

## **Cheshire and Warrington Joint Committee**

**25 July 2025**

### **Devolution National Policy Update**

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**Report of: Cheshire and Warrington Devolution Programme Steering Group**

**Report Reference No: JC/26/25-26**

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

### **Purpose of Report**

- 1 This report is an information report to inform the Joint Committee of recent Government policy and strategic announcements since early June 2025, specifically highlighting potential economic growth and devolution impacts and opportunities for Cheshire and Warrington

### **Executive Summary**

- 2 On 11<sup>th</sup> June 2025 the Government concluded their multi-year Spending Review. As well as outlining the focus for Government investment for both departmental budgets to 2029 and capital investment to 2030, the Review was also a trigger for key national strategies including the Modern Industrial Strategy and 10-Year Infrastructure Strategy. Together these form a suite of key drivers to deliver on the Government's 'Plan for Change' – with a specific focus on “kick-starting economic growth”. It should be noted that a number of other strategies are due to be released later in the year, including business support and skills, and these will be reported to the Committee in due course.
- 3 A key mechanism underpinning 'Plan for Change' is the Government's continued commitment to “widen and deepen devolution across England... to

deliver growth". July saw the introduction of the English Devolution and Community Empowerment Bill to Parliament.

- 4 This report summarises these new developments, focusing in particular on the potential implications for Cheshire and Warrington.

## RECOMMENDATIONS

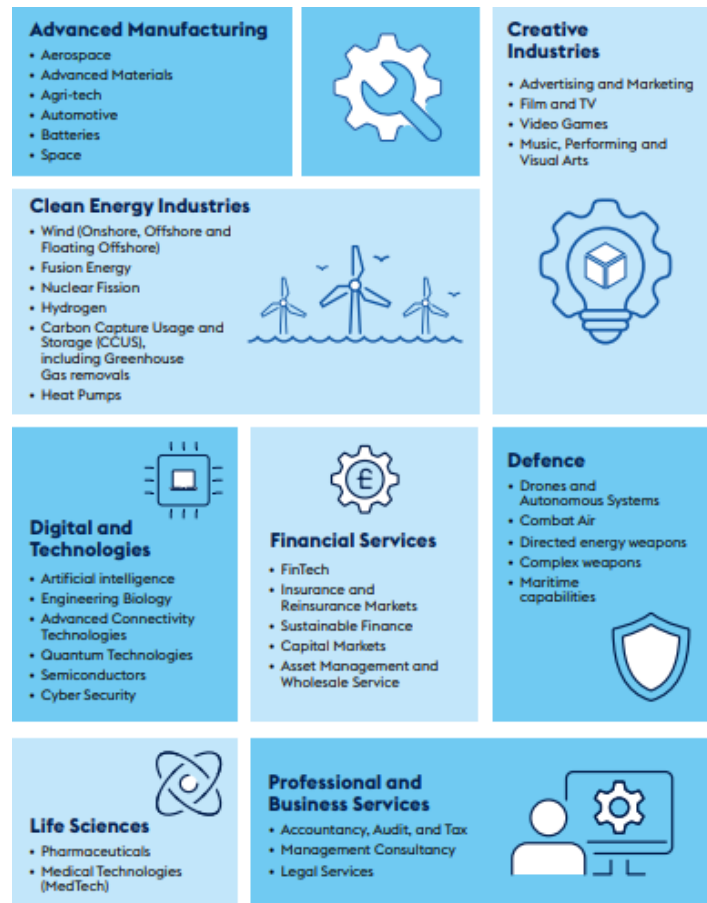
The Joint Committee is recommended to:

1. Note the latest developments in UK policy and investment linked to economic growth and devolution.
2. Note the potential impacts for future economic growth planning and devolution in Cheshire and Warrington, with further detailed reports to follow as subsequent work develops.

