

OPEN

Corporate Policy Committee

12 June 2025

Corporate Peer Challenge and Improvement Update

Report of: Karen Wheeler, Corporate Improvement Director

Report Reference No: CPC/36/25-26

Ward(s) Affected: All

For Decision

Purpose of Report

- 1 This report provides Members with an update on the LGA Corporate Peer Challenge action plan, revisit report and non-statutory Best Value Notice received by the council on 8 May 2025.
- 2 This report sets out the next steps in response to the Best Value Notice including the approach and timeline for developing an overarching Corporate Improvement Plan.

Executive Summary

- 3 The Cheshire East Plan 2025-29 includes a commitment to be an effective and enabling council with an emphasis on being financially sustainable, aided by council-wide service transformation and improvement. The council understands the improvements it needs to make with an ambitious and robust set of plans created to deal with financial, organisational and service challenges that will improve the culture, governance and performance of the council and outcomes for children and young people.
- 4 These plans follow external inspections, peer reviews and assessments over the last year including the LGA Corporate Peer Challenge, Ofsted ILACS (inspecting local authority children's services) and CIPFA review following our request for Exceptional Financial Support.
- 5 In March 2024, the LGA Corporate Peer Challenge took place and the report, published in July 2024, made 18 recommendations focused on

financial sustainability, transformation, culture, governance and getting the basics right.

- 6 In response and to address the recommendations, the council developed and agreed an action plan at the end of August 2024. As at mid-May 2025, 70% of actions (51 of 73) had been completed reflecting both progress within eight months against the plan and the operational and focussed immediate actions taken to ensure foundations were in place to enable the broader change required. Four of the 18 recommendations have been completed in full including:

3. Engage with external challenge, support, and oversight through an externally chaired Assurance Panel

7. Develop and agree a new multi-year Council Plan (Cheshire East Plan)

17. Act on the issues identified through the LGA's Decision Making and Accountability (DMA) tool (senior management structure)

18. Consider the corporate capacity required to support the Chief Executive (senior management structure)

- 7 Progress towards the action plan can be found at Appendix 1. The actions that are off track (red) are fully recognised, align with those in the LGA Corporate Peer Challenge revisit report and Best Value Notice, and reflect challenges around sequencing and prioritisation rather than a lack of progress overall. These will be reset in an overarching Corporate Improvement Plan with clear milestones and outcomes from delivery.

LGA Corporate Peer Challenge Revisit

- 8 As part of the LGA's Corporate Peer Challenge process, a one-day revisit took place with a small team of Peers in mid-February 2025. The team met with Group Leaders, CLT, a small group of staff from across the council and the Chair of Assurance Panel.
- 9 The feedback report at Appendix 2 recognises progress in key areas including improvements to financial reporting, development of the transformation plan and new Cheshire East Plan but a mixed picture of pace of delivery. The report was positive about staff engagement, Member collaboration, self-awareness and the council's commitment to improvement stating - *"...it is clear that there is a significant appetite and energy for reform from senior political and managerial leaders in the organisation, and that this is linked to a wider ambition for improvement."*

- 10 The report reflects a need for the council to prioritise, sequence improvement and measure impact and the areas of focus identified align to the Best Value Notice – delivery of the transformation plan and savings, the governance and decision-making review, and culture change.

Best Value Notice

- 11 While acknowledging the steps the council is already taking, the government is seeking assurance of improvement and has issued a non-statutory [Best Value Notice](#) formalising the oversight they would like to see including through an overarching improvement plan and quarterly progress review. The Best Value Notice is informed by both the LGA Corporate Peer Challenge and CIPFA reviews.
- 12 The government expects the council to continue leading its own improvement and 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

Corporate Improvement Plan

- 13 There is now an opportunity for the council to reset its improvement through the development of a new overarching Corporate Improvement

Plan which supersedes the Corporate Peer Challenge action plan and provides oversight of all significant improvement plans and activity, and assurance of progress and pace of delivery. Its development will help the council plan, prioritise and resource improvement effectively as well as measure progress and impact. The plan would address all the areas identified for improvement in the Best Value notice and reflect best practice from other councils.

