
Meeting of the Audit and Standards Committee – 4th December, 2024

Report of the Interim Chief Executive

Progress update on Fit for the Future Programme and development of the Council Improvement Plan

Purpose of report

1. To provide a high-level update on the Fit for the Future Programme set up in November 2023.

To present 2 external reports commissioned by the Council – the Local Government Association (LGA) Corporate Peer Review update report and Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management and Governance Review.

To summarise the work to develop the Council Improvement Plan (based on the 6 best value themes as set out in statutory guidance) underpinned by revised governance for the Council and revised governance arrangements.

To recognise the need for increased capacity and skills to help navigate the turnaround of Council performance across a range of key areas.

Recommendations

2. It is recommended that the Committee notes:
 - The findings set out in the LGA Corporate Peer Review Progress Feedback Report – Appendix 1
 - The overall findings set out in the CIPFA Financial Management and Governance Review – Appendix 2
 - The progress made since the inception of the Fit for the Future Programme was set up.
 - That the development of the Council Improvement Plan (based on the 6 best value themes as set out in statutory guidance) underpinned by revised governance arrangements will be submitted to Cabinet in January 2025 for endorsement.
 - That performance updates on key priorities with Red, Amber and Green (RAG) ratings will be presented to Cabinet on a monthly basis.



Background

3. The Council took part in an LGA Corporate Peer Review in September 2023. Several recommendations were made to the Council under the themes of Finance, Governance, Capacity, Culture and Vision. The process includes a progress review within 12 months which took place in July 2024 and their follow up report is attached as Appendix 1.
4. In April 2024 the Council commissioned CIPFA to undertake a Review to better understand the key issues and opportunities to improve its overall financial resilience, wider governance and opportunities to transform based on best practice. Their report is attached as Appendix 2.
5. The Council established the Fit for the Future Programme in November 2023 supported by the LGA Improvement & Assurance Board and internal governance arrangements. The Fit for the Future programme incorporated the recommendations coming out of the Peer Review, with its focus being to deliver a balanced budget for 2024/25. This was achieved.

Key Findings – LGA and CIPFA reviews

6. Both reviews highlighted similar issues around financial resilience, need to increase pace, improve governance arrangements, and put in place a transformation programme. These are high level assessments formed after significant fieldwork and have implications for the future management and direction of the Council. Accordingly, the recommendations coming out of both reports are accepted by the Council and will be considered addressed/incorporated into the Council Improvement Plan which is now in preparation

Governance arrangements

7. The Council would like to place on record its thanks to the LGA Improvement and Assurance Board (IAB) for their support and guidance over the last 12 months. Building upon the important contribution from the IAB, the Council is now putting in place its own internal *Improvement Board* to oversee the delivery of the Improvement Plan with the next 6 months focussed on turnaround of the financial position and governance to enable a clear path to transform key functions and develop a future vision for the Council which is co-designed with our communities and partners. The Improvement Board will be chaired by Kim Bromley-Derry and membership will be the DMBC Group Leaders, their deputies and senior officers supported by external subject matter experts as required. The IAB had provided key support to enable the Council to mobilise the key elements to set up our improvement journey and the Council now moves into a phase of wider transformation the revised arrangements

being put in place will focus more specifically on the longer-term sustainability of the Council.

Key deliverables since inception of Fit for the Future Programme

8. One of the key changes to be put in place as part of the work of the Improvement Board will be to present monthly performance reporting to the Cabinet.
9. The following summarises some notable milestones over the last 12 months.

October 2023

- Council wide spending controls introduced which contributed to management of the financial position in 2023/24.

February 2024

- Cabinet approved the suspension of the 3-year Council Plan to focus on urgent issues over next 12 months.
- Council Programme Team established, supported by improved arrangements for the operation of CPMO
- New employee value proposition research and analysis - feedback about culture and well-being leading to new workstream on People and Culture being stood up.

