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## **Meeting of the Cabinet – 18<sup>th</sup> September 2025**

### **Report of the Chief Executive**

### **Progress update on Council Improvement Plan**

#### **Purpose of report**

1. To provide a high-level summary of progress made by the Council in its improvement and sustainability journey.

#### **Recommendations**

2. It is recommended the Cabinet note progress made since the Dudley Council Improvement Plan was set up, notes future actions and priorities and that good progress continues to be made and the journey towards long-term sustainability and improvement continues.

#### **Background**

3. The Council established the '*Fit for the Future*' Programme in November 2023 to focus on delivering a balanced budget for 2024/25, setting a balanced budget/savings plan for 2025/26 onwards, spending controls on workforce spend, having a 1-year Council focussed plan, launching organisational redesign, governance, and communications and engagement workstreams.

The Improvement & Assurance Board (IAB) was established made up of members from the main political parties in the Council and senior Council officers, supported by the Local Government Association and external peer support.

A progress update report on deliverables covering November 2023 to September 2024 was accepted by the Cabinet in October 2024 and the Council moved to the next phase of wider transformation where revised arrangements were required to enable focus on the longer-term sustainability of the Council. The '*Fit for the Future Programme*' was

stood down and the Dudley Council Improvement Plan formally launched to provide the longer-term focus, the IAB thanked for their work and the Dudley Improvement Panel established.

### Key measures introduced

From October 2024, several precautionary steps were taken, including:

- Recruitment freeze
- Suspension of new contracts
- Termination of interim/agency contracts
- Value for Money Panels to oversee all non-pay spending
- Pay Cost Control Board to manage vacancies and employee costs

These measures were designed to control spending while safeguarding the financial health of the Council.

### Update

- **January 2025:** The Cabinet approved the Council's proposed Improvement Plan, supported the setup of the Improvement Panel, chaired by Kim Bromley-Derry and includes Group Leaders, deputies, senior officers, external experts and supported by LGA.
- **February 2025:** The Council approved the medium-term financial plan for 2025-26, which included a savings target of £41.6 million, provided funding for the council improvement plan, and put in place contingency budgets which could be drawn down if required.
- **June 2025:** The Cabinet noted a £17m surplus, which was transferred to the general fund reserves, bringing the total reserves to £28.9m by the end of March 2025.
- **July 2025:** The Council received a Best Value Notice (BVN) from the Ministry of Housing, Communities and Local Government (MHCLG), requiring monthly progress updates to ensure the ongoing improvement of the Council. A link to the BVN - <https://www.gov.uk/government/publications/dudley-metropolitan-borough-council-best-value-notice-july-2025>

The Improvement Plan, approved in January 2025, was already aligned with the Government's national Best Value themes: leadership, use of resources, culture, service delivery, governance, partnerships and community engagement, and continuous improvement. This framework helps the Council demonstrate and evidence its commitment to long-term improvement.

## Key activities and focus

Since January 2025, the focus has been on:

- Confirming and implementing a new senior management structure
- Baselining phase 1 of the new operating model
- Improving governance and scrutiny processes
- Enhancing member training and member/officer working
- Managing the delivery 2025/26 budget and associated savings
- Reviewing the Council's reserves and financial planning for 2026/27 onwards

The Improvement Plan will be delivered in phases which will be prioritised to focus on financial sustainability, maximising the use of technology to automate business processes, reviewing high spend areas and ensuring core business functions are as lean as possible with the priorities for October to March 2026 to be presented to the Improvement Panel in October 2025, with an update to Cabinet in November 2025.

## 4. Measures of success

The Council is focused on achieving several key objectives:

- **Stable leadership:** senior leadership team aligned with the Council's strategic objectives.
- **Resident-centric approach:** The Council remains focused on the needs and demands of its residents and customers.
- **Improved governance:** clear and transparent decision-making processes, with robust scrutiny and audit functions in place.
- **Organisational culture:** empowering staff to challenge and improve operational processes.
- **Partnerships:** strengthening relationships with external partners and stakeholders.
- **Financial resilience:** demonstrating long-term financial sustainability and informed investment decisions.

Progress in these areas are being tracked through both quantitative and qualitative measures, offering evidence-based assurance the Council is on the path to sustainable improvement.

5. Progress updates/achievements between October 2024 to August 2025 (this is not an exhaustive list but an illustration of key achievements).

#### **October 2024:**

- Interim governance arrangements established – strengthened ‘golden triangle’ statutory officers.
- Pay Control Cost Board and Value for Money Panels introduced to manage workforce costs and non-pay expenditure.
- Budget challenge sessions conducted to scrutinise the 2024/25 budget savings and set the stage for 2025/26.
- Discussions with housing colleagues from MHCLG in relation to the regulatory notice and the HRA finances confirming they felt reassured that the HRA is no longer facing significant challenges and pleased to hear about progress and our insights/reflections.

#### **November 2024:**

- A review of all vacant posts initiated to support budget reduction efforts.
- Senior management review began, including informal consultations with unions and impacted staff.