- 14 This overarching plan will enhance, not duplicate or undermine, the governance or reporting and progress visits required by specific external agencies such as Ofsted and reporting to service committees. Development of the overarching plan should not delay or hinder progress in addressing the areas for improvement identified and delivery against agreed plans.
- 15 The Corporate Improvement Plan will be developed in collaboration with the Assurance Panel and MHCLG as well as engagement with Members, Wider Leadership Community (Heads of Service and above) and staff. The timeline is proposed as follows:

Action	Meeting	Date	Comments
Discuss Best Value Notice, draft letter from the Assurance Panel to Council, reflections and principles to inform an overarching Corporate Improvement Plan	Assurance Panel	5 June	
MHCLG visit with Corporate Leadership Team (CLT)	CLT	11 June	The Minister has also been invited to Cheshire East
Letter from the Assurance Panel to Council and LGA Revisit Report	Full Council	12 July	As set out in the Panel's Terms of Reference
Consider draft Corporate Improvement Plan	Assurance Panel	24 July	Informed by Member and staff engagement
Agree Corporate Improvement Plan	Corporate Policy Committee	6 August	

- 16 Progress against the overarching Corporate Improvement Plan would be reported at least quarterly to the Transformation and Improvement Board, Assurance Panel, Corporate Policy Committee and MHCLG.

RECOMMENDATION

The Corporate Policy Committee is recommended to:

1. Note and comment on progress in delivering the Corporate Peer Challenge action plan.
2. Note and comment on the LGA Corporate Peer Challenge revisit report and Best Value Notice at Appendices 2 and 3.
3. Agree the approach and timeline for developing an overarching Corporate Improvement Plan at paragraph 15 including agreement of the plan at this Committee in August 2025.

Background

- 17 The council has been subject to and invited multiple external inspections, peer reviews and assessments over the last year. Plans were created to demonstrate the action the council planned to take in response, to enable progress reporting and provide assurance to meet different external agency requirements.
- 18 In March 2024, LGA Corporate Peer Challenge took place and made 18 recommendations focused on financial sustainability, transformation, culture, governance and getting the basics right, and creation of the Assurance Panel.
- 19 A detailed action plan was developed in response and progress towards the action plan can be found at Appendix 1. The actions that are off track (red) are fully recognised, align with those in the LGA Corporate Peer Challenge revisit report and Best Value Notice, and reflect challenges around sequencing and prioritisation that will be addressed in an overarching Corporate Improvement Plan.
- 20 Achievements to highlight include:
 - Transformation Plan agreed in August 2024 and submitted to government with programme governance and reporting established - early phases delivered savings, new tools, structures and disciplines, have contributed to better planning, more consistent oversight and a clearer route to service improvement which will support deeper reform across the council
 - Financial reporting restructured with one financial management report for all committees including more performance and risk information, budget variances, identification of mitigating actions where budgets are off track, delivery against agreed savings and the Capital programme

- New senior management structure agreed October 2024 informed by Decision Making Accountability (DMA) and consultation with staff. Key roles created to reflect priorities including Assistant Chief Executive, Director of People and statutory officers reporting to Chief Executive. 15 senior roles advertised with 11 appointments made as at end of May 2025.
- Agreed new Cheshire East Plan 2025-29 with a vision to 'enable prosperity and wellbeing for all' developed with a cross-party Member task and finish group and staff engagement
- Face to face scrutiny training delivered by the Centre for Governance and Scrutiny to 60% of Members with improvements made to forward planning, service committee report template and clarity of the lead Member role as well as six task and finish groups undertaking internal scrutiny for service committees
- New Committee report template agreed to help improve report writing and decision-making including training for officer report writers
- [First Ofsted progress monitoring visit](#) focussed on the front door at the end of February and found that 'pace of change has accelerated and appropriate steps have been taken to improve the quality of social work practice' and Department of Education (DfE) progress letter reflects a much more consistent understanding of the strengths and challenges in relation to Children's Services and the improvement journey, guided by clear and sensible priorities, and that there is significant political and corporate commitment to children, young people and families and that this is a key priority
- Although not part of the Corporate Peer Challenge recommendations, it is worth noting that the Care Quality Commission (CQC) [assessment of adult social care](#) recently rated the council as 'good'.

