





OPEN

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Cheshire and Warrington Devolution and the Mayoral Combined Authority

Report of: Cheshire and Warrington Devolution Programme Steering Group

Report Reference No: JC/11/25-26

Significant/Key Decision?	Yes/No	Definition (to be deleted once completed)
Cheshire West and Chester	No	Constitution Page 115.
Warrington	No	Constitution page 41
Cheshire East	No	Constitution Page 78

Purpose of Report

- This report outlines the devolution powers, functions and future investment opportunity for Cheshire and Warrington, to be delivered via a newly created Cheshire and Warrington Combined Authority in early 2026, with a duly elected mayor in May 2027, as part of the UK Government's Devolution Priority Programme.
- This report seeks strategic direction from the Joint Committee for the decisions of each council (Cheshire East Borough Council, Cheshire West and Chester Borough Council and Warrington Borough Council) [the Councils] in Cheshire and Warrington as part of the formal consenting process to proceed with a Combined Authority and







associated devolution powers, functions and investment. It should be noted that this report will form the basis for key decisions of the Councils and accordingly will be reflected on their Key Decision Forward Plans in accordance with their constitutions.

Executive Summary

- In January 2025 the Joint Committee agreed to take forward a devolution development programme to assess the benefits of devolution and to undertake a significant engagement programme to seek the views of businesses and residents about the impact devolution might have for the future of Cheshire and Warrington. The results of this work have been reported to the Joint Committee over the period since and is summarised in the report. The work has concluded that progressing with devolution does offer a significant benefit for residents and businesses in Cheshire and Warrington, and, from an analysis of local engagement work, an overall positive balance of residents in favour.
- Following a Government Statutory Consultation on the establishment of a Cheshire and Warrington Combined Authority earlier this year, the Government confirmed on the 17th July 2025 that Cheshire and Warrington had passed the statutory tests to proceed with devolution. Officers have been working closely with officials in UK Government Departments to clarify the detailed arrangements for a future Cheshire and Warrington Combined Authority with associated devolved powers and functions.
- The next stage in the formal process is to seek approval to establishing secondary legislation from each of the Councils in Cheshire and Warrington. Subject to decision, these will be the future constituent councils of the Cheshire and Warrington Combined Authority. The report details the next steps if the Councils decide to proceed, as well as the consequences if one or more of the Councils do not approve.
- The report details the initial proposed arrangements to create the Cheshire and Warrington Combined Authority. It should be noted that this would be created under existing Government legislation.
- The report also gives an overview of the future impacts of the English Devolution and Community Empowerment Bill which would designate the Cheshire and Warrington Combined Authority as a Mayoral Strategic Authority and automatically confer additional devolution powers onto it, subject to the Bill's successful passage through parliamentary processes.







It should be noted that this report references draft Parliamentary Orders. These documents cannot be shared as this would breach parliamentary privilege. Statutory instruments are to be considered as 'confidential information' as defined in \$100(A) of the Local Government Act 1972, as information furnished to the Council by a Government department upon terms (however expressed) which forbid the disclosure of the information to the public. Statutory instruments are exempt from disclosure or publication before they are laid in Parliament to avoid infringing on parliamentary privilege or breaching Chapter nine of the Ministerial Code. However, while the documents cannot be shared themselves, detailed summaries can be provided, as below and in Appendix A.

RECOMMENDATIONS

In accordance with its function to provide strategic direction and oversight across potential devolution for Cheshire and Warrington, the Joint Committee is recommended to endorse the following recommendations for decision by each of the Councils in Cheshire and Warrington, in line with each Council's constitutional arrangements:

- To approve in principle the establishment of a Cheshire and Warrington Combined Authority in accordance with existing legislation under the Local Democracy, Economic Development and Construction Act 2009 (as amended).
- To delegate authority to the Chief Executive Officers (Head of Paid Service), or their authorised deputy, to consent to the making of the Cheshire and Warrington Combined Authority Order 2026 in accordance with s.110(1)(b) Local Democracy, Economic Development and Construction Act 2009.
- 3. To agree to hold inaugural mayoral elections in May 2027.
- 4. Subject to approval of the above recommendations, to create a new joint committee, to be known as the Cheshire and Warrington Combined Authority Shadow Board, to provide strategic direction and interim arrangements in the best interests of the establishment of a Cheshire and Warrington Combined Authority.
- 5. To approve the Terms of Reference for the Cheshire and Warrington Combined Authority Shadow Board as outlined at Appendix B and to







delegate authority to the Constituent Members of the Shadow Board to carry out the roles and functions as set out in the Terms of Reference.

- 6. To note that the Constituent Members for the Shadow Board will be the Leaders and Deputy Leaders of each constituent council as set out in the proposed Terms of Reference.
- 7. To amend the Cheshire and Warrington Joint Committee Terms of Reference as outlined at Appendix C to reflect the revised function of the Joint Committee following establishment of the Combined Authority Shadow Board.
- 8. To appoint new membership from each Council to the Cheshire and Warrington Joint Committee in accordance with the Joint Committee Terms of Reference.
- 9. To delegate authority to the Chief Executives, in consultation with the Leaders, of each constituent council, to take all other steps necessary to establish and implement the Cheshire and Warrington Combined Authority.

Report Detail

A. Strategic rationale

- Oheshire and Warrington Leaders are committed to achieve the shared vision for the area to be the healthiest, most sustainable, inclusive and growing economy in the UK by 2045. The 2045 Sustainable and Inclusive Economic Strategy has recently completed its consultation and will be taken forward via the appropriate governance process after September 2025.
- 10 Cheshire and Warrington has one of the most productive economies in the UK, with output per head 25% higher than Greater Manchester and 50% higher than in Liverpool City Region. It also has a number of opportunities to build on that success by taking advantage of:







