

OPEN

29 November 2024

Amendment to Joint Committee Terms of Reference

Report of: Growth Directors of Cheshire West and Chester Council, Warrington Borough Council and Cheshire East Council

Report Reference No: CWJC/08/24-25

Significant/Key Decision?	Yes/No
Cheshire West and Chester	No
Warrington	No
Cheshire East	No

Purpose of Report

- 1 To request the amendment of the Terms of Reference for the Cheshire and Warrington Joint Committee to:
 - (a) Include oversight and strategic direction for potential devolution to Cheshire and Warrington.
 - (b) Include the ability to approve expenditure regarding subregional government and other funding.
- 2 This change will be subject to agreement by the three Councils of Cheshire East, Cheshire West and Chester and Warrington (the Council's).

Executive Summary

- 3 This report sets out a proposed amendment to the existing Terms of Reference of the Cheshire and Warrington Joint Committee to enable effective strategic leadership in the development of any devolution proposition for Cheshire and Warrington. This will allow the Joint Committee to advance

a potential devolution agreement with HM Government to such a stage as it can make specific recommendations to each of the Council's .

- 4 Working on devolution via the Joint Committee will help ensure that the opportunities provided by devolution of powers and investment to Cheshire and Warrington are maximised for the benefit of all residents and businesses. The Committee already acts as the strategic body across economic growth priorities for the subregion of Cheshire and Warrington (C&W), providing a coherent single position on the major economic strategic issues for the subregion. There is likely to be a challenging timeline if we are to fully explore, review and assess the opportunities of devolution as well as maximise any investment opportunities in the Spring 2025 Spending Review. It is proposed that the Joint Committee will drive a programme of development around devolution - working alongside Government, the Councils, stakeholders, business and ensuring residents are fully engaged.
- 5 We expect the Government to publish a Devolution White Paper by December 2024 - ahead of the English Devolution Bill going through Parliament during 2025 and into 2026. Depending on final decisions to proceed - which would be taken by the three Councils in Cheshire and Warrington - the subregion could be in a position to secure devolved investment and additional powers by late 2025/early 2026.
- 6 A comprehensive communications and engagement plan will be developed to ensure that stakeholders, business and residents are fully engaged in exploring the impacts of devolution. A statutory consultation with residents and businesses across C&W will form part of any decision-making process.
- 7 Final decisions related to the establishment of a Combined Authority and a devolution agreement are matters that will be brought back to the three Councils in Cheshire and Warrington.
- 8 In addition, since the functions of Local Enterprise Partnerships became the responsibility of local authorities in April 2024, government funding for subregional matters is now left with the respective local authorities to determine. The current Terms of Reference do not specifically refer to this and the proposal is to amend them to clarify this.

RECOMMENDATIONS

The Joint Committee is recommended to:

1. Agree to ask that each of the Councils of Cheshire East, Cheshire West and Chester and Warrington amend Part 2 of the Cheshire and Warrington Joint Committee Terms of Reference as set out in red at Appendix A
2. Agree that the final decisions related to the establishment of a Combined Authority and a devolution agreement are matters that will be brought back to the three Councils in Cheshire and Warrington.

Report Detail

- 9 Following the 2024 July General Election, the King's Speech outlined that 'greater devolution of decision making [would be]... at the heart of a modern dynamic economy and is a key driver of economic growth'. The Speech highlighted the introduction of an English Devolution Bill, including legislation to give new powers to metro mayors and combined authorities. A new Council of Nations and Regions was also introduced, bringing together the Prime Minister, heads of devolved governments and mayors of combined authorities.
- 10 In Summer 2024, the Deputy Prime Minister wrote to all non-devolved areas in England outlining 'next steps to devolution' and inviting proposals for devolution by end of September 2024. An 'expression of interest' outlining the well-established and strong track record of successful subregional collaboration in C&W was shared with officials. This highlighted that to achieve the full potential of the subregion, we require maximum freedom and flexibility of funding with associated powers. It was noted that there are specific governance arrangements that would need to be adopted to get the optimum devolution agreement for the communities and businesses of C&W.
- 11 In the October 2024 budget, Government outlined an additional £100 billion capital investment over the next five years. It specifically referenced the government's strategy for regional growth, with the government working in partnership with local leaders in city regions and with the Council of Nations and Regions and the recently formed Council of Mayors. The budget also introduced the first integrated settlements for Greater Manchester and the West Midlands with single flexible pot funding to support Mayoral Combined Authorities (MCAs) from 2025. Other MCAs will receive integrated settlements from 2026, including the Liverpool City Region Combined Authority.
- 12 Ahead of the English Devolution Bill going through Parliament in 2025/6, we expect the publication of a devolution White Paper by December 2024 outlining the detail of devolution opportunities for England.
- 13 In addition, since the functions of Local Enterprise Partnerships became the responsibility of local authorities in April 2024 government funding for sub regional matters is now left with the respective local authorities to determine. The current Terms of Reference do not specifically refer to this and the proposal is to amend them to clarify this.
- 14 The proposal is that the Terms of Reference are amended to provide clarity that this is delegated to the Joint Committee. This will mean that separate decisions will not be required of each of the Councils and will facilitate ease of decision making, supporting strategic economic development.