- 21 The council's establishment of an independent Assurance Panel in August 2024 has been valuable in providing advice, challenge and support to the officer and political leadership in delivering improvement particularly in relation to the financial position and governance. The Panel has received updates on progress in delivering the Corporate Peer Challenge action plan and had deep dives focussed on the themes within the plan and particularly financial sustainability.
- 22 The council has been addressing all areas for improvement head on and made good progress. How to bring all improvement together into an overarching improvement portfolio to ensure further progress at the required pace, was considered with the Assurance Panel at its meeting on 1 May 2025.
- 23 In light of the Best Value Notice, there is now an opportunity for the council to reset its improvement through the development of new overarching Corporate Improvement Plan which supersedes the Corporate Peer Challenge action plan and provides oversight of all

significant improvement plans and activity, and assurance of progress and pace of delivery. Its development will help the council plan, prioritise and resource improvement effectively as well as measure progress and impact. The plan would address all the areas identified for improvement in the Best Value notice and reflect best practice from other councils.

Best Value Notice

- 24 A [Written Ministerial Statement](#) was made to Parliament by Jim McMahon OBE MP, Minister of State for Local Government and English Devolution, on 8 May 2025 setting out steps the government was taking to support five councils including Cheshire East.
- 25 Cheshire East Council received a non-statutory Best Value Notice, which means that while the government recognises the steps we are already taking, it requires further assurance of our ongoing improvement and work towards financial sustainability. This notice formalises the oversight government would like to see.
- 26 The Written Ministerial Statement said “These are not statutory interventions but provide a formal notification of the department’s concerns. We found no evidence of current Best Value failure at the councils, but significant issues need addressing at pace to avoid future failure.”
- 27 The council is expected to continue leading its own improvement and is requested to engage with the department to provide assurance of progress and respond to the expectations set out in the Notice which are areas the council is already aware of and working hard to address. It is positive that government has confidence that we can continue to improve in partnership with a strengthened independent assurance panel. The Panel was established by the council in August 2024 in response to the LGA Corporate Peer Challenge recommendations.

Consultation and Engagement

- 28 Engagement with a wide range of staff, Members, partners and stakeholders has taken place throughout the development and delivery of the individual plans that will inform the Corporate Improvement Plan.
- 29 Engagement will take place to develop the overarching plan with Corporate Leadership Team and Members as well as the Assurance Panel on 5 June and MHCLG on 11 June 2025. A verbal update on the feedback from these meetings can be provided at the Committee meeting.

- 30 Further engagement will also take place with staff, Members and partners as part of delivering and monitoring progress with implementing the plan once finalised.

Reasons for Recommendations

- 31 Corporate Policy Committee provides strategic direction to the operation of the council. The development of a Corporate Improvement Plan will enable the council to further drive its own improvement, ensure effective strategic oversight and comply with the expectations of the non-statutory Best Value Notice.

Other Options Considered

Option	Impact	Risk
Do nothing	No single overarching improvement plan meaning no oversight of all significant improvement plans and activity	No corporate visibility and focus to better enable the required pace of delivery Non-compliance with the Best Value Notice leading to further measures from MHCLG

Implications and Comments

Monitoring Officer/Legal/Governance

- 32 The Best Value notice was 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 may consider using these powers as appropriate.
- 33 Under the Local Government Act 1999, all councils have a general Duty of Best Value to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.”.
- 34 Participating in sector led improvement through the LGA Corporate Peer Challenge is considered best practice for local authorities.

