

## APPENDIX 3

**Table 1: Powers to be conferred on the Liverpool City Region Combined Authority and Liverpool City Region Mayor**

FUNCTION	RATIONALE
<b>Skills and Employment</b>	
<p>Local commissioning of 19+ adult skills budget starting in academic year 2016/17 and fully devolve budgets to the Liverpool City Region Combined Authority from academic year 2018/19.</p> <p><b><i>Specific powers/ scheme reference: Sections 1.4 and 1.6</i></b></p>	<p>The Combined Authority would have the ability to reshape and restructure skills provision across the City Region, aligning post 19 provision with locally determined priorities to ensure residents have the skills to help businesses to grow. These functions would enable the Combined Authority to inform the right balance and mix of provision, including greater specialisation where needed and support a more highly skilled and appropriately qualified workforce to meet employer demand. The Combined Authority would more effectively deliver both the generic and sector specific Skills for Growth priorities to meet future needs of the economy via a more targeted allocation of the post 19 Adult Education Budget. This would:</p> <ul style="list-style-type: none"> <li>• deliver improvements to the curriculum offer of general and specialist provision in terms of availability, access and quality and improve the relevance of post-19 education and training to learners and employers;</li> <li>• better target provision to what is being specified by employers and enable skills gaps to be addressed;</li> <li>• help tackle specific challenges in literacy, numeracy and digital skills;</li> <li>• increase the pace and responsiveness of the skills system to meet employer demand;</li> <li>• support the narrowing of the City Region’s historic attainment gaps for disadvantaged young people;</li> <li>• address the fitness for purpose of the FE college estate; and</li> <li>• allow for information sharing to take place and the Combined Authority be able to require governing bodies to publish certain information.</li> </ul>
<p>Area Based Review of post-16 education and training.</p> <p><b>No specific powers required</b></p>	<p>The Combined Authority will chair an Area Based Review of post-16 education and training. This will consider options and make recommendations for infrastructure changes to post 16 provision in Further Education Colleges, Sixth Form Colleges and other providers agreed as in scope. Following this, the Combined Authority will work in partnership with businesses, local colleges and providers to publish a local Skills Strategy: this will build on the Combined Authority’s existing Skills for Growth work.</p>

<p>Local priorities fed into the provision of careers advice, through direct involvement and collaboration with the government in the design of local careers and enterprise provision for all ages.</p> <p><b><i>Specific powers/ scheme reference: Section 1.2</i></b></p>	<p>Support for all age careers provision is currently disjointed, ineffective and inefficient. The Combined Authority will set up a Careers Hub to co-ordinate the multiple initiatives on careers education and information advice and guidance would ensure that careers advice for all ages is employer-led, integrated and meets local needs. This will:</p> <ul style="list-style-type: none"> <li>• Improve the quality and availability of careers education and advice within the City Region;</li> <li>• Contribute to the narrowing of the skills gap by being clearer with young people as to the needs of employers and providing support for them to access opportunities;</li> <li>• Improve the consistency of careers education and advice by having a focused Careers Hub which will hold all relevant materials;</li> <li>• Improve the efficiency of careers education and advice provision by taking a more strategic and integrated approach to planning support; and</li> <li>• Engage more businesses in careers education and advice services and thus improve the relevance of the support on offer.</li> </ul>
<p>Maximise opportunities presented by the introduction of the apprenticeship reforms (including the levy) and promote the benefits of apprenticeships to employers.</p> <p><b><i>Specific powers/ scheme reference: Sections 1.3 - 1.5</i></b></p>	<p>The promotion of apprenticeship opportunities will increase the take up of apprenticeships by learners and secure more apprenticeship places with employers, particularly SMEs. It will maximise local usage of the apprenticeship levy by employers. Targeted promotion will include a focus on apprenticeship frameworks and standards to support new growth opportunities, resulting in an increased breadth of opportunities. This would increase both the quality and level of apprenticeships on offer through a greater and consistent focus from employers and the Combined Authority. Employers would be better informed on the new apprenticeship standards and support mechanisms will be put in place (through the Apprenticeship Hub) to help them to engage with apprenticeship employer routed funding. This would lead to be a more responsive and resilient provider base, who are better able to provide the supporting that businesses require.</p>