- (a) The Government's recent investment of £11 billion into hydrogen production and carbon capture and storage in Cheshire and Warrington and its investment into new nuclear power;
- (b) the strong cluster of life science companies shared with Greater Manchester and Liverpool City Regions; and
- (c) our strong advanced manufacturing cluster.
- 11 Notwithstanding these strengths, Cheshire and Warrington has large numbers of working age adults who are sick and disabled, a shortage of people with the skills needed by employers, 28,000 children living in poverty and a 16-year gap in healthy life expectancy between the least and most prosperous areas in the subregion.
- The draft Sustainable and Inclusive Economic Strategy proposes that Cheshire and Warrington should commit to a series of targets that, by 2045, would make the region the healthiest, most sustainable, inclusive and growing place in the country. These include having the highest rate of growth in the North, reducing carbon emissions to zero, improving life and healthy life expectancies so that they are above the national average everywhere and having no communities ranked in the bottom 20% of the Index of Multiple Deprivation.
- A report outlining the content and implications of recent UK Government strategy and policy was presented to this committee in July 2025. Members of the committee agreed that there is a clear emphasis for future Government investment and support on those areas with a strategic approach to delivering sustainable growth. Specifically, that those areas with devolved governance arrangements through Combined Authorities with a mayor are best placed to receive Government support, maximise private investment and to deliver maximum impact for businesses, communities and residents with the scale and focus that these devolved arrangements bring.
- 14 Devolution and the creation of a Combined Authority offers a key mechanism to help achieve this vision. New and innovative ways of working via the powers, functions and investment that a Combined Authority would have from 'day one', gives Cheshire and Warrington the best chance to deliver real and lasting improvements for residents and businesses. These include:







- (a) Investing the expected 30-year Mayoral Investment Fund to take advantage of key growth and investment opportunities, including in clean energy industries, life sciences and advanced manufacturing, as well as greater control over several funds currently managed by Government departments, including adult skills, employment support, brownfield land investment and business support.
- (b) Working in partnership (and in some instances via a statutory role) with key Government agencies and stakeholders, including Network Rail, train operating companies and National Highways. A 'strategic place partnership' with Homes England to align resources and focus. A strategic partnership with the Department for Business and Trade to bring together resources and interventions to boost business growth, exports and encourage inward investment, as well as new relationships with Great British Energy and UK Research and Innovation.
- (c) With these new partnership arrangements, devolved powers, a significant investment fund and other devolved funds, the Combined Authority could, in the first few years of being established for example, increase funding for training and support to tackle disadvantage by helping people back into work, deliver much-needed transport improvements, give additional support for growing businesses, unlock land for development and regenerate town centres.
- (d) Embed priority policies across all activities of the Combined Authority, including tackling health inequality, promoting inclusion, specific issues linked to rurality and building-in sustainability and climate change resilience.
- (e) The greater profile and voice that comes from a seat on the Council of Nations and Regions and the new Great North Mayoral partnership would amplify Cheshire and Warrington's work to, for example, gain Ministerial support for the regeneration of Crewe; make the case for further expansion of hydrogen production and CO² capture, cementing Cheshire and Warrington's position as a world leader in decarbonisation; and ensuring Ministers and Northern Mayors recognise the huge growth opportunities in Cheshire and Warrington.







- (f) Develop fully integrated public transport inspired by the Manchester Bee Network and Transport for London (TfL). Cheshire and Warrington would be able to make bus travel more convenient, reliable, affordable and attractive, better connecting rural areas and providing tickets that can be used on both buses and trains.
- (g) A Combined Authority's new role in governing, managing, planning and developing the rail network would provide greater influence in the Liverpool-Manchester and West Midlands-Manchester Railway discussions, including influencing the delivery of Crewe Hub Station improvements.
- (h) Help tackle poverty and improve healthy life expectancies by making homes warmer and more affordable to heat by accelerating the retrofit of properties with green, energy-saving technology such as solar panels and air-source heat pumps, funded through devolution and via the Government's Warm Homes Plan.
- (i) Invest in and support the growth of the Cheshire Science Corridor and transformational opportunities in life sciences, advanced manufacturing and clean energy (key sectors in the Modern Industrial Strategy).
- (j) Turbocharge promotion of Cheshire and Warrington as one of the best places to live, work, invest, learn and visit.

B. Timeline

- 15 It is important to outline and understand the anticipated timeline for the creation and development of the Cheshire and Warrington Combined Authority.
 - (a) **September 2025:** The constituent councils decide whether to consent to create a Combined Authority.
 - (b) October 2025 early 2026: Subject to the decision to proceed across all three constituent councils, the UK Government will lay an Order before each of the Houses of Parliament referred to as the Cheshire and Warrington Combined Authority Order 2026. As well as approval from each House, the making of the Order will require consent from each of the constituent councils to modify existing legislation and establish as a body corporate the Cheshire







and Warrington Combined Authority. It is anticipated this could be created as early as February 2026. During this period, via the shadow arrangements described below, there will be certain 'day one' functions that will need to be developed locally, including certain posts to be in place (statutory posts) and other preoperational decisions related to set-up and governance.

- (c) **Early 2026:** The Cheshire and Warrington Combined Authority will be operational and will receive powers and funding from Government under existing legislation.
- (d) Mid-2026: The English Devolution and Community Empowerment Bill will complete its Parliamentary process through to legislation. Cheshire and Warrington will become a Mayoral Strategic Authority (MSA) under the new legislation and the additional powers and functions contained within this legislation will be devolved to it.
- (e) **May 2027:** Mayoral elections will take place across Cheshire and Warrington.
- (f) **2028 onwards:** Subject to meeting assurance criteria, the Cheshire and Warrington Mayoral Strategic Authority can become an Established Mayoral Strategic Authority 18 months after the mayoral election, with further additional powers and flexibilities, including a fully integrated financial settlement from the UK Government.

C. Governance

- 16 Civil servants from key Government Departments (primarily the Ministry of Housing, Communities and Local Government and the Department for Transport) have been working with officers from the three Councils to finalise draft regulations to establish the Cheshire and Warrington Combined Authority this will be 'the Cheshire and Warrington Mayoral Combined Authority Order 2026'. The exact wording of the Order must remain confidential until it is laid before Parliament. However, a summary of the provisions of the Order are attached at Appendix A.
- 17 The Order will establish a mayor for the area, to be democratically elected every four years from May 2027. As well as the board of the Combined Authority, two statutory committees must be established: a Scrutiny Committee and an Audit Committee. The chair of the Scrutiny Committee







must be from a different political party than the mayor with one to three elected Members appointed from each constituent council to ensure political balance, as well as co-opted independent members.

