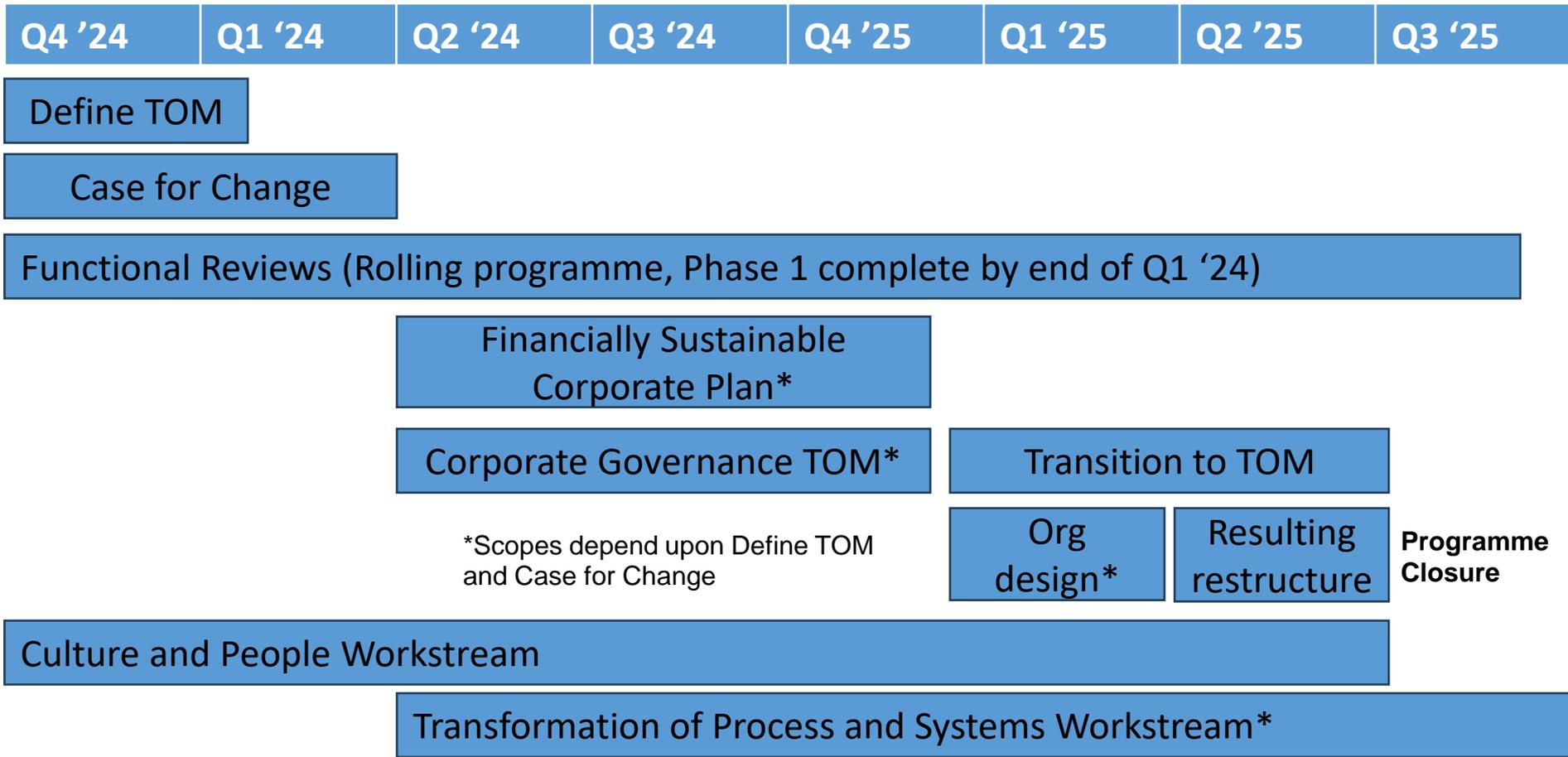
1. Define target operating models (TOM)
2. Functional Reviews
3. Case for Change
4. Financially Sustainable Corporate Plan (includes Financial and Performance Management)
5. Corporate Governance TOM
6. Transition to TOM (Single organisational wide redesign and resulting restructure, including Corporate Services and senior leadership restructure)

