



Ministry of Housing,
Communities &
Local Government

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**Ministry of Housing,
Communities and Local
Government**
2 Marsham Street
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17 July 2025

Dudley Metropolitan Borough Council Best Value Notice issued on 17 July 2025

The department expects authorities to identify and implement arrangements to secure continuous improvement. We acknowledge the important steps the council is already taking to address issues, including working with an independent improvement board, developing an improvement plan and identifying and agreeing savings plans to improve financial sustainability. However, ministers remain concerned as to Dudley's capacity to comply with its best value duty under the Local Government Act 1999 and have therefore decided to issue Dudley with this best value notice ("notice").

This notice is a formal notification that the department has concerns regarding your authority and requests that the authority engages with the department to provide assurance of improvement. The department expects authorities that have been issued with a best value notice to continue leading their own improvement.

This notice is issued following:

- Statutory recommendations issued by your external auditor in January 2024 regarding the need for a sustainable medium term financial strategy and for urgent action to address the council's budget position and use of reserves.
- Annual audit reports published in November 2023 which found cultural problems relating to the inappropriate behaviour of some members towards officers.
- The June 2024 CIPFA and CfGS report which found significant weaknesses in the senior leadership of the council, lack of transparency in decision making, and insufficient focus on good governance.
- The findings of the Local Government Association's Autumn 2023 corporate peer challenge, that good governance was being undermined by cultural issues and behaviours.
- The difficulties that the council has faced historically in delivering planned savings and significant value for money weaknesses that continue to be highlighted by the council's external auditor, as set out in the interim Annual Audit Report for 2023/24.

Whilst we recognise the improvements already made, we want to see the council continue addressing the serious issues identified in this notice at sufficient pace. I am therefore setting out the department's expectations of the authority in providing further assurance of progress.

We expect the authority to:

- Continue taking urgent steps to improve its financial sustainability, delivering against its agreed MTFS and savings plans.
- Continue drawing on external support and challenge, strengthening the role of the independent improvement board where appropriate, making full use of the board's expertise and responding to its recommendations.
- Continue to increase senior officer capacity and stability, by making permanent appointments in a robust and timely manner and taking steps to reduce staff turnover in the longer term.
- Deliver at pace against the agreed improvement plan, meeting the set milestones, measuring the impact of change and ensuring that it is embedded into day-to-day operations throughout the organisation.
- Ensure that it has effective governance and scrutiny processes that are understood and adhered to by both officers and members, in response to the recommendations from recent external reviews.
- Continue delivering against the requirements of the Regulatory Notice issued by the Regulator for Social Housing in April 2023, which remains a risk of significant value for money weakness identified by the external auditor.
- Ensure that culture change is having the desired impacts at all levels of the council, with focus on:
 - relationships between officers and members, ensuring clarity of roles and responsibilities
 - effectively managing poor behaviour so that it does not affect the council's ability to deliver
- Engage with the department at official level throughout the period of this notice to discuss progress, on at least a quarterly basis.

The department will look to the independent improvement board and your external auditor for updates and broader assurance that the necessary changes are being made at sufficient pace.

Whilst your authority may continue to receive and be awarded government funding whilst under this notice, we would emphasise that receipt of funding does not indicate the department's broader view of the performance of the authority, nor would it indicate any change in the status of this notice, with individual funding programmes being managed and assured independently by their respective departments.

This notice will be reviewed after 12 months, at which point the department will confirm whether we deem it necessary to continue to seek assurance through such a notice, in which case it will remain in place. The notice may also be withdrawn or escalated at any point based on the available evidence.

This notice is issued outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of best value failure and, separately, under section 230 of the Local

Government Act 1972 to request information from local authorities. However, a failure to demonstrate continuous improvement may be judged to contribute to best value failure and the Secretary of State will consider using these powers as appropriate. I also intend to keep the content of this notice under review in light of any developments.

It is important to ensure transparency in relation to the challenges faced by local authorities and the department's engagement on these issues. A copy of this notice will therefore be published on GOV.UK. I encourage you to make a copy of this letter available on the authority's website and to share a copy with the improvement board, the full council and the audit committee. In line with this, we will notify your external auditor of this action.

I note the authority has already engaged the support of the LGA and I would encourage you to continue making use of the full range of support they have to offer. A member of my team will be in touch with you to arrange regular engagement on this notice. I look forward to receiving updates on your progress.

Yours sincerely,

James Blythe

Deputy Director, Local Government Stewardship and Interventions