Comments from the Business Advisory Board

- 15 The Cheshire and Warrington Business Advisory Board (BAB) supports an approach which would deliver the benefits of devolution at the earliest opportunity. Empowering the Joint Committee to drive an 'at pace' programme which makes recommendations around devolution to the Cheshire and Warrington Councils in 2025 would be the preference of the business community.

Reasons for Recommendations

- 16 Enabling the Cheshire and Warrington Joint Committee to lead on the strategic direction for potential devolution will provide clear subregional leadership with a shared ambition to ensure that business and residents have the opportunity to seek maximum benefit from possible devolution.
- 17 The Joint Committee, via its cross-Council representation, provides a 'whole place' response - ensuring that all the many differences across the subregion are considered, including rural and urban issues as well as areas where subregional scale will be important, such as business sectors and transport viability. It is expected that 'sub-groups' will be formed with wider Council representation to explore detailed elements of potential devolution, such as skills, transport and regeneration.
- 18 It will also ensure that C&W can move 'at pace' when required, supported by this single point of contact for the subregion - for example, maximising any investment opportunity via the Spring 2025 Spending Review and supporting strategic economic development opportunities.
- 19 The recommendations also confirm that each Council in Cheshire and Warrington will make the final decisions on devolution.

Other Consultation and Engagement

- 20 Cheshire East Council has reported updates to its Corporate Policy Committee on 13th June 2024 and 21st August 2024, and, in September 2024, set up a small cross party Member Reference Group which has subsequently met on three occasions to discuss key issues and progress.
- 21 Cheshire West and Chester Council's Cabinet established a Cheshire and Warrington subregional working and devolution working group at its meeting on 31st July 2024. The group has met three times since then and has agreed its terms of reference with the remit to support and advise Cabinet through evidence, engagement and leading practice on opportunities from greater subregional working and potential devolution. The group have spent time discussing and understanding the direction of devolution under the new Government, the emerging policy areas for any agreement and the approach to communications and engagement. The group will continue to play a critical role in ensuring any devolution is credible, deliverable and optimal for Cheshire West and Chester residents and businesses.
- 22 Warrington Borough Council established a cross-party devolution task group in 2024 which has met on two occasions and will continue to be engaged with throughout 2025. Warrington's Council passed a motion in September 2024

at which it resolved that the Council 'endorses the decision to open negotiations with the Government to secure a devolution deal for Warrington'.

- 23 Early engagement has commenced with the Cheshire and Warrington Leaders Board (including representatives from the voluntary and community sector, health, fire and police).
- 24 Engagement has also commenced with all local MPs across Cheshire and Warrington.
- 25 A comprehensive communications and engagement plan will be developed to ensure that stakeholders, business and residents are fully engaged in exploring the impacts of devolution. A statutory consultation with residents and businesses across C&W will form part of any decision-making process.

Implications and Comments

Legal implications

- 26 The Terms of Reference for the Joint Committee and the relevant delegations within them have previously been formally approved by each respective Council. It is appropriate therefore that the same request is made of each and each approves them. All three Council's will need to approve the amendments requested for them to take effect.
- 27 Any steps to create a combined authority will be subject to separate legal obligations and such a step would need to be authorised by Full Council approval for each authority in due course, if such a proposals are brought forward.

Finance implications

- 28 There are no financial implications as a consequence of this report, as relating to the Terms of Reference of the Joint Committee. Any financial implications relating to potential devolution will be reported and considered at a later time, to respective councils and the Joint Committee.
- 29 Importantly, the amendments to the Terms of Reference bring clarity to the Joint Committee's role, as a sub-regional body of the three councils, in ensuring effective utilisation of Government funding streams, where they specifically relate to opportunities for supporting sub-regional strategic economic development.

30 *Risk Management*

- 31 A full risk register will be established if the decision is taken to move towards devolution.

Equality, Diversity and Inclusion

- 32 There are no immediate ED&I impacts.

Policy

- 33 Any devolution agreement would support the Cheshire and Warrington vision to be the healthiest, most sustainable, inclusive and growing economy in the UK.

Access to Information	
Contact Officer:	Janet Witkowski, Acting Governance, Compliance and Monitoring Officer Janet.Witkowski@cheshireeast.gov.uk
Appendices:	Appendix A: Terms of Reference proposed changes
Background Papers:	NA