- The Order will also establish the Combined Authority as the Local Transport Authority for Cheshire and Warrington, to enable the Combined Authority to perform its transport functions, such as the development of a local transport plan as well as passenger transport powers to support an integrated approach to delivering excellent transport services for the area.
- The Order includes a **statutory constitution** setting out the framework on which the Combined Authority will be established. This provides consistency across all newly established combined authorities (and will also apply to existing combined authorities following the English Devolution and Community Empowerment Bill's passage through Parliament). The Cheshire and Warrington Combined Authority can also agree a local constitution, which must be based on the statutory articles.
- 20 Key aspects of the statutory constitution, which will be prescribed by the Order, are as follows:
 - (a) Membership: Each constituent council must appoint two elected members to the Combined Authority. Both members must also have one named elected member substitute appointed (i.e. two elected members and two named substitutes). Each member will have one vote. The proceedings of the Combined Authority are invalid if there are vacancies amongst the members and substitutes members. This has been determined as the most effective decision-making arrangement by Government under the statutory requirements.
 - (b) The appointed Combined Authority members must appoint a chair and vice chair from the constituent council members at their first formal board meeting. The chair and vice chair positions will end on the day before the first mayor's term of office begins.
 - (c) Once elected, the mayor will be the chair of the Combined Authority and has the statutory power to appoint a deputy mayor from the Combined Authority members (replacing the chair and vice chair positions above).







- (d) The deputy mayor must be chosen from one of the members of the Combined Authority in accordance with statutory requirements. If the deputy mayor is acting in the place of the mayor, the deputy mayor's substitute can be present.
- (e) The Combined Authority can have up to six non-constituent (stakeholder organisations) and associate (individual) members (as Combined Authorities cannot have more non-constituent and associate members than it has constituent members). All of these members/ organisations must nominate a named substitute.
- (f) All decisions of the Combined Authority will be made by a simple majority of the members present. Once the mayor's term of office has started, any majority must include the mayor or the deputy mayor in place of the mayor. There will be no casting votes and no tied votes.
- (g) Before the first mayor's term of office begins, all business of the Combined Authority must be transacted with the chair (or vice-chair in their absence) present, as well as at least three members appointed by the constituent councils. The legislation will not require representation from each constituent council to be quorate. After the mayor's term of office begins, the mayor (or deputy mayor acting in place of the mayor) must be present at all meetings, as well as four members appointed by the constituent councils.

D. Powers and functions: 'Day One'

- Initially, the Cheshire and Warrington Combined Authority would have those core powers and functions associated with existing legislation. These powers and functions will take effect from the creation of the Combined Authority in 2026. Specifically:
 - (a) Economic development and regeneration functions: This will empower the Cheshire and Warrington Combined Authority to exercise the functions of the constituent councils under section 1 of the Localism Act 2011, known as the General Power of Competence, to the extent that those functions relate to economic development and regeneration. This power will be held jointly with the constituent councils.
 - (b) **Transport functions:** The Cheshire and Warrington Combined Authority will become the Local Transport Authority for the







Cheshire and Warrington area and will exercise a number of functions under both the Transport Act 2000 and Transport Act 1985 as below: -

- (i) Transport Act 2000: Exercising a number of powers jointly with each constituent council for a transition period, expected to be one year. The major function being that the Cheshire and Warrington Combined Authority will be responsible for the development and adoption of a Local Transport Plan. After the transition period such powers will be exercisable only by the Cheshire and Warrington Combined Authority
- (ii) Transport Act 1985: These functions are proposed to be exercised jointly with the constituent councils in perpetuity and include: -
 - 1. Hold passenger transport functions;
 - 2. allow the formation and running of companies to run bus undertakings;
 - 3. hold the power to pay grants for transport facilities and bus services.

E. Powers and functions: English Devolution and Community Empowerment Bill

- At the 25th July 2025 Joint Committee, members received a report on the English Devolution and Community Empowerment Bill. This report gave an overview of the Bill and implications for Cheshire and Warrington.
- It explained that the Bill outlines a consistent approach to devolution across England, giving greater consistency across both existing and new devolved areas in terms of governance and powers. It creates a new category of authority in England, 'the Strategic Authority', and aims to make it quicker and easier to devolve powers away from Westminster to local government, outlining the routes to achieve further devolved powers over time.
- The Bill sets out a clear framework with a standardised set of legal powers, governance arrangements, funding commitments and partnership/collaboration arrangements with Government. It is a clear







move away from negotiated deals and inconsistencies across devolved areas.

- It should be noted that the Bill would also enable the Secretary of State to establish a new Strategic Authority or expand existing institutions without the consent of local areas. Whilst the Government has been clear it would limit the use of this power to instances when other routes had been exhausted, it should nonetheless be noted that this power would exist.
- Subject to its passage through the Parliamentary process, Appendix A details all the powers and functions which are anticipated to be devolved to the Cheshire and Warrington Combined Authority which would at this same time become the Cheshire and Warrington Mayoral Strategic Authority. These functions extend across seven competencies and include:
 - (a) Additional transport powers including the ability to progress with bus franchising, oversight of the most important local roads in the area (a Key Route Network) and (via other legislation) a statutory role in governing, managing, planning and developing the rail network and local stations;
 - (b) skills and employment support via the transfer of adult education functions and the devolution of the Adult Skills Fund. This fund will be non-ringfenced so that the Strategic Authority can determine how best to use the fund via the creation of a local skills plan. Employment support funding would also be devolved to support those furthest from employment to find and sustain a job. The Joint Committee has previously agreed the development of a 'Get Cheshire and Warrington Working Plan' to support the prioritisation of these funds:
 - (c) housing and strategic planning including the power to prepare a Spatial Development Strategy (SDS) which would align with the Councils' Local Development Plans but with a focus on strategic development opportunities across the whole subregion. Following agreement of the SDS this would give the Strategic Authority additional powers to intervene in planning applications of strategic importance (currently the power to 'call in' sits with the Secretary of State - this would transfer to the mayor), the option to charge a Mayoral Community Infrastructure Levy on maior developments to support infrastructure requirements and the ability







to designate Mayoral Development Areas and establish Mayoral Development Corporations to support delivery of large, complex development and regeneration projects;

- (d) economic growth and regeneration, including producing a local growth plan and investment pipeline – which would agree shared priorities with Government and other public organisations such as UK Research and Intelligence. The Bill also requires Strategic Authorities to work with the Local Government Pension Scheme to jointly invest in local projects which deliver social and/or economic benefits to local communities (as well as financial return);
- (e) the Bill does not transfer statutory environmental or climate-related functions to Strategic Authorities, but it gives the responsibility for the development and delivery of Local Nature Recovery Strategies and does commit to explore future opportunities for devolution in this area;
- (f) Strategic Authorities will have a legal requirement to 'have regard' to the need to reduce health inequality and improve people's health in the area. Health impacts should be considered in all Strategic Authority policies;
- (g) because a future Strategic Authority and the Cheshire Constabulary have different boundaries, a future mayor would not be responsible for exercising police functions.
- (h) The Bill also outlines further general mayoral powers under the General Power of Competence.
- It is anticipated that there are areas that a future Strategic Authority would want to pursue additional devolution powers and functions. For example, the Bill is largely silent on rural affairs and specific devolved opportunities from DEFRA.

