

OPEN

31 January 2025

Devolution Work Programme

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

Report Reference No: CWJC/12/24-25

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

Purpose of Report

- 1 This report provides details of the steps needed to be taken following the publication of the Devolution White Paper and the Cheshire and Warrington Leaders proposal to be included in the Government’s devolution priority programme. It seeks permission to move ahead via a programme management approach with a clear programme structure, an initial implementation plan as part of a wider work programme and agreement for an initial budget and implementation costs to end of March 2025.

Executive Summary

- 2 Following publication of the Government’s Devolution White Paper, the benefits of devolution for Cheshire and Warrington are now more clearly outlined. These are summarised in the English Devolution White paper: Implications for Cheshire and Warrington Joint Committee report.
- 3 Leaders of Cheshire and Warrington’s three councils have written to Government to formally open conversations about potential new powers and funding, as well as inclusion in the priority programme for devolution following invitation from Government for non-devolved areas to put themselves forward. This underlines the commitment of the three authorities to continue to work in strong partnership to progress a devolution agreement and establish a Mayoral Strategic Authority by May 2026, subject to individual agreement by the three constituent Local Authorities.

- 4 Any formal devolution agreement and associated governance would need to be agreed by each council, taking into consideration residents, communities and business views. To support this consultation and decision-making process, comprehensive development work will now need to progress at pace to understand and assess the implications for Cheshire and Warrington.
- 5 This report outlines the activities, budget and reporting structures required to progress the devolution process ahead of final decisions. These are broad and significant in scale. We will be required to respond to each area of a potential future devolution agreement, each devolved funding stream and each function, whilst creating a new organisation, the Mayoral Strategic Authority. Working across multiple organisations, there is a clear need for a programme structure which provides the necessary governance, transparency and accountability during this transitional period.

RECOMMENDATIONS

The Joint Committee is recommended to:

1. Approve the programme management reporting structure as outlined in the report, noting that the Joint Committee will receive detailed and regular reporting across all elements of the work programme for direction and oversight.
2. Note the anticipated overall programme timeline.
3. Approve the initial implementation workstreams and headline priorities between January and March 2025.
4. Approve the devolution programme budget to March 2025 as outlined in the report and note the anticipated future budget to March 2026 which will be brought back to the Joint Committee in detail at its February 2025 meeting.
5. Approve initial programme costs to March 2025 as detailed in the report, including the use of a Programme Director.
6. Request each of the Councils of Cheshire East (CEC), Cheshire West and Chester (CWaC) and Warrington (WBC) amend the Cheshire and Warrington Joint Committee Terms of Reference to extend the rotation of the current Chair (CWaC) for a further 12 months to May 2026 and amend accordingly the dates for the following rotations by the same period namely CEC until May 2028, WBC until May 2030 and that it then continue in that rotation.

Report Detail

- 6 Subject to confirmation that Cheshire and Warrington (C&W) is part of the Government's devolution priority programme, we recognise that meeting the overall timescales to work towards a Mayoral Strategic Authority by 2026 will

be challenging. It is also recognised that this process is subject to formal approval from the three councils.

- 7 Officers are currently liaising with Government to understand the devolution priority programme in more detail, including detailed timescales, required formats for any business case development and the terms under which powers and funding are devolved. This will help to shape the required approach in detail and, via the proposed reporting structure below, the Committee will be asked to maintain an on-going leadership role across the programme. At this stage, we can outline the *initial* priority actions, costs and budget. This is subject to any changes when and if Cheshire and Warrington is included in the priority programme.
- 8 It is proposed that a small group of officers, drawn from the councils and ECW, will form the programme team, supported by officers located in each organisation and specialist external support where required. The funding for these arrangements in financial year 2024/5 is proposed to come from the subregional programmes fund within the ECW budget as previously agreed by the Joint Committee on 8th April 2024. As detailed in the finance section of this report, funds for activity across 2025/6 are anticipated to come from ECW and an expected capacity fund from Central Government as part of confirmation of inclusion in the devolution priority programme. We would seek to mitigate any 'at risk' expenditure by an early in principle decision to proceed from each of the councils no later than May 2025. We will need to undertake work at risk before this date in order to ensure a comprehensive assessment and analysis of the impacts of devolution for Cheshire and Warrington to present to councils as part of their decision making.

