

OPEN

**Council**

**Date: 17 September 2025**

**The Council's Decision-Making Arrangements**

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**Report of: Interim Director of Law and Governance (Monitoring Officer)**

**Report Reference No: C/11/25-26**

**All Council wards are affected**

**For Decision**

### **Purpose of Report**

- 1 To secure a resolution of Council upon whether the Council should move to a Leader and Cabinet form of decision-making, with effect from the Council's Annual General Meeting on 13 May 2026.

### **Executive Summary**

- 2 The English Devolution and Community Empowerment Bill proposes a number of changes and new powers including devolution and the creation of new strategic authorities. In addition, for local government, it proposes the abolition of the Committee system and that all local authorities which operate committee systems of decision-making will be required to move to Leader and Cabinet systems within one year of enactment of legislation.
- 3 It is anticipated that the effective date of the legislation will be in or around Autumn 2025, thereby necessitating a change to the Council's decision-making arrangements around Autumn 2026. This Council, and other local authorities will have no choice but to implement new Leader and Cabinet arrangements by the deadline, but there are clear and important benefits in doing so in advance of the legislative deadline.

- 4 The Council may choose to move to a Leader and Cabinet system before that date within the requirements of existing legislation, and this report seeks a resolution to that effect, if this is the will of Council. Such a decision would proactively and positively respond to the non-statutory Best Value Notice received in May 2025 which requires the Council to ensure it has effective governance processes in place that enable decisions and improvements to be made at pace; and also to the LGA Peer Review recommendation to urgently review its decision-making framework, streamline current decision-making arrangements, and give more time and emphasis to scrutiny.

## RECOMMENDATIONS

Council is recommended to resolve to:

1. Approve a change in the Council's governance arrangements from a Committee System to a Leader and Cabinet system, pursuant to Section 9K of the Local Government Act 2000, with this change taking effect at the Council's Annual General Meeting on 13 May 2026;
- and, subject to Council resolving to agree recommendation 1;
2. Agree the design principles set out in Appendix 2 to the report.
3. Appoint a member Task and Finish Group:
  - a. the membership of which to be determined by the Council's political group leaders, which will be empowered to drive-forward necessary arrangements associated with the introduction of a Leader and Cabinet model of decision-making; and
  - b. with powers to make recommendations to the Council's Corporate Policy Committee upon required constitutional and other arrangements related to this.
4. Note the key constitutional documents and tasks, as set out at Appendix 3 to this report, which will need to be prepared in advance of the formal change of governance arrangements being implemented.
5. Approve a budget of no more than £194,180 to fund the project, and for this to be funded from the Council's agreed reserve for Transformation created at July Full Council and the associated 2025/26 supplementary estimate and reserves virement of £136,091 in line with the Financial Procedure Rules (FPR).

## Background

- 5 The English Devolution and Community Empowerment Bill was introduced on 10 July 2025 by the Secretary of State for Housing, Communities and Local Government:

[English Devolution and Community Empowerment Bill - Parliamentary Bills - UK Parliament](#)

- 6 Section 2 (b)(1A) of Schedule 25 of the Bill will amend Section 9K of the Local Government Act 2000 requiring local authorities operating committee systems to cease do so and to start to operate Leader and Cabinet executive systems no later than one year after the date upon which the English Devolution and Community Empowerment Act 2025 takes effect.

- 7 In a letter of 10 July 2025 from the Minister of State for Local Government and English Devolution, to Council Leaders and Chief Executives, the Minister stated:

*“.....we must also simplify local governance too. The Bill will introduce new measures to improve local government structures and accountability. It will streamline local authority governance arrangements by abolishing the “committee system” still used by a small number of councils, and preventing the creation of any new local authority Mayors, instead standardising to the leader and cabinet model of executive governance. This will provide clear accountability and remove duplication, delivering more efficient decision making and effective delivery for places.”*

- 8 Guidance published by the Ministry of Housing, Communities and Local Government on 10 July 2025:

[English Devolution and Community Empowerment Bill: Guidance - GOV.UK](#)

includes the following under the heading “Local Government”:

### **“1B. Local authority governance**

*“Previously, councils in England were able to choose between 3 different governance models: Mayor and Cabinet, Leader and Cabinet, and the committee system. As a result, councils are left with complicated governance arrangements.*