F. Shadow Arrangements

- Subject to a decision to proceed, arrangements will need to be put in place to ensure that Cheshire and Warrington will be ready for a 'go live' operational date which could be as early as February 2026.
- As noted below, there will be specific 'day one' functions that need to be in place for this schedule, requiring certain staffing (including statutory







posts) and other pre-operational decisions related to set-up and governance. For example, the Combined Authority will require at least one Overview and Scrutiny Committee and one Audit Committee in line with the requirements of the Local Democracy, Economic Development and Construction Act 2009. Shadow arrangements will also ensure that the values and principles that constituent councils want to embed in the Combined Authority can be developed early to shape future decisions and operations, as well as the initial creation of a local constitution. The local constitution, which must be based on the statutory articles, can include more bespoke arrangements to suit local circumstances.

- The Governance Workstream for the devolution work programme, comprising Monitoring Officers from each constituent council, has considered options for shadow arrangements and recommends creating a new formally constituted joint committee under Part VI of the Local Government Act 1972 and Part I Chapter 2 of the Local Government Act 2000. This will be referred to as the Cheshire and Warrington Combined Authority Shadow Board (the Shadow Board).
- The shadow arrangement would operate collaboratively from within the constituent councils in an advisory approach to oversee the implementation programme of establishing the Combined Authority. It is important therefore that the shadow arrangements mobilise as soon as possible after a decision to proceed with devolution.
- The Leaders and Deputy Leaders of the three constituent councils would be appointed to the membership of the Shadow Board, with the option to appoint other members on a non-voting basis as may be considered necessary to achieve the business of the Shadow Board.
- The Terms of Reference for the Shadow Board set out the decisionmaking powers and roles and functions of the Shadow Board. This report seeks a delegation from each of the constituent councils to the Shadow Board to carry out the roles and functions in paragraph nine of the Terms of Reference. The Terms of Reference are appended at Appendix B.
- 34 Alternative options have also been considered for the shadow arrangements including:
 - (a) a sub-committee of the Cheshire and Warrington Joint Committee; or







- (b) a committee in common of the Cheshire and Warrington Joint Committee.
- On an appraisal of the advantages and disadvantages of all options, the above options (a) and (b) were considered to generate risk of potential conflicts of interest, more complex administration, and lack of opportunity to develop an independent culture for the new Combined Authority.
- The decision to create a Shadow Board would require the existing Cheshire and Warrington Joint Committee to remain, focusing on its role as the shareholder board for Enterprise Cheshire and Warrington. The Terms of Reference for the Cheshire and Warrington Joint Committee, Part Two, are recommended for amendment accordingly as set out in Appendix C.
- If the decision is not to proceed with devolution, it is recommended that the current arrangements and functions for the Cheshire and Warrington Joint Committee remain in place with no amendment to the current Terms of Reference.

G. Operating Model

- The Governance and Finance Workstreams of the devolution programme have undertaken some early analysis of future operating models for the Combined Authority. Analysis focused on overarching principles of cost, achievability and quality across the future likely functional competencies of a Combined Authority. The potential phasing of any operating model was also considered noting that a number of future functional competencies will be reliant on the passage of the English Devolution and Community Empowerment Bill through Parliament.
- Whilst any decisions on future set-up will need to be agreed in detail initially with the shadow arrangements described above, the following headlines from the initial analysis of options should be noted:
 - (a) The Combined Authority should be a predominantly strategic, commissioning body.
 - (b) Any operational model must be delivered within available Combined Authority resources and have no call on additional council resources.







- (c) A proportionate and flexible 'day one' structure should be agreed that avoids making long-term assumptions.
- (d) Any model must be flexible enough to allow additional functions as required and optimises Cheshire and Warrington's ability to deliver its regional and local priorities.
- (e) The initial phase of the Combined Authority (to mid/late 2026) would need to be a small, core organisation that includes statutory posts and a minimum number of other core posts that can deliver demonstrable value from 'day one'. It is anticipated the following may form a day one staffing structure, subject to agreement of the Shadow Board:
 - (i) Head of Paid Service (statutory)
 - (ii) Section 73 Officer (statutory)
 - (iii) Monitoring Officer (statutory)
 - (iv) Scrutiny Officer (statutory)
 - (v) Administrative support
 - (vi) Communications support
 - (vii) Policy support
- (f) Additional staffing requirements would follow as functions were devolved to the Combined Authority some of which may be transitional in nature. This is described in more detail under the Workforce and Financial sections below.
- 40 Between October 2025 and formal set up of the Combined Authority in early 2026, the final agreed posts will need to be recruited on a secondment or interim basis. These postholders will put all required operational arrangements in place to ensure its ability to practically fulfil its day one functions and responsibilities.
- There will be various options available to ensure operational readiness; these options may include the Combined Authority securing its own service arrangements (for ICT, HR, Procurement support for example) or arranging "buy back" to access these services from one of the Councils. Available options will be appraised and recommendations made for







decision by the Shadow Board as early as possible, to allow time for the arrangements to be put in place. Once the Combined Authority is operational, they will be better placed to make longer term decisions around how they wish to organise themselves, including the level of ongoing support they require.

