Ministry of Housing, Communities & Local Government

Frances Oram and Sophie Langdale
- *Directors*
Local Government Stewardship and Interventions

Ministry of Housing, Communities & Government
2 Marsham Street
London
SW1P 4DF

www.gov.uk/mhclg

Paul Walker
Interim Chief Executive
Cheshire East Council

25 November 2026

Dear Paul

BEST VALUE NOTICE ISSUED TO CHESHIRE EAST COUNCIL

The Department issued a non-statutory Best Value Notice to your Authority on 8 May 2025. A revised Best Value Notice was issued on 15 July 2026, retrospectively effective from May 2026, which is now due to be formally reviewed.

The Department has considered all available evidence to assess your Authority's improvement in response to the Notice and ability to comply with the Best Value Duty under Part 1 of the Local Government Act 1999 ("the 1999 Act"), including all engagement and material shared with the Department in response to the Notice, published Authority papers, and reports from Ofsted, the external auditor and the Chartered Institute of Public Finance and Accountancy and the report to Ministers from the Chair of the Authority's Improvement Panel.

The Department continues to recognise the senior team's constructive engagement through the period of the Notice and recognises the recent increased focus and momentum on delivering improvement. The Department recognises the early signs of improvement, including the appointment of yourself as interim Chief Executive, live recruitment for a permanent Chief Executive and other, senior, permanent appointments; a review reporting successful implementation of the Cabinet model of governance; ongoing, constructive engagement with the Chair of the Authority's Independent Assurance Panel; progress made in Children's Services improvements and action to address recommendations from the May 2026 Chartered Institute of Public Finance and Accountability External Assurance (CIPFA) Review.

However, Ministers remains very concerned about the scale of challenge still facing the Authority. Instability in key leadership roles, high turnover and reliance on interims have prevented the Authority from making and embedding substantial progress and while the Department recognises the increased focus and momentum on improvement, there remains significant work still to do, particularly in relation to the delivery of transformation and savings to achieve financial sustainability.

Ministers require significant further assurance that the Authority is making arrangements to secure continuous improvement in the exercise of its functions and

arrangements, having regard to economy, efficiency and effectiveness. They have therefore decided to issue the Authority with this revised Best Value Notice and will watch progress closely.

To provide further assurance of progress, the Authority should:

- Continue to deliver against the organisation's Improvement and Transformation Delivery Plan, regularly reviewing and reporting against set milestones.

- Continue to address the recommendations made by the May 2026 CIPFA external assurance review and provide updates on progress, as requested by the Department.

- Continue taking urgent steps to improve the Authority's financial sustainability, focusing on delivery of identified savings and transformation and a medium-term financial strategy that removes the Authority's reliance on Exceptional Financial Support.

- Continue to work with the Department for Education and Children's Improvement Board to deliver appropriate and sustainable improvements in relation to the Authority's children's social care services, including addressing any recommendations from the Department for Education's Expert Advisor.

- Continue to engage fully with the Chair of the Authority's independent assurance panel, ensuring the panel is embedded in day-to-day operations so it can operate effectively, consistently and with clear impact.

- Continue to increase senior officer capacity and stability, by completing live recruitment for a permanent Chief Executive and taking steps to reduce staff turnover in the longer term.

- Continue to measure the effectiveness of, and evolve, the Cabinet system of governance adopted by the Authority in May 2026, engaging fully with sector support to ensure that arrangements are fit for purpose and decisions and improvements can be made at pace and address any recommendations which may be made by the 2026 Centre for Governance and Scrutiny review.

- Continue to encourage and embed cultural change across the whole organisation, driven by stabilised leadership, with focus on measuring impacts.

- Continue engaging with the Department on at least a quarterly basis to discuss progress.

Given their level of concern, Ministers would again like the assurance panel chair to provide a formal report to them on progress by the end of May 2027 and again by the end of October 2027, which you should publish for transparency. The panel should also provide regular written updates to full council, to be published and shared with the Department.

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 remain in place until the Department confirms otherwise. It will be reviewed in November 2027, after which point the Department will confirm whether Ministers have the necessary assurance or if further action is needed. 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. However, where there is a failure to demonstrate continuous improvement, the Secretary of State will consider using statutory powers as appropriate.

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. The Department encourages you to make a copy of this Notice available on the Authority's website and to share a copy with the assurance panel, full council and the audit committee. We will also notify your external auditor of this action.

Ministers encourage you to continue making use of a range of support including that offered by the Department, the Local Government Association and the Department for Education. A member of my team will be in touch with you to agree ongoing engagement and I look forward to receiving updates on your progress.

Yours sincerely,

Frances Oram and Sophie Langdale
Directors, Local Government Reform and Strategy, MHCLG