<p>Work with DWP to co-design the future employment support, from April 2017, for harder-to-help claimants, many of whom are currently referred to the Work Programme and Work Choice.</p> <p><b>Specific powers/ scheme reference: Section 1.1</b></p>	<p>The Liverpool City Region continues to suffer from high levels of long term unemployment and large numbers of residents access sickness benefits. Locally designed programmes and support have had some positive impact and these have tended to be flexible, rooted in local communities and linked to job opportunities. The Combined Authority will work with Government to co-design and co-commission future employment support for harder to help residents to ensure support meets their needs and is connected back into local communities. Local public services will be joined up to improve outcomes, through greater integration with other public services (such as health and housing), and local involvement in design will improve performance.</p>
<p>Work with DWP to develop a business case for an innovative pilot to support those who are hardest to help, taking a household approach.</p> <p><b>Specific powers/ scheme reference: Section 1.1</b></p>	<p>The City Region recognises the importance of working with and better understanding household poverty and unemployment. Local insight shows that many residents are trapped in a low pay, no pay cycle and analysis shows there are at least 40,000 low income households with children. To address this, there is a need to work with whole households to improve the retention and progression of residents in work, reduce the number of Universal Credit claimants and support private sector economic growth and productivity. The City Region will work with DWP to develop a business case for an innovative pilot to take a household approach leading to:</p> <ul style="list-style-type: none"> <li>• A reduction in out of work benefit claimants through the provision of more effective and locally integrated back to work services;</li> <li>• Making the best use of public funding by aligning national and local responsibilities and priorities through joint working with contractors, councils, health, housing and other local partners;</li> <li>• Greater leverage over those providers delivering back to work services through the Combined Authority’s ongoing involvement in the performance management of this provision;</li> </ul>

	<ul style="list-style-type: none"> <li>• A more efficient and simplified delivery landscape and clear responsibilities for delivery;</li> <li>• Residents accessing employability services at the right time to support them back into work, reducing duplication and maximising value for money;</li> <li>• Improved engagement of health, housing and other local partners leading to improved understanding of back to work services, shared outcomes and a greater opportunity to seek additional investments; and</li> <li>• It would allow for information sharing to take place.</li> </ul>
<b>Housing and Planning</b>	
<p>Development of a Single Statutory City Region Framework to support the delivery of strategic employment and housing sites.</p> <p><b><i>Specific powers/ scheme reference: Sections 2.1 - 2.3</i></b></p>	<p>In order to ensure that development, including employment and housing proposals, are in the right location for the Liverpool City Region to support its wider aspirations, a Liverpool City Region Statutory Spatial Framework will be adopted. This will provide a strategic overview for development and will be supported by the Local Plans of the six local authorities. This Framework will ensure that development maximises its contribution to creating economic growth in the City region, particularly by:</p> <ul style="list-style-type: none"> <li>• ensuring that employment land need and demand is met in a sustainable way;</li> <li>• ensuring that housing need and demand is met in a sustainable way by improving both supply and quality of housing;</li> <li>• ensuring that all development contributes to the sustainability agenda; and</li> <li>• supporting other elements of the devolution agenda, such as public sector reform, including reducing the financial burden on health and welfare budgets.</li> </ul> <p>As part of the development of the Statutory Spatial Framework, the Liverpool City Region is developing and will adopt a City Region wide "Duty to Co-operate" Protocol. This document will set out how the six local authorities within the Liverpool City Region will work together as well as how they will work with other neighbouring authorities and partner organisations on planning issues. This will provide a strategic City Region wide approach ensuring that there is a Combined Authority consistency to our work.</p>