- It is envisaged that while the shadow arrangements are in place the seconded or interim posts (which will either be filled by current staff from across one of the three Councils or Enterprise Cheshire and Warrington or alternatively by an external interim) will be hosted by Cheshire West and Chester Council. Any support required by the Combined Authority as part of this hosting (for example payroll, access to facilities and equipment) may be provided through formal "buy back" arrangements which will be documented in Service Level Agreements (SLA) with the relevant support services in the Council. Arrangements will also need to be made to ensure the shadow Combined Authority is able to access any buildings or meeting room facilities they require across the sub region (again within SLA arrangements).
- Workforce: Key workforce issues for the Combined Authority from inception will be its Pay and HR policies, the potential TUPE of staff aligned with the functions of the Combined Authority and the recruitment to statutory and other posts on a temporary or permanent basis. Direction and decisions will need to be made by the Shadow Board and/or new Combined Authority, with engagement and consultation with the Trade Unions and staffing representatives of all impacted staff as required.
- In respect of the statutory posts, it is expected these will be filled by day one of the Combined Authority on a secondment or interim basis which will enable the new authority to consider the timing and process of recruitment for its own independent statutory officers.

H. Financial position

45 **Financial Governance:** While a new Combined Authority would be separate from the three constituent councils, the four entities will need to work together under a broader financial framework being established under the new Statutory Instruments and the English Devolution and Community Empowerment Bill. A key aspect of that framework will be an obligation on the three constituent councils to ensure that the Combined Authority can access the necessary funding to discharge its functions effectively. In effect, this means that the Councils could be asked to







financially support the Combined Authority, if it was unable to discharge its functions from other available funding streams.

- The constituent councils cannot be liable for any expenditure, unless the Combined Authority has approved such a request in accordance with its budget decision-making processes (either as per the Finance Order 2017 for mayoral budget or simple majority including the mayor for Combined Authority budget). As the constituent councils hold six votes on the Combined Authority, they would have significant influence over any such request. None of the existing Combined Authorities have needed to call on their constituent councils for additional funding under this provision.
- The financial position outlined above should be viewed in the context of the functions, responsibilities and funding position of the Combined Authority. It is a strategic body that will largely determine its own plans and priorities, rather than facing the statutory demand-led pressures that cause most Council budget challenges. Council representatives on the Combined Authority will help shape those priorities and the scale of any investment. The Mayoral Investment Fund gives the Combined Authority a substantial funding stream with significant discretion as to how it is used, providing the Combined Authority with the flexibility to align plans with funding and operate within its financial means.
- If managed effectively the Combined Authority should not create a significant additional financial risk to the Councils, but to minimise that risk it is critical that the Combined Authority is set up with effective governance, a robust financial assurance framework and strong financial management. Key safeguards will include the establishment of an Audit Committee and a statutory Chief Financial Officer post (otherwise known as a Section 73 Officer). This post is similar in nature to a Council Section 151 officer and will have a legal responsibility to make arrangements for the proper administration of its financial affairs, including establishing adequate controls and setting a balanced budget each year.
- The Combined Authority will need to set out its arrangements for ensuring strong financial governance in a published Assurance Framework. This will set out the key roles, governance, controls and procedures for ensuring the Combined Authority uses public money in a transparent, responsible and effective manner. This document will need to be submitted to Government by the Combined Authority and approved before 2026-27 funding is released.







- Funding: Details of the initial funding and investment package available for the Combined Authority on 'day one' are expected to be confirmed by the Government in early/mid-September 2025. Therefore, at this stage, it is only possible to give broad indications of likely funding in most areas, drawing on information available in the Government's 10-year Spending Review, Modern Industrial and Infrastructure strategies as well as the experience of existing Combined Authorities.
- Those funds are likely to include a combination of specific mayoral investment funding, devolved Government funding, existing funding linked to services that will become the responsibility of the Combined Authority and local income sources (such as Enterprise Zone funding). The mayor, subject to relevant governance and approvals, will also have the power to raise funds through precepts.
- Mayoral Investment Fund: The Mayoral Investment Fund will provide a major source of additional funding for the Combined Authority that would otherwise not be available to the area. Based on precedents in other areas, Cheshire and Warrington could expect to receive a 30-year investment fund (illustratively, an allocation of c.£20 million per year would secure over £600 million over 30 years). Allocations for the first year (2026-27) are likely to be at a lower level (c.£10m) given the mayor will not be elected until May 2027.
- This fund will provide a mixture of capital and revenue funding to support the Combined Authority's long-term investment strategy and priorities. Long-term priorities for the fund will ultimately need to be agreed with the elected mayor once in place, but an initial investment framework will be developed to help evaluate and demonstrate how different investments could generate positive and sustainable benefits for the sub-region.
- Funding for Combined Authority Functions: The Combined Authority will gain control over a number of specific functional areas currently managed by Government Departments, including adult skills, employment support, brownfield land investment and business support. The funds to deliver these programmes will be devolved to the Combined Authority, but the pace at which such funds will be incorporated into the Combined Authority will vary by Department, with the full transfer being phased in over the first two to three years of the life of the Combined Authority.
- The Combined Authority will also take on some roles currently delivered directly by the Councils and will become the primary recipient of any







Government funding linked to those roles. In the first year this would include taking on the Local Transport Authority role for the area, and responsibility for administering funding such as the Local Transport Grant. Transitional arrangements would give the Councils a period of joint control over how such funds are used.

- Capacity funding: If the Councils confirm they wish to proceed with devolution in mid-September, then the Government will release £1m of Capacity Grant funding for 2025-26. As approved by Joint Committee on 25 July 2025, this initial £1m grant will be applied to meet Combined Authority set up and preparatory costs in the period leading up to February/March 2026. This activity is expected to be deliverable within that funding allocation.
- Further Mayoral Capacity Funding is expected to be paid to the Combined Authority over its first three years. This will be used in concert with the investment fund and specific grants to support the costs of mobilising the Combined Authority, embedding initial functions and preparation for mayoral elections in 2027.
- The deferral of the mayoral election to May 2027 will mean it would coincide with Council elections in Cheshire East and Cheshire West and Chester, reducing costs to both the Combined Authority and the respective Councils. However, it would still be a substantial cost that would need to be borne by the Combined Authority. It has been confirmed that the cost of the election can be met from the Mayoral Investment Fund and this cost would be factored into planned usage of those funds.
- Enterprise Zone funding: On 26 June 2025 the Government wrote to the local Councils indicating that the Cheshire Science Corridor Enterprise Zone (EZ) should form part of the new Combined Authority once it had been established. The EZ is currently managed by Enterprise Cheshire and Warrington (ECW) and generates retained business rates income of approx. £3m per year which is used to part fund the economic growth activities of ECW and Marketing Cheshire, as well as meeting loan repayments back to the Councils.
- The EZ activities currently provided by ECW are expected to be subsumed into the Combined Authority once the body has been established. The EZ funds and responsibility to fund any ongoing activities and ongoing loan repayments would transfer to the Combined Authority from that point. ECW also hold an EZ reserve (currently £2.8m)







that would transfer. This provides a backstop in case of financial loss or failure from any of the EZ funded schemes, but also potentially provides the Combined Authority with some additional capacity and resilience.