And is underpinned by 2 ongoing workstreams:

- People & Culture
- Transformation of Processes and Systems, which will run beyond the lifetime of the Improvement Programme

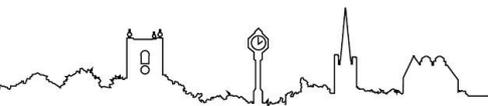
Note: Scopes of Project 4 onwards requires a 'Gateway Approval' evidenced by the TOM and Case for Change.

Org Redesign: Programme Timeline



*Scopes depend upon Define TOM and Case for Change

Transformation will run beyond the lifetime of the Improvement Programme



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Org Redesign: Define Target Operating Model

Problem Statement: The Council's current approach sees service areas operating as single separate teams leading to duplication of effort, different behaviours and values and lack of joint working. We need a new operating model that focuses on getting the basics right for our customers, communities, and businesses at the heart of Council decision-making. The new operating model will address the 5yr funding gap by creating a workforce that is flexible with the necessary skills to work effectively, fully exploit digital technologies and enable the Council to accelerate their processes.

Project Roles and Responsibilities:

Sponsor: Leader of the Council

SRO: CEx/DCEx

SME: AD People & Inclusion

Programme Manager: Jen Williams

Project Manager: Michelle McLean

Stakeholders: in consultation with Shadow Leader/Cabinet.

Scope:

Agree a Vision and Mission for Dudley – to provide the strategic direction for a future Financially Sustainable Corporate Strategy.

Agree 'TOM Design Principles' – set of agreed 'universal building blocks' to prioritise and adhere to in the organisation design.

Create a TOM blue-print – a 'North Star' - a high-level description of a target operating model, which will better meet resident and internal customer needs and deliver a Financially Sustainable Corporate Strategy. Will place the customer at the heart of the TOM blue-print through customer journey mapping and customer insight. Will clarify operating model for corporate services.

Key Milestones Timeline:

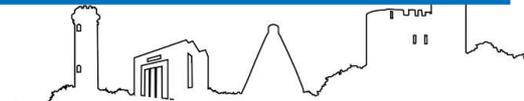
Vision & Mission – Early March

TOM Design Principles – Early March

TOM Blue-Print - April



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Org Redesign: Functional Reviews

Problem Statement: To deliver effective org redesign the Council has to be clear about each and every function, its scope and future state, which will then determine the future organisational structure, underpinned by the TOM Blue-Print.

Project Roles and Responsibilities:

Sponsor: Leader of the Council

SRO: CEX/DCEX

SME: AD People & Inclusion

Programme Manager: Jen Williams

Project Managers: Michelle McLean, Malcolm Edwards

Directors to be responsible for leading Functional Review in their area.

Analysis/Assurance: Commercial Teams, Finance, Legal, People & Inclusion

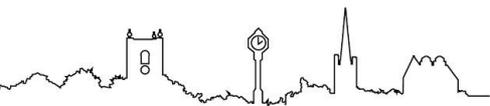
Stakeholders: in consultation with Shadow Leader/Cabinet.

Scope:

- Collate list of Functions and total costs per Function. Phase the Functions into baskets of 6-8, with a clear timeline (Phase 1 to be complete by June).
- Evidence the Value-add/social-value of each function in Dudley, given the local market/partners and resident needs/perceptions, leaning on external expertise for input and check/challenge and internal data driven analysis.
- Make recommendations to Cease, Vary, Maintain and deliberate and evidenced based decisions about aspirations for Council performance.
- Complete impact analysis of Cease, Vary, Maintain recommendations, including cost implications. Case by case analytical evaluation where decisions about TOM are being made.
- Agree metrics KPIs per function

Key Milestones Timeline:

Phase 1 completed, June



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Org Redesign: People & Culture

Problem Statement:

At the heart of the issues raised around governance, is the current culture of our organisation. It's reflected in silo working, a lack of collaboration and communication, complicated processes and the failure to seize digital opportunities. This leads to inefficiencies and missed opportunities. There is a need to improve the internal control and assurance so that we are customer-centric with an unwavering focus on excellence.