*“The Bill will move away from this arrangement by abolishing the committee system and preventing the creation of any new local authority Mayors. Those councils operating a committee system will move to operate a leader and cabinet model, whilst the remaining*

*councils with existing Mayors will have the option to continue with an elected Mayor, or transition to a leader (and therefore the leader and cabinet model) should they wish.*

*“The committee system can be unclear, duplicative and wasteful. Requiring all councils which operate the committee system to transition to the leader and cabinet model (which the vast majority of councils currently operate) will simplify the governance system and ensure all councils operate an executive form of governance. This will provide clarity on responsibility and accountability and improve efficiency in decision making. To avoid the potential confusion caused by the establishment of new Mayors for Strategic Authorities and for councils, we will prevent the establishment of any new council mayoralties, but we will not abolish the existing 13 council mayoralties.*

*“For the majority of councils this means no change, as around 80% of councils already operate a Leader and Cabinet model, and the majority of councils currently operating a committee system would be moving to leader and cabinet as part of local government reorganisation.*

*“Councils still operating the committee system who are not part of local government reorganisation will be given one year from the date of the legislation coming into force to make the transition”.*

- 9 The effective date of the legislation is expected to be in or around Autumn 2025, thereby requiring the change of decision-making arrangements to be implemented by Autumn 2026.
- 10 Irrespective of the legislation, Section 9K of the Local Government Act 2000 (“the 2000 Act”) empowers local authorities to make such changes to their decision-making arrangements of their own volition. Section 9KC of the 2000 Act requires “a resolution of a local authority” (a simple majority) to make the change. Under these powers, a resolution passed by a local authority may then be implemented only during the first annual meeting of the local authority which is held after the resolution is passed; or a later annual meeting of the local authority specified in the resolution. In practice, if Council resolves to move to a Leader and Cabinet system of governance, this means that the change must take place at the Council’s Annual General Meeting on 13 May 2026.
- 11 Whilst a remote consideration (it is highly unlikely that, once Council had resolved to move to a Leader and Cabinet system, it would then chose to reverse this prior to the legislation taking effect which would compel it to do so anyway), once a local authority has passed a resolution under Section 9KC of the 2000 Act, it may not pass another resolution to change from one form of governance to another, or to change to a different form of executive for five years. However, local

authorities are permitted under the legislation to make a proposal to the Secretary of State within that period to change their governance arrangements, but must specify how such a change is likely to improve the economic, social and environmental well-being of some or all of the people who live or work in the area of the local authority.

### **Changing decision-making arrangements in advance of the legislation**

- 12 It is right for careful thought to be given to the benefits or otherwise of making changes to the Council's decision-making arrangements in advance of being required by legislation to do so. Appendix 1 to this report sets out some key points to consider in making this judgement, including the recommendations made following the LGA Corporate Peer Challenge with regard to urgently reviewing and streamlining its current decision-making framework and arrangements. The non-statutory Best Value Notice received in May 2025, stated that the Council should *"ensure that it has effective corporate governance and scrutiny processes that enable decisions and improvements to be made at pace, and performance to be accurately monitored. This should include improvements to the council's committee system as recommended by the LGA following its corporate peer challenge."*
- 13 If Council agrees that a change to its governance arrangements should be made, this taking effect at the Council's Annual General Meeting on 13 May 2026, much work will need to be done to achieve this. Members and officers will need to work together, collaboratively, to ensure that this ambitious proposal can be met.
- 14 Whilst it will be most important to ensure that the Council has robust and effective arrangements in place on the date of any change, it should be accepted that such arrangements must be reviewed, post implementation, to ensure that necessary changes and improvements are quickly made, once identified.
- 15 The work which would need to be completed, in time for the 2026 Annual General Meeting, should Council be minded to make this change, will be "fast-paced". Special and unscheduled meetings of the Corporate Policy Committee and Council would be likely to be required to ensure deadlines are met.
- 16 The work of the proposed Task and Finish Group would be time-limited and would cease upon agreement by Council of the requisite constitutional and other arrangements which need to be put in place to facilitate Leader and Cabinet decision-making.

## Design Principles

- 17 Proposed Design Principles for the new arrangements are set out in Appendix 2 to this report.

## Consultation and Engagement

- 18 There is no requirement to consult, in respect of the options set out in this report.