- Without reducing existing services funded from the EZ funding, there would be limited scope for the Combined Authority to draw on EZ funds to support new activities or functions. However, other established Mayoral Combined Authorities have been given permission to increase their retained business rate income, through measures such as extending Enterprise Zones and increasing their retention shares e.g. Greater Manchester Combined Authority retains 99% of business rates to fund investment in transport infrastructure, housing and skills. The Councils have sought support from Government to explore similar options for Cheshire and Warrington, although this is not expected to be part of the initial devolution process.
- Precept: Once in office, the mayor would have the power to set a council tax precept, with 2027-28 being the first financial year to which this could apply. A precept could only be raised if approved by both the mayor and the overall Combined Authority, and if approved would be collected via the local Councils. Voting arrangements for the precept vary, depending on whether the precept is on mayoral functions, or wider Combined Authority functions:
 - (a) Mayors will continue to be subject to voting rules set out in previous legislation on precepts raised against mayoral functions. This is commonly that a mayor can propose a precept, but that request can be amended or rejected by a 2/3 majority of constituent authorities.
 - (b) A Mayor wanting to raise a precept on wider Combined Authority functions would be subject to the standard voting arrangements of a simple majority including the mayor.
- 63 Locally, the Liverpool City Region levied a precept of £24 per Band D property, to raise approx. £10.5m to invest in Mayoral priorities such as ultra-fast digital connectivity, a Mayoral Transport Plan and an apprenticeship portal. Other Combined Authorities such as the Tees Valley Combined Authority have chosen not to levy a precept to date.
- I. Final changes to Cheshire and Warrington Combined Authority Order







- This report has highlighted that the Order to create the Cheshire and Warrington Combined Authority is in draft and is a confidential document. As it goes through the initial stages of the Parliamentary process there may be small technical changes to the wording of the Order. It is not expected that these will fundamentally change the content of the Order.
- It is therefore recommended that any minor technical changes are delegated for approval to the Chief Executive Officers (Head of Paid Service), or their authorised deputy, to consent to the making of the Cheshire and Warrington Combined Authority Order 2026 in accordance with s.110(1)(b) Local Democracy, Economic Development and Construction Act 2009.

Reasons for Recommendations

- This report seeks strategic direction from the Joint Committee for the decisions of each council (Cheshire East Borough Council, Cheshire West and Chester Borough Council and Warrington Borough Council) [the Councils] in Cheshire and Warrington as part of the formal consenting process to proceed with a Combined Authority and associated devolution powers, functions and investment.
- From the results of the work developed via Cheshire and Warrington's Devolution Programme, it is clear that devolution will offer a key mechanism to help achieve the subregional vision and to deliver real and lasting impacts for residents and business.
- The recommendations also set out the arrangements that will need to be put in place should the Councils decide to proceed, including finalising technical amendments to the Statutory Instrument, the creation of shadow arrangements to support effective set up and concurrent changes to the terms of reference the existing Cheshire and Warrington Joint Committee.
- There is an option not to proceed. This would mean that the current Cheshire and Warrington Joint Committee would remain in place and its terms of reference would not be amended. This option has not been recommended. In a previous report to the Joint Committee (National Strategy: Update Report, 25th July 2025) it was noted that Government policy and funding is, on the whole, targeted to devolved areas devolution is the default position across England. Not proceeding with devolution increases the risk that investment and support will not be







- forthcoming. I.e. there is an opportunity cost if devolution is not taken forward as investment will be prioritised to Combined Authority areas.
- It should also be noted that under the English Devolution and Community Empowerment Bill, the Secretary of State would be able to establish a new Strategic Authority or expand existing institutions without the consent of local areas. Whilst the Government has been clear it would limit the use of this power to instances when other routes had been exhausted, it should nonetheless be noted that this power would exist. Under such circumstance, or if the Councils decided to progress with devolution at a later date, Cheshire and Warrington would not be part of the Devolution Priority Programme which gives access to additional support, including specific capacity funding as outlined in the report.

Comments from the Business Advisory Board (BAB)

The Cheshire and Warrington Business Advisory Board (BAB) unanimously supports the establishment of the Cheshire and Warrington Combined Authority and the progression of the devolution agreement. The Board is clear that this is the single most critical activity to reshape the future of the subregion—unlocking the powers, investment and freedoms needed to deliver long-term, inclusive growth. Devolution offers an unprecedented opportunity to accelerate business-led innovation, tackle structural challenges and improve the prosperity and wellbeing of residents across Cheshire and Warrington. The BAB urges all partners to commit fully to this agenda as the foundation for transformational change.

Other Consultation and Engagement

- A comprehensive strategy has underpinned Cheshire and Warrington's approach to communications and engagement since September 2024, and engagement has been undertaken, at key milestones, with councillors, staff, MPs, relevant committees/boards, businesses, and partner organisations, as well as our residents through a programme of community engagement. A summary of activity is included at Appendix E.
- Local communications: A series of press releases and media features have been issued, focusing on the potential benefits of devolution, the decision-making process, and other key updates along the Cheshire and Warrington devolution journey.