Programme Management Structure

- 9 To support the pace required and to effectively manage the complexity of the programme, it is recommended that a clear programme management structure is adopted.
- 10 Under its revised Terms of Reference¹ it is recommended that the Joint Committee should act as the Programme Board for the devolution programme. Reporting to the Joint Committee will be via reports for strategic direction and oversight across the devolution programme. It should be noted that any formal decisions required will be recommended by the Joint Committee to councils. Regular briefings will take place via the informal group of Leaders and Chief Executives (LaCE), including the Police and Crime Commissioner and Chair of the Business Advisory Board.
- 11 The Joint Committee would be supported by Chief Executives who will provide advice, guidance and support to ensure effective delivery of the

¹ See Terms of Reference Amendments Report

programme. Chief Executives (CEXs) will take any escalated operational programme decisions within the overall programme envelope.

- 12 Given the diary constraints on all CEXs, it is recommended that the subregional lead CEX (Cheshire West and Chester/CWaC) and the Devolution Steering Group chair (Growth Director CWaC) meet with the programme lead weekly for briefing and any urgent operational decisions. This meeting would be open to council leads (Executive Directors/ Directors/ECW CEX).
- 13 It is recommended that a Devolution Steering Group is established to make operational decisions within the agreed overall programme envelope. Comprising Growth Directors, the programme team and workstream leads, it would oversee all operational programme delivery via progress and review Highlight Reports. It would prepare for and finalise all key documents for the Joint Committee, including agreeing mitigations for any emerging / increasing risks or issues. It would also oversee appropriate stakeholder management. Chaired by the subregional lead Growth Director (CWaC). If approved, Terms of Reference will be developed and shared.
- 14 To support effective programme delivery, it is recommended that a small team is brought together, under the leadership of an experienced Programme Director, to implement the programme - working closely with officers across all councils, ECW and relevant stakeholders to discuss progress, budgets and raise any emerging issues or risks. Under the direction of the Programme Director, specific, specialist workstreams² of relevant officers will come together to take forward detailed implementation as required.
- 15 It should be noted that a much wider engagement and advisory structure will wrap around the core programme structure to ensure a range of organisations are supporting the development of content and outcomes. These include cross-party Member groups, the Cheshire and Warrington Business Advisory Board and the Cheshire and Warrington Leaders Board.
- 16 The three councils across Cheshire and Warrington have established joint member working groups since summer 2024 to ensure effective political engagement and input into all early discussions. Officers will be working to increase the regularity and detail of these meetings - and develop cross-council Member briefings in agreement with Leaders.

² See below

Overall structure:



Anticipated Programme Timeline

- 17 Whilst we are still awaiting confirmation of Cheshire and Warrington as part of the Government’s devolution priority programme, we do not as yet have a confirmed detailed programme timeline. Nonetheless, we can make a number of assumptions based on discussions with Government to date which would suggest a broad overall timeline³ outlined below.
- 18 Given the anticipated pace and complexity of the programme to May 2026 it would be helpful to maintain consistency in a number of areas, including extending the rotation of the current subregional lead local authority and Chair of the Joint Committee (Cheshire West and Chester Council) for a further 12 months to May 2026, before rotating to Cheshire East Council to recommence rotations on a two year basis.