Project Roles and Responsibilities:

Sponsor – Leader of the Council

SRO – CEx/DCEx

SMEs – AD People & Inclusion, Trish Williams

Programme Manager, JW

Project Manager, MMc

Stakeholders: in consultation with shadow leader/cabinet.

Scope:

Values and behaviours – We will refresh and implement values and behaviours that clear set the standards for ways of working and behaviours. These will be part of the updated annual appraisal scheme.

Management Practices – Improving practices so that managers are focussed on improving team and individual performance so that all employees know what is required of them and understand their role in the bigger picture.

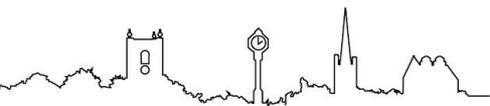
Change Readiness – Developing the workforce to enable them to thrive during the transition to the TOM and be equipped to work well in an environment of continuous improvement. We will also identify and reinforce new behaviours and ways of working that are sustainable.

Leadership Development – Developing current and future leaders at all levels of the organisation to support and embed the new culture and required ways of working.

People Governance & Intelligence – ensuring that the right frameworks, policies, procedures and data are in place to support and underpin this work.

Key Milestones Timeline:

Refreshed people policies, appraisals and Employee Value Proposition themes, April



Workstream: Comms and Engagement

Purpose

The Comms & Engagement workstream underpins the Improvement Programme, ensuring that:

- All programme workstreams are supported by joined up communications.
- Stakeholders linked to programme delivery are clear on what is happening, what success looks like and what they need to do.
- Wider colleagues, partners and residents have their needs understood and responded to in a timely, effective way.

Project Resources

Lead Director: Nick McGurk

Working Group: Mayada Abuaffan, Jacqui Branch, Barry Hutchinson, Phil Parker, Trish Williams

Project Manager: Michelle McLean

Milestones and Timeline: Comms and engagement activities require a responsive, collaborative and agile approach. Milestones will be agreed month-on-month (with associated success measures), in response to stakeholder needs and feedback and programme performance.

Scope:

Work collaboratively with stakeholders to: Contribute to the creation of a supportive climate that will enable the delivery of the Council-wide change programme.

Deliver effective communications and a wide range of engagement activities covering both internal and external stakeholders (public, partners, colleagues).

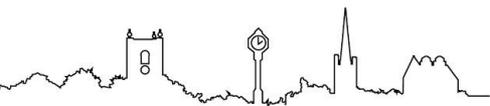
Ensure a robust feedback loop into IDG and working groups, providing challenge and putting forward ideas in response to activities that impact staff engagement.

Measure the success of activities and interventions and undertake regular lessons learned.

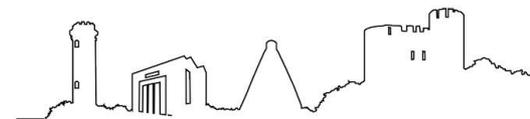
Identify early adopters of change and success stories, sharing them to raise awareness of good/best and novel/innovative practice linked to the change plan.