- 74 There has been a sustained social media campaign, with a dedicated focus on targeting younger people, to ensure that any age demographic "gaps" have been addressed.
- Part of the communications campaign has focused on ensuring a broad spread of local voices have been amplified, offering their views on devolution. To that end, through the engagement programme, a number of devolution "ambassadors" have shared their views about the potential benefits this includes people across business, community services, housing, education. and beyond. Equally, through dedicated face-to-face community engagement events across Cheshire and Warrington, public views about devolution have been sought and shared, ensuring that authentic local voices have been able to share their views on the benefits of devolution.
- Raising awareness of devolution, what it means and what its benefits are, is an intensive ongoing challenge. While there has been a sustained "myth busting" element to the overall communications and engagement plan, it is accepted that many communities and individuals are yet to understand what devolution could mean for Cheshire and Warrington. To that end, work on the communications plan continues in earnest, to ensure as many people and communities as possible understand what devolution could mean for Cheshire and Warrington.
- 77 Local community engagement: To support with local engagement work, an agency has been commissioned, Social, to facilitate a programme of in-person community engagement across Cheshire East, Cheshire West and Chester, and Warrington, with a key focus on targeted youth engagement. The local engagement programme delivered by Social ran for an approximate six-week period, from 4 May to 13 June 2025.
- 78 The community engagement programme identified three strands of activity with tailored engagement methods and approaches designed to meet the needs of three key local audiences:
 - (a) Local residents and communities
 - (b) Businesses and stakeholders
 - (c) Young people







- Resident and youth engagement activity was replicated in all three council areas, ensuring a representative and reflective view from across the area, and that local nuances could be captured and presented to the respective councils.
- The three councils and partners, including Enterprise Cheshire and Warrington, have already undertaken substantial briefings and engagement with key stakeholders and business representatives across the area. Given this, , it was decided that the stakeholder and business engagement strand of activity would be more effectively undertaken later in the year, once details of specific devolved powers and investment for Cheshire and Warrington have been confirmed by Government.

81 Activity to date includes:

- (a) Launch of Cheshire and Warrington devolution website: Cheshire and Warrington Devolution
- (b) Sustained media campaign (including promotion of Government consultation, key updates, and myth busters linked to devolution) more than 1million reads of coverage so far
- (c) Launch of ambassador programme sharing testimonials and continued engagement with identified ambassadors
- (d) Devolution newsletter first issue July 2025
- (e) Social media improving visibility/engagement across Cheshire and Warrington devolution accounts, myth-busting/dispelling misinformation, sharing FAQs etc. (more than 1.1 million impressions to-date)
- (f) Internal communications with staff across the three councils/ECW
- (g) Business engagement in partnership with the Business Advisory Board/ECW
- (h) Member engagement programme of activity across three councils
- (i) Voluntary, community, faith and social enterprise organisations and town and parish councils programme of activity across three council areas.







- Summary of member engagement: Each of the three Councils has established a cross-party member group to understand, consider and advise on devolution. This has taken the form of the Devolution Member Reference Group in Cheshire East Council, the Devolution and Subregional Working Taskforce in Cheshire West and Chester Council, and the Devolution Taskgroup in Warrington Borough Council. These groups have been meeting regularly throughout the development of the devolution programme.
- The three cross-party groups also came together to invite individuals with practical experience of devolution. Discussions were held with Ben Houchen (Mayor of Tees Valley), Oliver Coppard (Mayor of South Yorkshire), and Cllr Liam Robinson(Leader of Liverpool City Council and member of the Liverpool City Region Combined Authority).
- All Members have been informed and engaged in the developing devolution programme through regular written briefings and All-Member Briefing Meetings for each council. These have allowed Members to hear presentations on progress and raise questions with Leaders and senior officers.
- A cross-council All-Member Briefing also allowed members to hear from a range of local business representatives on their views on devolution, as well as to raise any questions on the programme.
- Statutory consultation analysis: Following confirmation of Cheshire and Warrington's inclusion on the Devolution Priority Programme (DPP), Government launched its own statutory consultation into the area's devolution proposals (which ran from 17 February to 13 April 2025). During this time, DPP areas were asked not to carry out their own localised community engagement work until the end of the statutory consultation period. Therefore, while local effort was made by the three councils and key partners to promote the consultation, this was a consultation led by Government, with a set number of fixed questions across all six DPP areas.
- The statutory consultation, which asked a number of detailed questions about devolution, closed in April 2025. The consultation outcome was published by Government in July 2025. 1,663 responses were received overall across Cheshire and Warrington.







- 88 Respondents in favour said that devolution would provide opportunities to:
 - (a) Improve the local economy: attracting further investment into the region and allowing for investment decisions to be shaped by local priorities
 - (b) Improve local governance: with greater potential for more decisions to be made locally by people who know the region
 - (c) Improve public services: Enabling better public transport and connectivity and enhancing local public services.
 - (d) Promote local identity and collaboration: Building on and further reinforcing the existing track record of joint working across the area.
- 89 Respondents who had concerns about the proposal cited:
 - (a) Worries about bureaucracy and costs: with concerns around additional layers of bureaucracy and whether it would add another layer to the infrastructure
 - (b) Geographical and structural issues: perceptions that the area is too big, and that market towns and rural areas could be disadvantaged compared to larger towns and cities.
 - (c) Financial and resource concerns: concerns that funding the Combined Authority would increase costs and taxes on local businesses and individuals
 - (d) Confidence in delivery: some respondents demonstrated a lack of confidence in the local government sector's ability to deliver
- The consultation elicited a mixed response to devolution in Cheshire and Warrington, although compared to the other five devolution priority areas, Cheshire and Warrington scored more favourably across a number of questions. Importantly, while the survey response was mixed, Government remains satisfied that Cheshire and Warrington can continue to seek a devolution agreement.







- 91 **Next steps for communications and engagement:** Subject to approval of the three councils, the focus of the Cheshire and Warrington devolution communications and engagement plan will shift to focus on:
 - (a) Engaging meaningfully on more detailed discussions about key themes and priorities of the combined authority. This will in-part be through facilitated group discussions and workshops, alongside public engagement more broadly to seek views and opinions on the key areas that devolution will support
 - (b) Helping to clarify what powers the CA will have "from day one" alongside what emerging priority themes and areas will be delivered via the CA in time
 - (c) Helping people to understand the governance around establishing the CA locally, but also ensuring people understand the "seat at the table" that an elected Mayor for Cheshire and Warrington would have nationally
 - (d) Listening to people's views about where agreed funding as part of establishing the CA could be spent on
 - (e) Raising awareness of the Mayoral election planned for 2027

Implications and Comments

Legal implications

- The Cheshire and Warrington Combined Authority would be established in accordance with existing legislation, primarily being the Local Democracy, Economic Development and Construction Act 2009 (as amended) ('2009 Act').
- 93 Under s110(1)(b) of the 2009 Act, the Secretary of State may make an order establishing a combined authority only with the constituent councils' consent.
- The Governance workstream, including Monitoring Officers and legal services from each constituent council, have worked with Central Government civil servants to develop the draft Cheshire and Warrington Combined Authority Order 2026.