## Report Detail

- 5 The Government concluded its multi-year **Spending Review** on 11<sup>th</sup> June 2025. As well as outlining Central Government Departmental budgets and a number of key policy areas (beyond the scope of this report), it outlined a clear focus on investment in growth and the opportunities of devolution. A number of the investment packages were entirely focused on devolved areas including integrated settlements for Greater Manchester, Liverpool City Region, West Yorkshire and the North East, as well as a commitment for funding for new Mayoral Strategic Authorities within the Devolution Priority Programme.
- 6 The Review also underlined its alignment to the 10-Year Infrastructure Strategy, Modern Industrial Strategy and commitment to build 1.5 million homes. Key highlights included:
- (a) A clear focus on regional growth via investment in transport, housing and innovation, with a number of increased budget areas, including bus services, flood defences, affordable homes, brownfield land investment, employment support and skills as well as business investment via research and development.
  - (b) A greater emphasis on a move away from a 'grant-based' investment to alternative finance including loans, equity and guarantees via the National Wealth Fund, new investment routes through the British Business Bank and Great British Energy as well as a new Mayoral Recyclable Fund.
  - (c) Additional programmes were highlighted, including a Local Growth Fund (primarily focused on mayoral city regions), a £240 million capital Growth Mission Fund and a targeted programme across 350 deprived communities.

- 7 Whilst further detail on some of the funds is still to be published, it is clear that the emphasis on Government investment is capital-based and targeted on devolution areas. The Review also states, “[t]he Government is investing in the potential that exists in places across the country... includes driving growth in city regions... improving connectivity between cities and the towns that surround them”. This is an area of concern for Cheshire and Warrington in terms of the clear focus on city regions. We will need to ensure that we make a strong case for future investment, including opportunities for collaboration with our neighbours.
- 8 It will be important to factor this approach into any Council and (subject to decision) future Mayoral Combined Authority investment strategy. There is a clear shift away from generic, open competitive grant programmes via central government – and a much stronger emphasis on investment in places to deliver growth (specifically via devolved arrangements). This also aligns with the review of the Treasury’s Green Book – the Government’s guidance on appraisal for public investment – which will be introducing a ‘place-based business case’ approach for future funding.
- 9 Within the emphasis on driving growth via the Government’s ‘Growth Mission’ in the Spending Review, the Government indicated a clear intention to support ‘high-potential sectors clusters’ across the country. This theme has been further expanded in the recently published **Modern Industrial Strategy**.
- 10 The 10-Year focus of the Industrial Strategy is based on eight ‘highest potential sectors’ - referred to as ‘IS-8’. These are shown in the following graphic taken from the Strategy:



- 11 Support is based on a 'partnership between business and state' with a strong emphasis on the geographical locations of the IS-8 clusters. I.e. that place-based growth and the success of the clusters are inextricably linked. Support is outlined via a series of 'Sector Plans' – some of which are published, with some following later in the year. These plans identify targeted sector specific investments, including skills, innovation and investment promotion.
- 12 Cheshire and Warrington has particular strengths in three of the IS-8:
  - (a) Advanced Manufacturing
  - (b) Clean Energy Industries
  - (c) Life Sciences
  - (d) As well as a number of 'supporting strengths' including business and professional services and financial services in particular, plus emerging digital and technology sectors.
- 13 As part of our response to the Industrial Strategy we will be working across the three Council areas (and via a Local Growth Plan if the Combined Authority is approved). We will look to build on the specific references to Cheshire and Warrington in the Industrial Strategy, such as the importance of chemical production in the IS-8 supply chain, Capenhurst nuclear, HyNet, defence cluster research and development centres and the recent investment

of £28.6m to the Peak Cluster pipeline from the National Wealth Fund. The Strategy also recognises that clusters stretch across boundaries – again Cheshire and Warrington is highlighted as a key partner in the Life Sciences and Digital Technology ‘super clusters’ alongside Greater Manchester and the Liverpool City Region. Finally, we will seek to engage with Government on exploring the opportunities associated with fiscal devolution – including the future Enterprise Zone strategy (Cheshire Science Corridor) and aligned programmes such as establishing new ‘AI’ Growth Zones. Further reporting will follow as this work develops.