Appendix 2

Fit for the Future Programme Governance, Phase 2



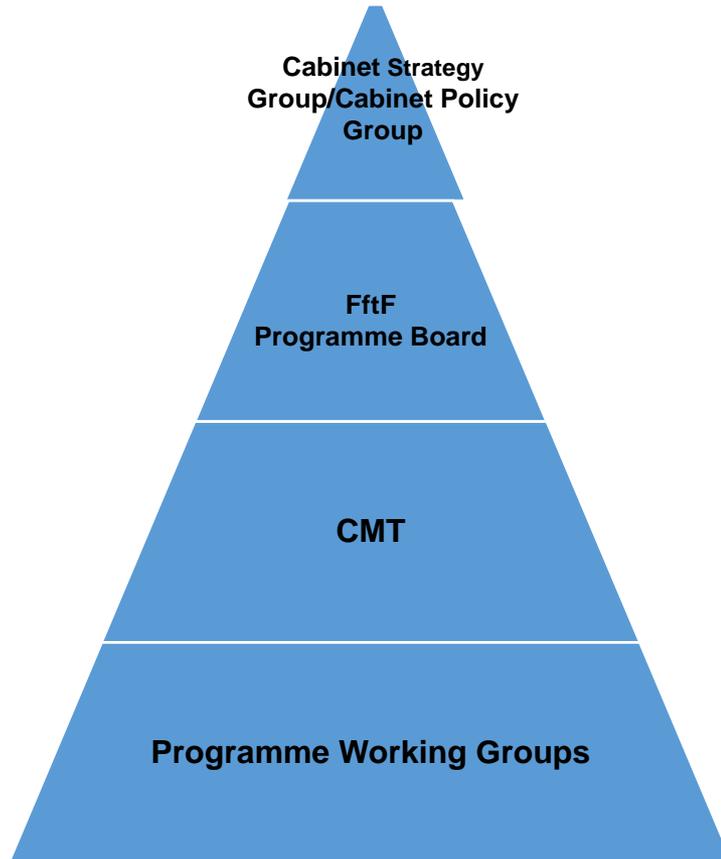
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Governance reset

Action	Proposal	Membership
Delete Informal Cabinet	<ul style="list-style-type: none"> • Cabinet Strategy Group – meets once a month to focus on big ticket discussions focussed on future financial sustainability, key priorities and improved governance. • Cabinet Policy Group (includes Cabinet agenda setting) - once a month in line with Cabinet meeting timetable – agenda and minutes 	<p>The Cabinet, CEx, DCEX, Directors</p> <p>The Cabinet, CEx, DCEX, Directors, MO, supported by democratic Services</p>
Delete SEB Phase out IDG	<ul style="list-style-type: none"> • Corporate Management (CMT) – meets weekly - leadership, management of the organisation and input to and leadership of change • Fit for Future (FftF) Programme Board – meets monthly prior to IAB papers going out • Senior leadership (SLT) meets once a month. • Programme Working groups supported by project management resources report into Programme Steering Group. • Wider staff engagement 	<p>CEx (chair), DCEX, Directors, MO, Assistant Director for P&I for 'FfF' elements supported by democratic Services</p> <p>Chair – Leader of the Council, Shadow Leader, CEx, DCEX (SRO), Director for Finance & Legal, Ass. Director for People & Inclusion, Programme Manager and Cabinet lead member and Director on invite,</p> <p>CMT, Service Directors, Assistant Directors, HoS, 'FftF' PMT and relevant SMEs, arranged and supported by organisational development</p> <p>Working groups supported by Fit for Future Programme Team</p> <p>Detail and frequency being managed by C&E Working Group, arranged and supported by organisational development and relevant SMEs</p>
Review Scrutiny function within the budget for members allowances	<ul style="list-style-type: none"> • Paper to main Group Leaders on options for Scrutiny linked to future financial sustainability and key priorities. 	DCEX, Director for Finance & Legal, MO and democratic Services Manager
Review functions undertaken by democratic services	<ul style="list-style-type: none"> • Look at what functions can be moved to other teams (obvious non-democratic functions) and then build into functional reviews the remaining elements to confirm the future delivery vehicle. May need a transfer of capacity into the team 	

DMBC Governance



**Cabinet Strategy
Group/Cabinet Policy
Group**

Chair: Leader of the Council, Cabinet
Membership: CMT supported by democratic
services

**FftF
Programme Board**

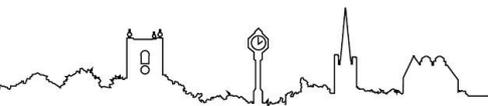
Chair/Executive: Leader of the Council, Shadow
Leader, CEx
Membership: DCEx (SRO), Director for Finance &
Legal, Ass. Director for People & Inclusion,
Programme Manager and Cabinet lead member and
Director on invite,