## Reasons for Recommendations

- 19 To enable Council to determine whether it wishes to move to a Leader and Cabinet form of decision making in advance of being compelled to do so under forthcoming legislation. The reasons which support the recommendations are set out in the report.

## Other Options Considered

- 20 To await the deadline date by which the legislation will compel the Council to move to a Leader and Cabinet form of decision-making governance.
- 21 If the Council resolved not to change its decision-making arrangements prior to the deadline date set out in the legislation, this change would be required to take place in any event, within around three committee cycles, halfway through the municipal year. This would be undesirable from an organisational perspective and might lead to confusion amongst members of the public and the Council's partners.

Option	Impact	Risk
Do nothing	The change would be made as a requirement of legislation, during the same municipal year.	The benefits of an early change to the Leader and Cabinet model of decision-making, as set out in this report, would not be realised quickly.

## **Implications and Comments**

### *Monitoring Officer/Legal/Governance*

- 22 The legal implications of this decision are set out within this report. Changes to the Council's governance arrangements are a matter for decision of full Council. As noted within the report, the bill is not in force at the present time and so any proposed changes are based upon earlier legislation. However, once the new legislation is implemented, as currently worded, there will be a duty to move to a Leader and Cabinet model and therefore a failure to resolve to make changes at this time will result in its imposition by law in due course. The risks associated with the decision and any failure to progress, are set out below.

### *Section 151 Officer/Finance*

- 23 The proposal sits outside the Council's approved budget. As such it requires decisions on the funding of proposals.
- 24 There are currently no expected ongoing costs or savings associated with the change in governance model proposed reflected in the Medium Term Financial Strategy.
- 25 Should there be any costs or savings arising from a final governance model these must be subject to future reporting, be that standalone or transparently reported in the budget setting reports to both Corporate Policy Committee and Budget Council.
- 26 Any financial changes are revenue in nature and borne by the General Fund. It is therefore important that the final model of governance meets the value-for-money tests of economy, efficiency and effectiveness.
- 27 Additional, dedicated officer resource is required to undertake the governance review. It would be best practice to obtain external assurance over the final proposals alongside a period of independent scrutiny through wider member engagement.
- 28 The additional capacity would be timebound in nature until the adoption of a new governance model at Annual Council in May 2026.
- 29 The table overleaf outlines the costs estimated for the change in governance and informs the recommendations in this report around supplementary estimates and reserves virements. Given the level of uncertainty on rates for backfill, a 20% contingency has been calculated. This should require additional decision reporting from the MO and CFO for its use, in the public domain, or through Corporate Policy Committee and Finance Sub-Committee should they be available in a timely manner to progress the project works.

- 30 To note, the estimated costs associated with these decisions are within the delegations of the Interim Director of Law and Governance and the Executive Director of Resources but, for speed, these delegations are being rolled up to Full Council as the sovereign body for decision making.

Item	2025/26 £000	2026/27 £000	TOTAL £000
<b>Backfill at Head of Service 1st October 2025 - 31st May 2026</b>	61,091	25,726	86,816
<b>External Support</b>	75,000	-	75,000
<b>SUBTOTAL</b>	<b>136,091</b>	<b>25,726</b>	<b>161,816</b>
<b>Contingency at 20%</b>	27,218	5,145	32,363
<b>TOTAL</b>	<b>163,309</b>	<b>30,871</b>	<b>194,180</b>

### *Human Resources*

- 31 When the Council moved to the committee system of decision-making, there was an approximate increase of 30% in decision-making meetings. Whilst Democratic Services vacancies were held open, there was a significant pressure on this resource, which will be removed upon a change to the Leader and Cabinet model.

### *Risk Management*

- 32 Legislation is not enacted: highly unlikely now that the Bill has embarked upon its Parliamentary journey. If the legislation did not come into being, the Council could not resolve to adopt a different model of executive arrangements, or to retain/go back to the committee system for 5 years, without the consent of the Secretary of State.
- 33 The risk of a lack of progress and delivery of the Council's improvement activity at the required pace could result in further measures and an escalation from MHCLG beyond the non-statutory Best Value Notice issued in May 2025. This is identified as a risk and will be added to the Strategic Risk Register.

### *Impact on other Committees*

- 34 Clearly, any decision of Council to move to a Leader and Cabinet model of decision-making would result in the dissolution of the existing service committee structure, with decisions which are currently being made by those committees, being made by a Cabinet and, possibly, by individual Cabinet members.