- 14 To underpin the Industrial Strategy, Government has highlighted the importance of a focus on infrastructure to unlock new investment and growth. Their programme is headlined in the **10-Year Infrastructure Strategy** published on 19<sup>th</sup> June 2025.
- 15 The Infrastructure Strategy outlines at least a £725 billion investment over the next ten year in both social and economic infrastructure. Additional national investments will come forward via the newly created National Infrastructure and Service Transportation Authority (NISTA) as well as via place-based infrastructure plans to unlock growth across regions – particular via Strategic Spatial Development Strategies which go across local authority boundaries (primarily led by Combined Authorities alongside their constituent councils).
- 16 It should be noted that the Government’s definition of infrastructure is a broad one across the strategy – and will enable a comprehensive approach to unlocking growth across Cheshire and Warrington. Areas of investment and support include:
  - (a) Transport and digital connectivity, noting a specific reference to investing in better connections between towns and cities in the North and Midlands, with over £24 billion across three years for motorway and local road improvements.
  - (b) Unlocking new housing development, with an emphasis on social and affordable homes (including a £39 billion Affordable Homes Programme) and availability of water and energy to new developments.
  - (c) Resilience, including tackling flooding.
  - (d) Clean energy, including increasing the use of new nuclear and decarbonisation, both significant opportunities for Cheshire and Warrington.
  - (e) Environment, with a focus on nature recovery, the circular economy (including waste) and net zero.
- 17 These are all priorities for Cheshire and Warrington – with a number of opportunities in the strategy to make the case for directing investment to our area. It should be noted that an announcement on Northern Powerhouse Rail is still awaited (and was specifically referenced in the Spending Review) as

well as further opportunities for cross-boundary collaboration to unlock growth across the emerging Northern Growth Corridor and The Great North.

- 18 **The English Devolution and Community Empowerment Bill** was introduced to Parliament on 10<sup>th</sup> July 2025. It builds on the English Devolution White Paper published in December 2024 and sets out how the Government intends to provide the tools to deliver devolution.
- 19 The Bill will create in law a new category of authority in England – the ‘Strategic Authority’, the aim of which is to ‘make it quicker and easier to devolve powers away from Westminster to local government’. This will replace the term ‘Combined Authority’ once the Bill becomes legislation.
- 20 Each Strategic Authority would belong to one of the levels of devolution outlined:
  - (a) Foundation (non-mayoral)
  - (b) Mayoral
  - (c) Established Mayoral (A Mayoral Strategic Authority with additional governance requirements. New Mayoral Strategic Authorities can become Established after 18 months in operations if they meet these requirements).
- 21 The Bill makes it very clear that Strategic Authorities do not replace councils. They will be created to tackle regional issues and capitalise on those opportunities that exist over a significant geography, such as a more integrated transport network.
- 22 Subject to the decisions of the three Councils in Cheshire and Warrington in September 2025, Cheshire and Warrington could become a **Mayoral Combined Authority** in 2026 – shifting to a **Mayoral Strategic Authority** once the Devolution Bill passes into legislation.
- 23 The Devolution Framework outlined in the 2024 White paper is further detailed in the Bill. In particular, underlining that the Framework would act as a standardised set of legal powers, funding commitments and partnership/collaboration arrangements with Government. This is a move away from the current devolution landscape which, via individually negotiated Deals over the past decade, has led to inconsistent powers between places.
- 24 The Framework sets out what Strategic Authorities will be entitled to at each level of devolution. It is clear that Strategic Authorities without elected Mayors have a less expansive offer than those with an elected Mayor.
- 25 The Bill also sets out consistent decision-making; a simple majority, including the Mayor where there is one, will be required to make most decisions. It outlines the Mayoral powers of competence and clarifies a consistent operational framework for Strategic Authorities. It should also be noted that, subject to the Bill’s passage through Parliament, it is likely that from May 2027

the voting system for Mayoral elections will be via a Supplementary Vote system. This means that voters will be able to set out up to two preferences for Mayoral candidates – ensuring a broader level support for the winning candidate. This is likely to apply to Cheshire and Warrington if Mayoral Elections are held in May 2027.

