



Ministry of Housing,
Communities &
Local Government

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**Ministry of Housing,
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Rob Polkinghorne
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www.gov.uk/mhclg

8 May 2025

Cheshire East Council Best Value Notice issued on 8 May 2025

The department expects authorities to identify and implement arrangements to secure continuous improvement. We acknowledge the steps you are already taking to address issues at Cheshire East Council, including implementing a whole-council transformation plan and working with the Local Government Association (LGA) and an independent assurance panel. However, ministers remain concerned as to Cheshire East's capacity to comply with its best value duty under the Local Government Act 1999 and have therefore decided to issue Cheshire East 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:

- Significant concerns about the council's financial sustainability and medium-term financial strategy highlighted in:
 - the external auditor's final report for 2022-23 dated 12 December 2024 and interim report for 2023-24 dated 20 February 2025
 - the corporate peer challenge (CPC) completed by the LGA in March 2024
 - the assurance review undertaken by the Chartered Institute for Public Finance and Accountancy (CIPFA) in August 2024, published 13 March 2025.
- Concerns around leadership capacity, governance, scrutiny and culture identified by the CPC and CIPFA reports.

The council has engaged constructively with the department about the challenges it faces, including during the process for exceptional financial support. However, given the seriousness of the issues identified, and the pace to deliver the level of change

required I am setting out the department's expectations of the council in providing assurance of progress. The council should:

- Develop and agree a single overarching improvement plan which addresses recommendations from the council's various external reviews and has clear milestones.
- Continue taking urgent steps to improve its financial sustainability, by delivering against its agreed transformation plan, delivering identified savings and addressing the recommendations made by CIPFA.
- Continue to comply with the Department for Education's Improvement Notice by delivering appropriate and sustainable improvements in relation to the council's children's social care services.
- Continue working with the independent assurance panel, making full use of its 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.
- Ensure that it has effective corporate, governance and scrutiny processes that enable decisions and improvements to be made at pace, and performance to be accurately monitored. This should include improvements to the council's committee system as recommended by the LGA following its corporate peer challenge.
- Continue to embed organisational cultural change, with focus on measuring impacts.
- Continue engaging with the department on at least a quarterly basis to discuss progress.

The department will also look to your independent assurance panel for regular updates on the council's improvement and expects its role to be strengthened and embedded into day-to-day operations.

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 assurance panel, the full council and the audit committee. In line with this, we will notify your external auditor of this action.

I would encourage you to continue making use of the full range of support offered by the LGA. 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