March 2024

- Cabinet approval of the 'Fit for Purpose' Programme and associated governance arrangements
- Refresh of corporate governance including refocused Corporate Management Team, new Cabinet Strategy and Policy groups with new terms of reference and closer joint working arrangement with Group Leaders.
- Medium-Term Financial Strategy – 2024-2027 approved and approval of the focus on 'big 5' priorities: Libraries, Leisure, Parking, Waste and Recycling, Borough Halls and associated catering.
- One year Council Plan adopted focussing on 2 key themes – (a) improving our organisation and (b) serving our borough - underpinned by a set of key performance indicators to support a common corporate understanding, driving performance management, improved Member understanding and underpinning data quality.
- Launch of myDudley conversations – improved performance appraisal with golden thread to new Council Plan - 86% of respondents gave the new ways of working 3 stars or above.

April 2024

- Introduction of garden waste subscriptions service. On 30th September 2024, 72,885 (out of a total of 133,428) households subscribed delivering £2.6M income against a forecast of £1.31M.
- LGA Adult Social Care Use of Resources completed and action plan in development (this will form part of monthly performance reporting going forward).

May 2024

- Phase 1 of refreshed Member training programme delivered, supported by LGA. Member survey shows Councillors report they understand the current financial challenge (average of 8/10) and 91% of respondents report they will be willing to take difficult decisions.
- Scrutiny Programme refreshed and aligned to Council Plan.
- New streamlined People Policies launched
- Additional capacity in Democratic Services created through review of democratic services.

June 2024

- The functional reviews have identified a suite of savings opportunities that will be fed into the process for balancing the 2025/26 Budget which has now commenced. Colleague survey identifies that 87% of colleagues know about the change programme, 80% say they have a role to play to help bring about change.
- Material measurable improvements in colleague learning engagement and outcomes from new system.

July 2024

- Chief Executive announces retirement
- Initiated delivery new operating model and work on implementation of phase 1 (core functions) underway

August 2024

- Review of senior management organisational structure commenced to conclude by end of March 2025 to align with new operating model. This will provide the appropriate strategic capacity and grip required to deliver the ambitious improvement programme. In the interim key internal and external specialist resources will focus to drive changes at pace.
- Appointment of specialist support – Kim Bromley Derry – providing strategic advice and guidance, Brendan Arnold – Programme Director – Financial Sustainability and Transformation.
- New parking strategy with updated fees and charges agreed from 1st October 2024.
- Cabinet approved redirection of centralised in-person customer services to local customer access points (by January) enabling better

use of libraries, closure of Brookes Bar & Bistro (complete), and Public Health grant switches to support pressures in adult and children's social care.

- Insight survey about Member perceptions inform culture change plan supported by LGA.

September 2024

- Phase 2 of refreshed Member training programme delivered, supported by LGA with 92% of sessions changed
 - Star chamber sessions involving all Directors and Heads of Service commenced with a deep dive into all functional areas in readiness for the setting of the medium-term financial strategy 2025–2028 and to input into the Council Improvement Plan
 - Revised approach for revision and updating of the MTFS and Budget setting programme.
 - Interim Chief Executive appointment confirmed by Council
 - Work commenced to develop The Council Improvement Plan for DMBC incorporating all key recommendations from external bodies, our workforce and partners to be presented to Cabinet in January 2025
 - Member and Officer culture change workshops underway, supported by LGA – improving Officer/Member relationships and understanding.
 - Waste and Recycling Strategy on target for Council in December.
 - Director for Finance and Legal/s151 retired and interim arrangements to be confirmed by Council on 21st October 2024
 - External monitoring officer capacity sourced to assist with governance review and to address key actions from external reports.
10. The work started as part of the Fit for the Future Programme put in place a longer-term programme for transformation.
11. It will be a live document updated to take account of progress and other changes required. A monthly update summary will be presented to Cabinet to show progress against key actions.
12. In summary the Improvement Plan will seek to address and evidence: -
- Implementation of all actions from the LGA, CIPFA and our external auditors.
 - The on-going financial sustainability of the Council with a clearer focus on key priorities.
 - Sustainable improvements in governance, leadership, and culture in the authority
 - Improved effectiveness of audit and scrutiny
 - Development of 10-year vision for the Borough developed with our partners and communities underpinned by a new 3-year corporate plan.
 - Improve consultation with residents and partners