- 26 The Bill also reaffirms and gives additional detail to Statutory Authority functions/ 'areas of competence', as set out in the 2024 White Paper:
- (a) Transport and Local Infrastructure
  - (b) Skills and Employment Support:
  - (c) Housing and Strategic Planning
  - (d) Economic Development and Regeneration
  - (e) Environment and Net Zero
  - (f) Health, well-Being and Public Service Reform
  - (g) Public Safety
- 27 The detailed explanation for each competency is included at Annex A. In terms of the opportunities for Cheshire and Warrington, focusing on the agreed vision to be the healthiest, most sustainable inclusive and growing place in the country, we can highlight the following areas where new powers, influence and funding could be used:
- (a) Based on what other areas have received, Cheshire and Warrington could expect to receive a 30-year investment fund (potentially between £450 – 600 million) as well as greater control over a number of funds currently managed by Government Departments, including adult skills, employment support, brownfield land investment and business support.
  - (b) With this funding we could, in the first few years of the Combined Authority for example, increase funding for training and support to help people back into work, deliver much-needed transport improvements, unlock land for development and regenerate town centres.
  - (c) 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 our work to, for example, get Ministers to support the regeneration of Crewe; make the case for investment in expanding hydrogen production and CO<sup>2</sup> capture at Origin, cementing our position as a world leader in decarbonisation; and ensuring Ministers and Northern Mayors recognise the huge growth opportunities in Cheshire and Warrington.
  - (d) Develop fully integrated public transport inspired by the Manchester Bee Network and Transport for London (TfL). We would be able to make bus travel more convenient, reliable, affordable and attractive,

better connecting our rural areas, and providing tickets that can be used on both buses and trains.

- (e) A Combined Authority's new role in governing, managing, planning and developing the rail network would give us greater influence in the Liverpool-Manchester and West Midlands-Manchester Railway discussions, including influencing the delivery of Crewe Hub Station improvements.
- (f) Make homes warmer and more affordable to heat and improve the health and well-being of residents 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.
- (g) Invest in and support the growth of the Cheshire Science Corridor and transformational opportunities in life sciences, advanced manufacturing and clean energy.
- (h) Turbocharge our promotion of Cheshire and Warrington as one of the best places to live, work, invest and visit.

### **Comments from the Business Advisory Board (BAB)**

- 28 The Cheshire and Warrington Business Advisory Board believes current national policy signals a pivotal shift: future economic investment will be concentrated in devolved areas with the capacity to deliver. Without devolution, our region risks exclusion from critical funding streams and sectoral support. The emphasis on high-growth clusters – where Cheshire and Warrington already lead in advanced manufacturing, clean energy and life sciences – presents a clear opportunity. But unlocking these benefits requires devolved powers. A local framework that empowers our businesses, strengthens supply chains and delivers investment with precision is essential to long term growth.

### **Other Consultation and Engagement**

- 29 As work is progressed to take forward opportunities that may emerge as a result of these new policy and investment routes, they will be integrated into our communications programmes – either via individual council-led opportunities or, subject to council decisions, via a future Mayoral Combined Authority.

### **Implications and Comments**

#### *Legal implications*

- 30 There are no immediate legal implications in this information report. As work is progressed to take forward opportunities that may emerge as a result of these new policy and investment routes, including the potential creation of a Combined Authority (and its associated governance), all legal implications will be considered and communicated.



### *Finance implications*

- 31 There are no immediate financial implications in this information report. As work is progressed to take forward opportunities that may emerge as a result of these new policy and investment routes, including the potential creation of a Combined Authority, all financial implications will be considered and communicated.

### *Risk Management*

- 32 There are no immediate risk management issues as a result of this report. Any future investments or other policy impacts will be considered as they are taken forward.

### *Equality, Diversity and Inclusion*

- 33 There are no immediate ED&I impacts. ED&I will be fully reflected in any future work that may emanate from these new policy and investment routes.

### *Policy*

- 34 Any future work that comes from these policy and investment opportunities would ensure that due regard was taken for any key council policy impacts, sub-regional opportunities would also support the Cheshire and Warrington vision to be the healthiest, most sustainable, inclusive and growing economy in the UK.

<b>Access to Information</b>	
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Appendices:	Appendix A: Government Devolution Framework Explainer
Background Papers:	<a href="#">2025 Spending Review</a> <a href="#">UK Modern Industrial Strategy</a> <a href="#">10-Year Infrastructure Strategy</a> <a href="#">English Devolution and Community Empowerment Bill</a>