Section 151 Officer/Finance

- 35 There are no direct financial implications arising from this report.

- 36 The Cheshire East Plan 2025-29 has a commitment to be an effective and enabling council. The plan was developed alongside the Medium-Term Financial Strategy 2025-29. The MTFS is the resource and financial plan for delivery of the Corporate Plan. Transformation Plan savings are built into the MTFS and performance is reported on a monthly basis to the Transformation & Improvement Board and Corporate Leadership Team. The council will use its resources to deliver the commitments.

Human Resources

- 37 There are no direct human resources implications arising from this report. The Corporate Improvement Plan will provide clarity on the overall strategic direction of the council's improvement aligned to the Cheshire East Plan 2025-29 and will be reflected in the delivery plan, director service plans and personal development reviews (PDRs) as part of the golden thread where appropriate.

Risk Management

- 38 An overarching plan will help to inform the identification and management of corporate risks with risk assessments taking place for individual activities and projects where appropriate. The plan will help the council further drive its own improvement, ensure effective strategic oversight and comply with the expectations of the non-statutory Best Value Notice. The risk of a lack of progress and delivery at the required pace could result in further measures and an escalation from MHCLG which is identified as a risk and will be added to the Strategic Risk Register.

Impact on other communities

- 39 There are no direct impacts on other communities.

Policy

- 40 The Cheshire East Plan 2025-29 includes a commitment to be an effective and enabling council with an emphasis on being financially sustainable, aided by council-wide service transformation and improvement. The council understands the improvements it needs to make and has made progress in addressing the challenges with a focus on delivering value for money, continuous improvement and better outcomes for Cheshire East's residents.
- 41 A Corporate Improvement Plan would support the overall vision and all commitments within the Cheshire East Plan 2025-29.

Equality, Diversity and Inclusion

- 42 Actions within the Corporate Peer Challenge action plan and a new overarching plan will help improve the culture and processes, systems and structures as part of the council's transformation and improvement journey underpinning the delivery of the Cheshire East Plan 2025-29.

Other implications

- 43 Warrington Council received a statutory support package including appointment of Political Envoy and Best Value Experts with representations invited by MHCLG on the proposal by 22 May 2025 before a final decision is made.
- 44 The Government remains committed to demonstrating the benefits of devolution in delivering growth in local areas and supporting improvement in councils facing challenges, helping to ensure that devolution can be successful. Chief Executives and Leaders across the three local authorities in Cheshire and Warrington are in dialogue with MHCLG including the Minister on any implications of the recent announcements on progressing devolution.

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory officer or deputy:</i>			
Sal Khan	Director of Finance/Deputy S151	22/05/2025	23/05/2025
Janet Witkowski	Acting Monitoring Officer	22/05/2025	29/05/2025
<i>Legal and Finance:</i>			
Name	As above.		
<i>Other consultees: Executive Directors/Directors</i>			
Karen Grave	Director of People	22/05/2025	
Josie Griffiths	Head of Internal Audit	22/05/2025	29/05/2025

Access to Information	
Contact Officer:	Karen Wheeler – Corporate Improvement Director karen.wheeler@cheshireeast.gov.uk
Appendices:	Appendix 1 - Corporate Peer Challenge action plan Appendix 2 – LGA Corporate Peer Challenge Revisit Report Appendix 3 – Best Value Notice
Background Papers:	Agenda for Council on Wednesday, 17th July, 2024, 11.00 am Cheshire East Council (Corporate Peer Challenge report, Assurance Panel, Children’s Improvement Plan) Agenda for Corporate Policy Committee on Wednesday, 21st August, 2024, 5.30 pm Cheshire East Council (Corporate Peer Challenge Action Plan, Transformation Plan)