Period	Highlight activity
January - March 2025	<ul style="list-style-type: none"> • Confirmation by HMG that C&W become part of the devolution priority programme • HMG-led Public Statutory Consultation undertaken (<i>awaiting details</i>) • Local engagement plan commences (Members, stakeholders, residents, business) • Commence mobilisation and start of devolution development programme (<i>see priority actions in section below</i>)
April - June 2025	<ul style="list-style-type: none"> • Local decision making: Councils to consider ‘in principle’ decision to proceed to Mayoral Strategic Authority (MSA) - including assessment of consultation responses. <p><i>Depending on outcome:</i></p> <ul style="list-style-type: none"> • Commence shadow/interim arrangements • Start initial MSA ‘build process’ - primarily governance, finance and organisational design. • Spending Review (confirms C&W devolution investment package)
July - September 2025	<ul style="list-style-type: none"> • Finalise the C&W Devolution Agreement and investment package

³ Subject to change

	<ul style="list-style-type: none"> • Complete all work required for Parliamentary processes to create the MSA • Council (x3) decisions to formally submit to Government.
October - December 2025	<ul style="list-style-type: none"> • Parliamentary process for the C&W MSA • Continued 'build phase' for the new Authority • Commence staff transfer/recruitment processes • Commence prep for Mayoral elections
January - March 2026	<ul style="list-style-type: none"> • Prep for Mayoral elections • Complete prep for the new Authority to 'go live' • Pre-election period commences • Strategic Authority operational (by 12th March 2026)
April - June 2026	<ul style="list-style-type: none"> • 7th May 2026 - Mayoral Elections • Mayoral Strategic Authority operational.

Programme Priorities: January to March 2025

- 19 The Committee will be kept updated on the emerging work programme and budget at every meeting via formal performance reporting.
- 20 One of the critical outstanding points of detail to understand from Government is the timing and content of the English Devolution Bill. We anticipate that the Statutory Instruments and Government Orders associated with a number of devolution powers will be codified as part of the Bill's parliamentary process. Once law, we then expect these powers to be automatically 'passported' to a potential future Cheshire and Warrington Mayoral Strategic Authority. Whilst this process will save considerable time and resource for Cheshire and Warrington in terms of development, it should be noted that we will need to wait for the Bill to secure Royal Assent and any secondary legislation - which could be Summer 2026 or beyond - until the new Authority receives all of its initial powers.
- 21 Nonetheless, we will still need to work through the implications of delivery - and how this will work in practice. Whilst we won't know the quantum of investment until after the Spending Review (due to conclude June 2025 with confirmation on investment package August/September 2025), we do know which programmes will be devolved, as well as a 30 year Cheshire and Warrington Investment Fund.

22 For the first quarter of 2025 (January to March) we anticipate the following priority activities delivered via a number of specialist officer 'workstream' groups:

WORKSTREAMS	PROGRAMME CONTENT
<p>Communications & engagement</p> <p><i>Communications leads from all Councils and Marketing Cheshire</i></p>	<ul style="list-style-type: none"> • Stakeholder/community engagement plan delivery • Prep/delivery of Statutory Consultation with MHCLG
<p>Governance</p> <p><i>Monitoring Officers (or their nominated leads), democratic services and legal council officers, Finance Director ECW. Specialist legal advice may be required for specific actions.</i></p>	<ul style="list-style-type: none"> • Local decision making processes • Consideration of MSA future organisational design and governance. • Set-up for shadow arrangements (including any shadow assurance frameworks) • Prep for national approval (SA Constitution/Orders) - initial scoping of the systems and procedures required.
<p>Workforce</p> <p><i>Council Human Resources leads and Finance Director ECW</i></p>	<ul style="list-style-type: none"> • Initial scoping of future workforce requirements. • Ensure full and proper engagement with Trade Unions regarding the devolution process/ journey. • Consideration of MSA future organisational design.
<p>Finance</p> <p><i>Section 151 Officers (or their nominated leads), Finance Director ECW.</i></p>	<ul style="list-style-type: none"> • Determine budgets and funding streams for delivering devolution in C&W • Establish a financial framework to manage the costs and resources required to support devolution through to the formation of a MSA . • Identify potential financial impacts/asks of the programme on all partner organisations.

	<ul style="list-style-type: none"> Alignment with governance workstream on initial scoping of future financial procedures/ systems
<p>Growth Plan</p> <p><i>Chief Executive ECW, Council Growth Directors and officers from across the councils with specialist areas of expertise (transport, skis, etc).</i></p>	<ul style="list-style-type: none"> Develop overall narrative for growth and devolution Develop content across thematic areas (transport, development, skills etc) and increase Member and stakeholder engagement across themes. Preparation of delivery priorities and early investment opportunities.