## *Policy*

- 35 The Cheshire East Plan 2025-29 includes a commitment to be an effective and enabling council with reference to effective and responsive governance, compliance and evidence-based decision-making. The Council understands the improvements it needs to make and has made progress in addressing the challenges with a focus on delivering value for money, continuous improvement and better outcomes for Cheshire East's residents.

## *Equality, Diversity and Inclusion*

- 36 The assessment of impact upon Cheshire East communities who share one or more protected characteristic will be undertaken during the future stages of change for the local authority. Nationally an assessment of impact has been undertaken and can be found here [hcb283\\_ia.pdf](#).

## *Other Implications*

- 37 There are no identifiable additional implications at this stage, but the project will be kept under review and such implications will be carefully considered as and when they arise.

<b>Access to Information</b>	
Contact Officer:	Brian Reed <a href="mailto:Brian.reed@cheshireeast.gov.uk">Brian.reed@cheshireeast.gov.uk</a>
Appendices:	Appendices 1,2 and 3, which set out: issues for Council to take into account when making its decision, proposed design principles and key constitutional documents and tasks which would need to be adopted and undertaken in advance of any move to a Leader and Cabinet model.
Background Papers:	Legislation, as referred to in the body of this report.

### **Issues to take into account when deciding whether to make changes to the Council's decision-making arrangements in advance of being required by legislation to do so**

- (a) As legislation will compel the Council to change to a Leader and Cabinet form of decision-making by around November 2026, what benefit would there be in waiting for the legislation to trigger the change?
- (b) It is clear that, from an organisational and decision-making perspective, the best time to make such a change is at the Council's Annual General meeting, which marks the beginning of the Municipal Year. At this meeting, the Council's Committees are appointed, and its Calendar of Meetings is agreed. There would seem to be little point in appointing committees to operate under a committee system of governance which, within around three cycles of meetings, would need to change to a Leader and Cabinet system. Indeed, this could lead to confusion and may result in organisational challenges.
- (c) The Council's Annual General Meeting elects the Council's Leader and Deputy Leader for the Municipal Year. Again, appointing to these offices, which have no formal decision-making powers, then to change to a completely different system of governance in which the Leader and Cabinet members would have individual decision-making powers, would appear to have little point and could lead to confusion amongst officers, members of the public, and possibly elected members.
- (d) The current budgetary cycle is founded upon the determinations of service committees in respect of the MTFS, with recommendations being made to the Corporate Policy Committee, and then on to Council. It would seem that there would be significant complexity and potential confusion if these arrangements had to change during the course of the Municipal Year, rather than at the beginning of the year.

(e) The LGA Peer Challenge

<https://www.cheshireeast.gov.uk/pdf/council-and-democracy/your-council/cheshire-east-corporate-peer-challenge-final-issued-report.pdf>

recommended that the Council should:

- (i) urgently review its decision-making framework;
- (ii) streamline current decision-making arrangements to avoid siloed working across committees, ensure that committees are working through effective work programmes, and reduce confusion and lost capacity. It stated that this should include consideration of governance structures, schemes of delegation.....etc;
- (iii) give more time and emphasis to scrutiny across the Council

Whilst a task and finish group gave detailed consideration to potential solutions which would address these recommendations, no progress has been made so far in making tangible changes to the Council's decision-making arrangements.

Further work could be undertaken to address the recommendations, but careful consideration needs to be given to whether utilising the Council's officer and member resource, which is able to make recommendations upon governance changes for this purpose, represents the best approach. Such resource would effectively be diluted, as it would partly be seeking to transform and improve existing arrangements, which would be in place for a limited time, at the same time as seeking to make recommendations upon the creation of the best possible Leader and Cabinet arrangements, required to be introduced under the emerging legislation.

- (f) As referred to in paragraph 7 of this report, the letter of 10 July 2025 from the Minister of State for Local Government and English Devolution to Council Leaders and Chief Executives recognises that the introduction of Leader and Cabinet models of decision-making will streamline local authority governance arrangements, will provide clear accountability, and will remove duplication, delivering more efficient decision making and effective delivery for places.

