Ministry of Housing, Communities & Local Government

James Blythe ACMA
Deputy Director, Local Government Stewardship and Interventions

Ministry of Housing, Communities and Local Government
2 Marsham Street
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Balvinder Heran
Chief Executive
Dudley Council

15 July 2026

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

Dear Balvinder,

As you know, the Department issued a Best Value Notice ("Notice") to Dudley Council on 17 July 2025 as a formal notification that we had ongoing concerns regarding the Authority and requesting that the Authority engages with us to provide further assurance of improvement. We are grateful for the constructive engagement the Authority has had with the Department since the Notice was issued.

Ministers recognise the significant progress made by Dudley Council since the Notice was issued, with clear evidence of improved financial management and discipline, including strengthened reserves, savings delivery and a balanced budget position, alongside the auditor's decision to lift the 2024 statutory recommendations relating to financial sustainability. Ministers also note continued delivery of improvement plans and strengthened governance arrangements, as well as progress in stabilising senior leadership and capacity through implementation of a new corporate management structure and recruitment to key roles. The Authority's openness to external challenge has been a key feature of this progress, reflected in constructive engagement with the independent Improvement and Assurance Board and the Department. The May 2026 report from the Board notes "*significant, sustained and credible progress against the Best Value Notice*", increasing organisational ownership of change and a stronger focus on impact. There has also been encouraging progress in service areas including housing and Adult Social Care.

In light of the above, based on the available evidence ministers are reassured as to Dudley Council's capacity to comply with its Best Value Duty under Part 1 of the Local Government Act 1999 and the Notice will lapse on 16 July 2026.

The Department expects Dudley Council to sustain its improvement trajectory and continue embedding a more open, constructive and accountable organisational culture, ensuring that strengthened governance, leadership behaviours and decision-making processes are consistently applied in practice and that member–officer roles and relationships are clear and well understood. While progress is encouraging, material risks remain to the Authority's financial resilience, including delivery of medium-term savings, sustained demand pressures and the Dedicated Schools Grant deficit. Further work is required to ensure the finance function has the resilience and capability needed to support the council's improvement agenda and long-term financial sustainability. Ongoing instability in finance leadership also poses a direct risk to maintaining financial grip, including the timely preparation of accounts and the Authority's ability to meet statutory reporting deadlines.

We will continue to review the Authority's progress and, as part of this, ask that you maintain close engagement at officer level over the coming months. We welcome the Authority's commitment to continuing with external support and challenge from members of the Improvement and Assurance Board and will look to reporting from the external auditor and other independent assurance activity to provide evidence that improvements are being sustained and embedded. We also encourage the Authority to continue drawing on sector-led support, including from the Local Government Association, to support this next phase of the improvement journey.

Should we deem it necessary to seek further assurance through a Best Value Notice in future, based on the available evidence, a further Notice will be issued.

It is important to ensure transparency in relation to the challenges faced by local authorities and our engagement on these. A copy of this letter will therefore be published on GOV.UK, in line with the Best Value Notice previously issued to the Authority. You are encouraged to make a copy of this letter available on the Council's website, and to share it with the Improvement and Assurance Board, Council, Audit Committee, and the Oversight and Scrutiny Committee. We will notify the Authority's external auditor of this decision.

A member of the Local Government Stewardship team will be in touch with you to discuss future engagement. We look forward to receiving updates on your continued progress.

Yours sincerely,

James Blythe
Deputy Director, Local Government Stewardship and Interventions