#### **December 2024:**

- The Dudley Local Plan submitted for public examination.
- A report was presented to Cabinet outlining changes to senior leadership to address both current and future challenges.

#### **January 2025:**

- The draft Dudley Council Improvement Plan approved, and the Improvement Panel began its work.
- The budget proposals for 2025/26 were scrutinised over 4 consecutive nights

#### **February 2025:**

- The Health Innovation Dudley Programme received approval, with Dudley Town Centre securing £25 million in funding.
- The 2025/26 budget was adopted, which included an additional £5m added to reserves annually.

## **March 2025:**

- The senior management structure finalised, £1.2 million in annual savings confirmed and recruitment commenced starting with the appointment of the Chief Executive.
- The new accountability framework for budget management was approved and signed by budget managers.

## **April 2025:**

- The 2025/26 Council Plan adopted, with real-time performance indicators introduced via Power BI dashboards.
- Work began on strengthening the Council's Constitution and member training programmes.
- Adult Social Care presented a successful Leadership presentation as part of the CQC inspection. Recognised as the first co-produced presentation it highlighted how embedded continuous development is in Adult Social Care.

## **May 2025:**

- Key changes made to the audit and scrutiny committees, with new independent co-chairs for both the Audit and Standards Committees (being recruited to)

## **June 2025:**

- Preparations began for the 'Borough Vision 2026-2036' community consultation to inform the Council's long-term planning.

## **July 2025:**

- Workshops for the new Council Constitution completed.
- The Member Development Programme was updated based on feedback from a self-assessment exercise.
- Scrutiny training undertaken with members in conjunction with the LGA.
- Peer assessors providing feedback on Scrutiny meetings.
- Positive onsite visit as part of Adult Social Care CQC inspection. Positive high-level feedback received around Council approach to co-production, strong and positive leadership, positive culture with senior leaders being seen as approachable and visible.
- Children's Services – focussed work commenced around improved workforce engagement starting with workshops/management development sessions to ensure direct feedback is received. Recommendations agreed include greater recognition of service

pressures on staff, more opportunities for front line staff to talk directly to senior managers and more recognition of achievements by front line staff – all implemented. All senior managers hold weekly drop-in sessions to ensure on-going improvement along with swift action to address workload pressures which has reduced caseloads in front line social work and early help teams. Staff morale is improving and evidenced by improved staff retention and lowering levels of sickness absence related to stress.

### **August 2025:**

- The revised governance schedule was approved, reinforcing the Council's commitment to improving decision-making processes.
- Formulation of Scrutiny Handbook. A constructive tool to support members in both understanding and undertaking effective scrutiny.
- Children's Services staff recognition event to recognise achievements and promote importance of staff getting support from each other and their managers from face-to-face interactions in the workplace.
- Revised schedule of key meetings agreed which underpins governance arrangements proposed to Cabinet in March 2025.
- £2.5m added back into reserves due to mitigation of risk (BCIMO) realised.
- Tiers 1-2 of the senior management structure complete and work underway to complete tier 3.

The running thread through all activities is on communications to ensure consistent messaging and raising awareness of the Council direction of travel and improvement journey.

### Cultural shifts and officer reflections

Improvements to culture, collaboration and joint working are critical activities and the golden thread running through all work. The changes in governance and organisational culture to date have been acknowledged by Council officers. Below are some examples shared by officers from their perspective:

*"Having been part of the Corporate Management Team (CMT) through these changes, I can confidently say that the culture at the senior level is more open, honest, and transparent than ever before. Financial data is shared more freely, and we are working together as 'one Council' to address our challenges."*

Another officer noted:

*"As someone deputising for the Group Director, I feel that CMT is now far more open and supportive of my input. This hasn't always been the case in the past."*

As part of the Adult Social Care CQC inspection a staff member stated:

*"Our Senior Managers are approachable, supportive and provide strong leadership "the door is always open."*

Long standing Public Health Children's Manager:

*"I can now feel confident that I can pick up the phone and speak with honest and transparency with the Children's director. I feel now we are working as One Council."*

*"There has been a shift in how PH managers can have an open discussion with services that have historically received funds from public health grant on the jointly agreeing the public health outcomes from the spend."*

Emergency planner:

*"I appreciate the change in senior leadership and new ways of working. I feel valued and listened to and empowered to do my work."*

These are just a few reflections but highlight the positive cultural shift occurring within the Council, contributing to greater collaboration, transparency. We accept there is still more to do, understand our key challenges and are continually building those into our plans as they are further developed as well as the focus on culture, values and behaviours.

### Chair of Improvement Panel comments

Since the establishment of the Improvement Panel a considerable amount of work has been done by the Council and there has been positive progress in a number of areas. It has been very positive to have the participation of political groups in the Panel and who have all demonstrated their commitment to the council's improvement journey. The progress to establish stable leadership is encouraging and we expect to see the positive impact of this over the coming months.