- (g) As referred to in paragraph 7 of this report, the guidance published by the Ministry of Housing, Communities and Local Government on 10 July 2025 states that *the committee system can be unclear, duplicative and wasteful; further, that a move to the Leader and Cabinet system will simplify governance, providing clarity on responsibility and accountability and improve efficiency in decision making.*
- (h) Should Council choose to do so, a resolution to move to a Leader and Cabinet model of decision-making could be seen, by the LGA, the Assurance Panel, and MHCLG, as a decisive step by the Council in addressing the above recommendations, as well as moving to a change in decision-making ahead of being required to do so by legislation.
- (i) It would seem to be beneficial to introduce new decision-making arrangements one full Municipal Year ahead of the proposed establishment of the Combined Mayoral Authority. This would embed new decision-making arrangements in Cheshire East around six months ahead of the requirement in legislation, providing a preferential approach.

### **Proposed Design Principles**

#### **Openness**

The Council's decision-making and governance arrangements will be easy to understand and will include arrangements that enable people to easily find out about how decisions are made and when forthcoming decisions will be made.

Meetings will be held in public in accordance with legislation. However, as is the case in all local government decision-making, there will be rare occasions upon which a particular report (or part) is private or confidential. In these instances, the decision will need to be made in private and members of the public will not be able to be present during the meeting (or part of it).

There will be the opportunity for Councillors and members of the public to ask questions at public decision-making meetings, and it will be clear how complaints can be made about services, and the behaviour of Members.

#### **Quick Decision Making**

The Council's arrangements will ensure that decision-making is streamlined and that decisions are made quickly, to meet the needs of the Council and local community. The number of decision-making bodies and the number of meetings will be kept to a minimum, and technology will be used to provide instant access to information and avoid unnecessary paperwork. Paper copies will, exceptionally, be provided upon request by Members. There will be a process to deal with urgent decisions, which will be clear and, in most cases, open to the public. The need to make urgent decisions is, however, rare.

Decision-making will be driven through the use of effective work-programming

#### **Affordability**

Through the use of technology and a quick, streamlined decision-making process, the cost of the Council's arrangements will be kept to a minimum.

#### **Legal Requirements and Financial Considerations**

The Council must comply with all legal requirements and must take account of financial matters and relevant legislation. Where required, legal and financial advice will be available to all meetings, to make sure that these requirements are met. The Council will also follow best practice.

## **A Modern Decision-Making System**

The Council's arrangements will be modern, open and transparent and will not be siloed. Public participation will be encouraged. There will be the opportunity for public speaking and petitions. There will also be a work programme outlining what decisions will be made and by which decision-making body.

### **Clarity and efficiency**

The Council's decision-making arrangements will reduce confusion and lost capacity. Officers seeking formal decisions will be clear in respect of reporting arrangements and of how to obtain decisions, with appropriate delegation of decision-making powers to officers.

### **Overview and scrutiny**

There will be appropriate Scrutiny arrangements which will comply with legislation, and which will make provision for future proposed decisions to be scrutinised and influenced. The importance of scrutiny will be championed by officers and Members. Forward-planning and agenda-setting will be improved and prioritised so as to maximise Member input into the decision-making process.

### **The key constitutional documents and tasks which will need to be prepared and worked upon in advance of the formal change of governance arrangements being implemented**

The following documents are not intended to be an exhaustive list of the documents in question:

1. Cabinet member decision-making powers (for the Leader to determine but potential options can be prepared in advance)/local choice functions.
2. Cabinet member decision-making arrangements
3. Cabinet Procedure Rules.
4. Meeting dates for Cabinet.
5. Forward Plan arrangements.
6. Officer delegated powers and urgency provisions.
7. Scrutiny committee arrangements and procedure rules (including call-in provisions). Essential focus on robust scrutiny arrangements to ensure executive is held to account, and for scrutiny committees to undertake roles in policy development/pre-scrutiny.
8. Members' Allowances Scheme (Independent Remuneration Panel would need to undertake a review based on the agreed arrangements, so the Scheme might not be agreed in advance of the transition to the new arrangements).
9. Area Committee arrangements. Important to have a focus on area and locality working, and the options for this. Desirable to have these in place from the outset but could potentially be developed following the change.
10. Commitment to work with town and parish councils on the "double-devolution" agenda.
11. Style of reports to Cabinet and Cabinet Members.
12. Council committee structure generally.
13. Leader/Deputy and Cabinet member role descriptions.
14. Local Choice Functions