CMT

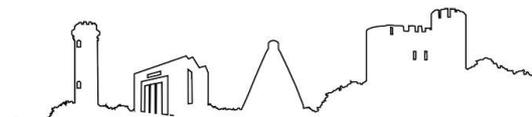
Chair: CEx,
DCEx, Directors, MO supported by democratic
services

Programme Working Groups

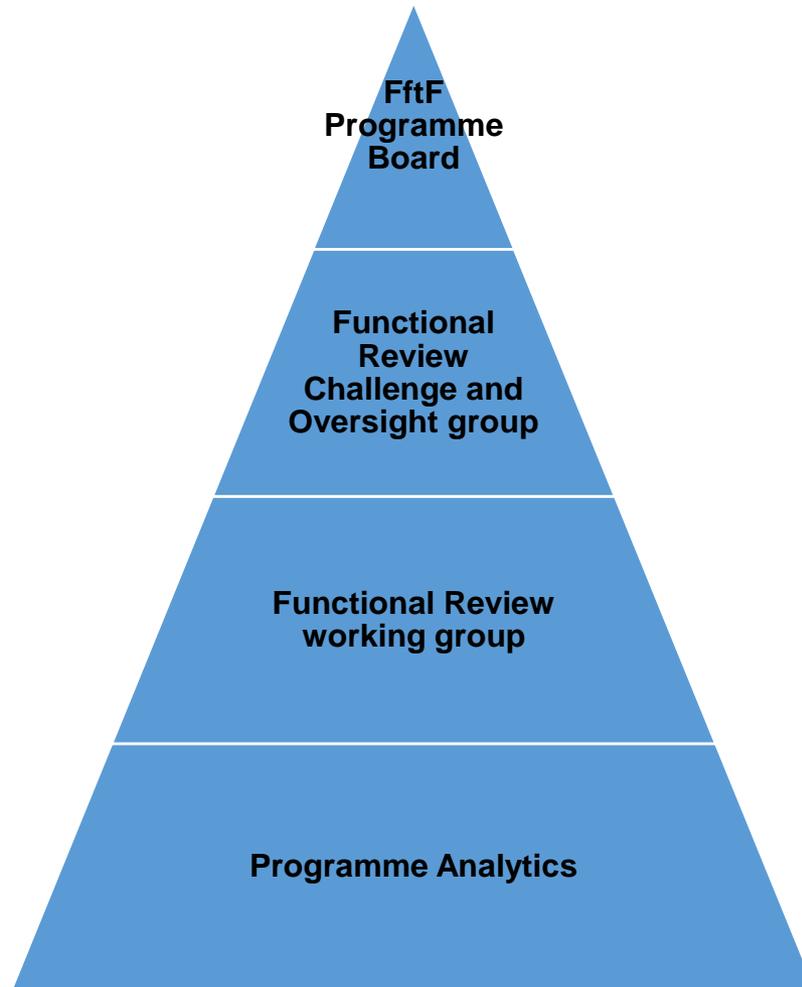
Chair: Lead Director
Membership –as set by Chair, project manager and
analytics rep
relevant Cabinet lead member (on invite),



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Governance: Org Redesign & Functional Reviews



Chair/Executive: Leader of the Council, Shadow Leader, CEx
Membership: DCEx (SRO), Director for Finance & Legal, Ass. Director for People & Inclusion, Programme Manager and Cabinet lead member and Director on invite,

Chair: DCEx (SRO)
Membership: Lead Director, lead Cabinet Member (on invite), Director of Finance/AD People and Inclusion/Head of Legal, Programme Manager

Chair: Lead Director (revolving, based on the function).
Membership: external challenge, P&I representation and lead Cabinet Member (on invite), project manager and analytics rep

Lead: Director of Digital, Customer and Commercial Services
Membership: to be determined by lead.
Purpose: Provide consistent methodology and analysis including evidence of need, financials, impact assessments.