Programme Budget

- 23 The following section sets out the overall budget for programme development from January to March 2025 and sets out an initial budget for 2025/6 which will be confirmed once Cheshire and Warrington has confirmation it is part of the Government's devolution priority programme. Approval is sought for the budget and initial implementation costs to March 2025. A further report will be brought to the Committee in February 2025 outlining financial year 2025-6 budget and anticipated costs.
- 24 As noted in the timeline above, we would seek to mitigate any 'at risk' expenditure by seeking an early in principle decision to proceed from each of the councils no later than May 2025. We will need to undertake some work at risk before this date, in order to ensure a comprehensive assessment and analysis of the impacts of devolution for Cheshire and Warrington is available to present to councils as part of their decision making.
- 25 We would then also go back to the councils for a formal decision to progress (following confirmation of a Devolution Agreement and investment package) no later than October 2025. The majority of expenditure associated with the new Authority 'build phase' will only be incurred after this decision date.
- 26 A budget of £350,000 to support subregional activity has been made available from within the Cheshire and Warrington Enterprise Zone (EZ) funds, managed by Enterprise Cheshire and Warrington; £100,000 of this budget has already been committed for wider subregional activity, with the remaining £250,000 being available to support the initial implementation of the devolution programme from January to March 2025.
- 27 We anticipate a further £500,000 will be available from EZ funds in financial year 2025-26. Subject to inclusion in the devolution priority programme, we

anticipate Government will also support devolution development with a capacity fund. Whilst this is subject to the programme and official confirmation, Government has previously provided upfront support to preparing for devolution and we would expect to receive funding from financial year 2025-26.

- 28 If additional funds are required, consideration may need to be given to temporarily 'borrowing' money from the Growing Places Fund, for future reimbursement by the Strategic Authority once it is established. This arrangement would need to be underwritten by the Local Authorities should the Strategic Authority not proceed as planned or should it be unable to reimburse the funds in a timely manner. Entering into such a commitment would require the approval of the councils.
- 29 As noted, a full budget report dealing with the period April 2025 to March 2026 will come to the Joint Committee at its February meeting when we expect to have confirmation of the devolution priority programme and a more detailed forecast breakdown of future costs. The programme team are currently holding a series of meetings with the leads of various workstreams to establish the resources that will be required to meet both statutory responsibilities and the requirements related to maximise future investment funds via the devolution agreement.
- 30 Funding beyond March 2026 is to be confirmed by Government after the Spending Review later this year. The financial model and operating budget of the Mayoral Strategic Authority will be established through a working group of the constituent councils and brought back for oversight and review (subject to agreement by the councils to proceed). Consideration will also be given to establishing a Medium Term Financial Plan, but this will be subject to further consideration and approvals as the devolution agreement progresses.

Comments from the Business Advisory Board

- 31 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

- 32 Given the potential importance of the devolution programme for Cheshire and Warrington, and the complexities associated with its delivery, it is critical to ensure an effective programme management approach. This will support a comprehensive approach to inform Council decisions.
- 33 The recommendations allow us to move forward at pace - but also provide enough flexibility to evolve as details on the devolution priority programme

become clearer. They also follow a phased approach to mitigate risk on abortive spend as far as possible.