- The proposed Shadow Board Terms of Reference have been drafted to align as far as possible with the statutory constitution in the Schedule to the draft Order.
- Any powers in the English Devolution and Community Empowerment Bill that pass into legislation will be 'auto transferred' to the Cheshire and Warrington Combined Authority.
- 97 Each council report will contain a covering report clarifying any specific legal implications for that council.

Finance implications

- The financial implications are set out within the main body of the report.
- 99 Each council report will contain a covering report to include any additional information subsequently received from the Government on the initial funding and investment package available to the Combined Authority. Where appropriate and required, each report will also clarify any specific financial implications for that council.

Risk implications and management

- The report highlights programme risks and their mitigations. In particular, priority risks and mitigation include:
 - (a) Rationale: In a previous report to the Joint Committee (National Strategy: Update Report, 25th July 2025) it was noted that Government policy and funding is, on the whole, targeted to devolved areas devolution is the default position across England. Not proceeding with devolution increases the risk that investment and support will not be forthcoming. I.e. there is an opportunity cost if devolution is not taken forward as investment will be prioritised to Combined Authority areas. Constituent councils will be central to the development of the policies and plans of the Combined Authority, ensuring that key priorities are embedded in future delivery. This will include alignment to council plans such as Local Development Plans, and specific priorities for Cheshire and Warrington, including transport and rural communities.
 - (b) **Timeline**: The overall programme timeline as part of the Devolution Priority Programme is a challenging one. However, key decision dates have been agreed at each Council to ensure that,







subject to decision, the timescales for the Parliamentary process to establish the Combined Authority can be met. Holding the mayoral election in 2027 also allows more time to prepare, supporting compliant and well-run election processes.

- (c) Governance: Much of the governance arrangements, including voting, will be statutory requirements as part of the Order to create the Combined Authority. These will be consistent to all Combined Authorities in England, minimising the risk of non-compliant governance processes. It should be noted that, to date, three Best Value notices have been issued to combined authorities (including the West of England, Cambridge and Peterborough and Tees Valley). These have been related to governance issues and, for Tees Valley, the way that a Mayoral Development Corporation was run. A future Cheshire and Warrington Combined Authority will establish its own local constitution but will need to adhere to the statutory constitution set out as a Schedule to the Order.
- (d) As well as forming the Combined Authority Board, the three constituent councils in Cheshire and Warrington will form part of the overview and scrutiny as well as audit arrangements for the Combined Authority. The Local Democracy, Economic Development and Construction Act 2009 sets out the remit of the Overview and Scrutiny Committee(s) of a Combined Authority, This will ensure a comprehensive oversight and scrutiny of the board and the mayor, including decisions made, actions taken, the discharge of general functions and the ability to make reports or recommendations to the board and the mayor on matters that effect the authority's area and residents.
- (e) Setting up a shadow board in advance of the creation of the Combined Authority will minimise the risk of not being ready for a 'go live' date in early 2026 once the Order to create the Cheshire and Warrington Combined Authority has passed through Parliament. It will oversee initial set-up, including initial staffing, governance readiness and shaping future values and principles.
- (f) Financial governance: Whilst it should be noted that the Statutory Instrument obliges the constituent councils to ensure that the Combined Authority can access the necessary funding to discharge its functions effectively, the constituent councils cannot be liable for any expenditure that the Combined Authority has not







agreed to. This risk to the constituent councils is also mitigated by the fact that the Combined Authority would set up with effective governance, a robust financial assurance framework and strong financial management. Key safeguards will include the establishment of an Audit Committee and a statutory Chief Financial Officer post (otherwise known as a Section 73 Officer). This post is similar in nature to a Council Section 151 officer and will have a legal responsibility to make arrangements for the proper administration of its financial affairs, including establishing adequate controls and setting a balanced budget each year.

- (g) **Budget:** It is proposed that a small, strategic operating model is established from day one. Whilst a detailed funding and investment package is yet to be confirmed, using interim arrangements and supporting a 'minimum viable product' approach will mitigate against an untenable budget position.
- 101 The Cheshire and Warrington Mayoral Combined Authority woul manage its own risk register. Statutory officers will have specific tasks to manage risk as part of overall operational management and performance.

Equality, Diversity and Inclusion

102 An Equality Analysis is attached at Appendix D.

Policy

- 103 The outline devolution agreement will support and better enables the achievement of Cheshire and Warrington's vision to be the healthiest, most sustainable, inclusive and growing economy in the UK.
- 104 Cheshire and Warrington sits within the Cheshire and Merseyside Marmot Region and all partners have recognised the impact that social, economic and environmental conditions have on health, particularly within our most deprived communities. Devolution will support subregional planning and delivery that better aligns to the 'All Together Fairer' strategy and that can affect health outcomes locally by focusing on improving the social determinants of health across Cheshire and Warrington.
- 105 All three constituent councils declared a climate emergency in 2019 and are working towards becoming net-zero councils within net-zero boroughs. Industrial, as well as domestic and transport emissions,







remain key contributors to carbon emissions across the sub-region. The outline devolution agreement brings significant opportunity to support and drive reduced emissions across those key sectors.

- 106 Stronger local decision making on subregional strategic planning and delivery will also support the delivery of the agreed strategic plans and priorities of each constituent council: the Our Cheshire East Plan 2025-29 vision of 'Enabling prosperity and wellbeing for all in Cheshire East'; the Cheshire West and Chester Borough Plan 2024-28 vision of 'A stronger future where we all play our part in thriving, caring and sustainable communities'; and the proposed Warrington Corporate Strategy 2025-29 vision of 'to shape a thriving Warrington by focusing on what matters most with three core focuses: our people, our place, and the quality of our public services.'
- 107 The attached EIA also gives a comprehensive overview of the wider policy alignment that devolution will impact upon.

Access to Information		
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Appendices:	Appendix A: Summary of the Statutory Instrument and English Devolution and Community Empowerment Bill.	
	Appendix B: Cheshire and Warrington Shadow Board Draft Terms of Reference.	
	Appendix C : Cheshire and Warrington Joint Committee Amended terms of Reference.	
	Appendix D: Equality Analysis	
	Appendix E: Summary of local consultation and engagement	
Background Papers:	National Strategy: Update Report (Joint Committee 25 th July)	