Setting a balanced budget in February 2025 was an important milestone for the Council and regular updates have been provided to the Panel on both the budget position and the MTFs. Ensuring these are both delivered

and ensuring a sustainable financial position over the next three years will be critical over the next few months.

Colleagues have made significant progress on developing appropriate dashboards to enable tracking of improvement and as these are implemented and become interactive reporting action and performance should become easier for all stakeholders and become more embedded as a way of working in the council.

The next stage of the work will be to prioritise key outcomes, evidence and workstreams in the plan. It will also be important to empower the new leadership team to drive forward the improvement actions whilst involving a broad group of politicians and officers to support them. This approach to delivering improvement will make progress sustainable.

Transformation, innovation and modernisation are critical activities both to support the delivery of improvement, ensure financial sustainability and improve outcomes for residents. This work is progressing well in some areas such as Adult's services, but this now needs to happen across the council.

To conclude, steady progress is being made across a broad range of areas, and a great deal of work has been undertaken across the council over the past year. Capturing the impact of this and maintaining the momentum of improvement will be important over the next year and the building blocks are now either in place or being established to ensure the positive progress to date is maintained.

### Next steps

- The Council is focused on several priorities for the remainder of 2025 and into 2026:
  - Completing a robust induction for the new senior management team, followed by the leadership development programme which will include elected members.
  - Continuing the organisational redesign, confirming the final structure and undertaking detailed work attracting and retaining professional and technical roles.
  - Finalising the budget challenge sessions and enhancing budget scrutiny arrangements.
  - Developing a long-term financial sustainability plan to ensure that resources are aligned with the Council's priorities.
  - Working with RoSH to lift the regulatory notice but continue engagement with them on our plans to provide that on-going assurance.

- Receive the outcome of the CQC and Ofsted inspections and update all improvement plans in adult social care and children and young people to reflect the findings from those inspections.
- Invite CIPFA in early 2026 to provide an update on the council's financial sustainability.
- Invite CfGS to provide an update on governance improvements made.
- Updating the Improvement Plan to reflect the enhanced leadership capacity and key deliverables for 2026. The focus between October and March 2026 will be to strengthen foundations within the Core Business (finance, HR, technology, procurement, contract management, commissioning, administrative support, project management and business analysis) so they provide robust business partnering underpinned by clear operations that support business priorities, reduce duplication of effort, maximise automation and release capacity back to the business through efficiencies of operations.
- Completing the community consultation on the new Borough Vision 2026-2030 and preparing the Five-Year Council Plan for approval.
- Begin work on borough-wide master plans to regenerate town centres, ensuring the Council's future resilience and responsiveness to the needs of its residents.
- Confirm the timeline for the LGA to undertake a peer review in 2026/27 financial year.

## **Finance**

6. A running thread in the Improvement Plan will be to set out how each project/activity supports financial sustainability and value for money when forming and implementing proposals to ensure it deals with its financial challenges and is stepping forward with confidence with the aim of delivering the Council Budget for 2025/26 and setting balanced budgets for future years. This approach will ensure the Council constantly confronts its on-going financial challenges.

The Council, when setting its budget for 2025/26, agreed funding of £9.3m for wider council improvement projects. Draw down on funding will be based on submission of a robust business case which sets out how the investment will reduce costs, improve service delivery and must include clear project and performance management arrangements.

## **Law**

7. Under the 1999 Act, local authorities must legally deliver what is termed 'Best Value' – a council must be able to show that it has arrangements to secure continuous improvement in how it carries out its work. For

example, how authorities exercise their functions to deliver a balanced budget, provide statutory services, such as adult social care and children's services, and secure value for money in all spending decisions. Best value authorities must demonstrate good governance, including a positive organisational culture, across all their functions and effective risk management.

Local authorities are not expected to perform perfectly, given complex set of legal responsibilities and inherent levels of risk authorities must manage, but should strive for excellence and be able to demonstrate they are making effective arrangements to secure continuous improvement in each of these areas.

## **Risk Management**

8. 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.

The other key risks are that the improvement plan may fail to deliver, and the expected financial and other benefits may not be realised. By introducing a clear benefits/mapping process we can more easily report on whether the efficiencies/savings are on target or whether different action needs to be taken.

Work is being undertaken to strengthen the Council's approach to risk management over autumn/winter 2025 to ensure that all key risks are effectively managed and mitigated, and training in risk management is provided to all managers and relevant officers/members.

## **Equality Impact**

9. There are no special considerations regarding equality and diversity in noting and receiving this report.

Relevant changes will be assessed for impact through normal processes.

## **Human Resources/Organisational Development**

10. 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**

11. There is no direct commercial or procurement impacts

## **Environment /Climate Change**

12. 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**

13. The council improvement plan will directly support the Dudley Council Plan 2025-26, specifically: Delivering for our customers, residents and communities and Supporting businesses and the local economy.



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## **Appendices**

Appendix 1 – senior management structure chart

# Organisational Re-design