Other Consultation and Engagement

- 34 Communications and engagement will be a critical part of the programme and we will ensure that stakeholders across Cheshire and Warrington are fully informed of the process and how they can get involved. Key stakeholders include our residents, communities, businesses, council staff, Members, MPs, the voluntary and community sector and others identified through a detailed stakeholder mapping exercise.
- 35 We understand that Government will be leading a statutory consultation in the confirmed devolution priority programme areas from late January/early February to the end of March/early April 2025. We will work closely with Government to ensure that this consultation reaches far and wide, to ensure as many people as possible are able to have their say.
- 36 In parallel with this statutory consultation, we will run our own communications and engagement activity in the region. This will ensure we are having meaningful conversations with our stakeholders to inform devolution for Cheshire and Warrington.
- 37 Before beginning any engagement activity, we will be clear about why it is happening, what the community can and cannot influence, and how we will use the information gathered through our engagement activity.
- 38 Our communications and engagement approach will ensure we gather a broad and representative range of responses from across the region, including the views of people from different backgrounds, groups and organisations. We will use a mixture of appropriate methods tailored to different audiences to help to reach as wide a range of stakeholders as possible. We will consider barriers to engagement, such as accessibility, apathy and transport issues.
- 39 We will use a variety of formats to engage. It is essential that everyone is able to participate via their preferred route, so we will be ensuring that all information is available in accessible formats.
- 40 We will build on our approach to joint working, strengthened by encouraging further collaboration and partnership working, with recognition of the knowledge and expertise of others such as the voluntary and community sector and business community. This will include promoting opportunities for shared communications and consultation activities. Where relevant, we will use existing structures, forums and groups to make the most efficient use of resources and to build on existing contacts and networks.
- 41 We will provide feedback to the community about the engagement activities we carry out and will explain how the community's input contributed to the decision-making process. As part of that process we will monitor and review

the engagement activities we carry out to ensure that all sections of the community can engage should they chose to, particularly those whose voices are often not heard, and change our practices accordingly.

- 42 We will also be running a series of Member engagement sessions - building on the engagement to date via cross-party working groups across all councils. We anticipate holding all-council briefing sessions to enable more Member dialogue between the councils across Cheshire and Warrington. As well as the governance implications of the devolution programme, it is important to focus on content and the economic, social and environmental impacts of devolution for Cheshire and Warrington. We therefore propose to work with Joint Committee leads on additional Member engagement in the thematic work associated with the emerging Growth Plan/Devolution Agreement.
- 43 The results of the statutory consultation and feedback from the engagement programme will be critical elements in understanding the implications of devolution when councils make their decisions.

Implications and Comments

Legal implications

- 44 The governance workstream includes legal officers to ensure that the programme is legally compliant and well governed. It is currently anticipated that the existing legislative framework will be initially relied upon to exercise relevant powers to establish the Mayoral Strategic Authority until such time as the English Devolution Bill comes into force and powers are passported. Further guidance will continue to be taken from MHCLG in this regard. Should any external legal expertise be required, steps are being taken to ensure that this would be commissioned at pace.
- 45 The current terms of reference provide for the rotation of the chair between the councils every two years. It is being proposed that the current chair remain for a further year (until 2026) and this will require an amendment to the Terms of Reference which needs to be approved via the governance processes of each Council. The Joint Committee is being asked to recommend this proposed change to their respective Councils.

Finance implications

- 46 A finance workstream has been established to confirm the costs and resourcing required to support the effective delivery of devolution within the subregion. Given the relatively short implementation timetable, it is likely that some costs will need to be incurred at risk, pending the confirmation of the value and timing of any interim/future funding from government. These risks will be quantified and outlined in a future report to the Joint Committee.
- 47 Initial costs are being funded from the ECW budget, using retained business rates Enterprise Zone monies, in accordance with the purpose of investing in

subregional activity. If Cheshire and Warrington withdrew from the devolution process, these funds would not be recoverable.

48 *Risk Management*

49 A full risk register is currently in development and will be updated and reported by escalation to the Joint Committee and Devolution Steering Group every month.

50 We have built two key decision points into the programme (in quarters 2 and 3 in 2025). To mitigate the risk of abortive expenditure, we will minimise costs as far as possible before these key decision points.

Equality, Diversity and Inclusion

51 There are no immediate ED&I impacts. It should be noted that all elements of the programme (via workstreams) will ensure that ED&I is reflected in outcomes.

Policy

52 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:	Gemma Davies, Chair, Cheshire and Warrington Growth Directors/ Director Economy and Housing, Cheshire West and Chester Council Gemma.Davies@cheshirewestandchester.gov.uk
Appendices:	NA
Background Papers:	NA