<p>Power to be consulted on and/or call-in planning applications of strategic importance.</p> <p><b><i>Specific powers/ scheme reference: Section 2.4</i></b></p>	<p>To provide the City Region Mayor with powers to support appropriate development and ensure that there is a strategic overview of major development proposals that are City Region significant or are contrary to the adopted Liverpool City Region Statutory Plan, the Mayor will have the powers of referral and Call-in. This will ensure that the Mayor will have oversight of those development proposals (which go through the local planning system) and that they accord with the growth goals of the City Region and the Mayor's Statutory Spatial Framework. These Call-in powers will be exercised with the agreement of the respective local authorities.</p>
<p>Identification of key economic sites to support the Mayoral Development Corporation approach.</p> <p><b><i>Specific powers/ scheme reference: Section 2.5</i></b></p>	<p>The power to create a Mayoral Development Corporation to support the delivery of the City Region's key sites through Mayoral Development Zones will further strengthen accountability, transparency and capacity for maximising the potential of the range of additional powers and functions from government at a City Region level.</p>
<p>The ability to undertake Compulsory Purchase Orders.</p> <p><b><i>Specific powers/ scheme reference: Section 2.6 and 2.7</i></b></p>	<p>Compulsory Purchase Order powers, to acquire land by agreement to build the houses, commercial space and infrastructure that is needed in the Liverpool City Region to ensure its future growth and to allow its further development and regeneration, will need to be a function of the Liverpool City Region Combined Authority and elected Mayor to make the most impact. If developments of City Region significance are to be taken forward at pace and with certainty and if Mayoral Development Zones are to be effective, it is important that the Liverpool City Region Combined Authority and Mayor has the power to make decisions and control processes around CPOs rather than decisions being taken and processes handled by individual local authorities. The Liverpool City Region Combined Authority and Mayor, however, will not be able to exercise any of their compulsory purchase powers without the consent of the constituent local authorities.</p>

<p>Develop a Land Commission.</p> <p><b><i>Specific powers/ scheme reference: Section 2.8</i></b></p>	<p>The power of Liverpool City Region Combined Authority to jointly (with central government and other public sector partners) develop a Land Commission will support the coordinated use of public land. This power acknowledges the comparatively high percentage of public land /assets in the Liverpool City region. These land assets provide an opportunity to further stimulate economic growth and housing in line with the Statutory Spatial Framework. A Land Commission will increase the availability of sites for economic growth, housing and improved communities and give Liverpool City Region the tools and powers to be able to direct and allocate those resources more effectively against local objectives as well as meet government priorities for public sector land disposal and receipts.</p>
<b>Transport and Highways</b>	
<p>Devolved and consolidated local transport budget, including all relevant highways funding.</p> <p><b><i>Specific powers/ scheme reference: Section 3.1</i></b></p>	<p>The creation of a single budget for transport will bring greater co-ordination and ensure increased value for money from funds that have previously been delivered through numerous, small-scale initiatives. It will strengthen the Mayoral Combined Authority's ability to plan and deliver transport interventions over the next five years and ensure that transport spend is fully aligned with the City Region's wider economic development and investment requirements. It will provide greater long term certainty and allow the City Region to allocate funds in a more strategic way over successive financial years. The creation of the consolidated budget allows the City Region to match this with other funding sources, providing greater scope for leverage and enhanced delivery. Over time, the budget could be expanded to accommodate further devolved funding, giving the Mayoral Combined Authority greater flexibility and freedoms.</p>
<p>Ability to franchise bus services, subject to legislation and local consultation.</p> <p><b><i>Specific powers/ scheme reference: Section 3.2</i></b></p>	<p>The bus network has not experienced growth and usage has declined over many years. It has not been responsive to changes in employment or housing areas and is complex to use, with different operators, different standards, different tickets and different fare structures. The complex governance and disconnect that currently exists between highway powers, land use planning powers and powers over bus policy and bus-related investment have not aided an integrated approach to the delivery of enhanced bus services. Governance and decision-making locally will be strengthened as a result of the wider, multi-modal powers that the Mayoral Combined Authority model is seeking to assume.</p>