- Transformation projects which maximise use of technology and digital to secure continuous improvement in all services
13. Measures of success will be developed to enable effective tracking of progress and will ensure: -
- The Council has a stable and effective senior leadership team, its structure fits within a bigger corporate plan and is designed to enable it to meet its wider objectives.
 - The council is able demonstrate it has a clear focus on its residents and customers and is responsive to their needs and demands.
 - The council has reviewed its Audit and Scrutiny arrangements and functions in place for council decisions, and members and officers demonstrate they understand and respect their roles in council business.
 - The council has developed and can demonstrate an organisational culture, at all levels, where staff are enabled and empowered to constructively challenge and improve ways of working.
 - The council can demonstrate it is developing and deepening relationships with external partners across the region and sector.
 - Decisions made by the council are done so via well understood and transparent channels and supported by evidence.
 - The Council can demonstrate it is focused on continuously improving in all areas and has robust processes in place to collect and analyse data on its delivery, and to manage its performance effectively.
 - The Council can demonstrate it is financially resilient and makes investment decisions in the context of a longer-term financial plan.
 - The Council has considered properly and decided as to whether to move to a four yearly electoral cycle.
14. Work is also being done to ensure the correct processes, governance and behaviours will be in place to ensure these changes stick. Most importantly how these changes will improve outcomes for our residents.

Finance

15. As part of the Improvement Plan the Council will update its approach to forming and implementing proposals to deal with its financial challenges and is stepping forward with confidence with the aim of balancing the Council Budget for 2025/26. In doing so the Council confronts a very significant financial challenge as it needs to surmount a budget shortfall in 2025/26 in the region of £30m with additional budget pressures in the future.

16. To overcome this challenge, the Council is:

- Developing a detailed plan to ensure that Members are provided with the outcomes from detailed work led by the Corporate Management Team.
- Preparing to consult the Borough on the Budget journey.
- Scheduling Budget Scrutiny sessions that will take place in January 2025.

17. The Council is planning to develop responses at pace that will deal with the recommendations in the finance area brought forward from the LGA and CIPFA reports which are contained in the Appendices to this report.

Law

18. The Council's duty under the Local Government Act 1999 to secure best value in the delivery of all its services and functions is effectively a duty to seek continuous improvement and to invite scrutiny of the council's performance in delivering for the communities of the Borough. The reviews that have taken place inform and support this process.

19. There are no direct legal implications arising from the content of this report; changes made to council services or the workforce as part of the implementing the recommendations, these will be subject to separate decisions and consultation as required.

Risk Management

20. The main risks relate to the large-scale nature of this change and how that will impact business-as-usual activities. The Improvement Plan will set out how impact on Council business will be minimised and how quick wins can be achieved.

21. The other key risks are that the improvement plan fails to deliver the financial and other benefits may not be realised.

22. By introducing a clear benefits/mapping process from the outset signed off by the s151 officer we can more easily report on whether the efficiencies/savings are on target or whether different action needs to be taken.

Equality Impact

23. There are no special considerations to be made about equality and diversity in noting and receiving this report. Relevant changes will be assessed for impact through normal processes.

Human Resources/Organisational Development

24. This report in-itself contains no direct implications for individual staff. However, if implemented, the subsequent delivery programme will have a substantial impact for employees in the way they work.

Commercial/Procurement

25. The changes recommended in the report align with the LGA corporate peer challenge and CIPFA findings that the organisation needs to have more robust procurement and contract management and embed commerciality across the organisation. The report does not address how this will be achieved. This will be developed as part of the development of the Council Improvement Plan.

Environment/Climate Change

26. The Council will continue to support and contribute to the Council's commitment to become a carbon net zero authority by 2030, as part of its climate emergency declaration.

Council Plan

27. The council improvement plan will directly support the Dudley Council Plan 2024-25, specifically: delivering for our customers, residents and communities and Supporting businesses and the local economy.



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List of appendices:

- Appendix 1 – LGA Peer Progress Review Feedback Report
- Appendix 2 – CIPFA reports

The above appendices are available to view on the Committee Management Information System.