	<p>A strong partnership approach is proposed to deliver the Liverpool City Region’s Bus Strategy to enhance the local bus offer and achieve 10% growth in bus patronage by March 2017. This includes the delivery of smart and integrated ticketing, working as part of Transport for the North on their plans for smart ticketing across the North. The City Region’s devolution agreement provides powers to introduce bus franchising, should a local assessment result in a recommendation to do so. This will be enabled through the emerging Buses Bill and an assessment of franchising, alongside other models of delivery of bus services (e.g. enhanced partnership powers), will be required. The existence of ‘enabling’ powers to potentially introduce franchising provides a core component of the Mayoral Combined Authority’s multi modal transport remit.</p>
<p>A Key Route Network of roads.</p> <p><b><i>Specific powers/ scheme reference: Section 3.3</i></b></p>	<p>Responsibilities for strategic transport issues have long been fragmented across the Liverpool City Region. The creation of the Combined Authority in April 2014 brought the strategic transport powers of Merseyside and Halton into a City Region-wide body for the first time. However, local highway powers and responsibilities sit with the constituent local authorities, and are separated from wider transport policy and funding responsibilities that sit with the Authority. The City Region’s devolution agreement has addressed these complex arrangements by giving the new Mayoral Combined Authority model widened powers over a defined Key Route Network of local roads. This network would be managed and maintained by the Combined Authority on behalf the City Region Mayor from May 2017, and supported by a single asset management plan, working towards streamlined contractual and delivery arrangements across the City Region.</p> <p>The City Region will work with government to establish appropriate local traffic and highway powers which would be conferred on to the Mayor as part of the Key Route Network. This approach would benefit all road users by strengthening the City Region’s ability to govern, develop, manage and maintain a highway network that is safer, has more reliable journey times, smoother traffic flows, better ride comfort and lower levels of congestion. This would lead to a more efficient and consistent approach to delivery across the City Region, which may include elements such as greater consistency of lighting standards, maintenance regimes, winter maintenance, cleansing, road works and other duties.</p>

	<p>It would allow the City Region to fully align decisions around the highway network with the needs of all users of the highway and lead to more consistent approach to delivery across the city region. The model also provides a means to better integrate land use planning and transport decision-making at a strategic level and linked to the City Region's land use planning framework powers set out in the devolution deal, for example, by aligning investment on the highway network with areas of planned economic or housing growth. This will also aid the Mayoral Combined Authority's multi-modal remit, building on the strong and highly effective ways of working enjoyed by Transport for London.</p>
<p>A long term Special Rail Grant Settlement for the Merseyrail network.</p> <p><b><i>Specific powers/ scheme reference: Section 3.4</i></b></p>	<p>The Merseyrail rolling stock is the oldest in the UK and is becoming life expired. Capacity is a major problem on many services and new stock, with additional capacity, is needed to ensure that the network is able to cater for continued growth in the City Region. Securing long-term revenue funding through the devolution deal will allow Merseytravel to progress the locally funded procurement of new trains to allow this necessary investment to take place. This will support continued growth in the use of local rail, to provide access to key employment, retail, leisure, educational and housing sites, and to ensure that the success and attractiveness of the Liverpool City Region is not harmed by rising congestion, and worsening environmental conditions.</p>
<p>Proposals for the local management of rail stations.</p> <p><b><i>Specific powers/ scheme reference: Section 3.5</i></b></p>	<p>In the first instance, the devolved control of rail stations would focus on the Merseyrail Electrics network. Subsequently, this would be expanded to all stations in the Liverpool City Region and could, potentially, be extended to wider rail infrastructure assets. It will enable the Mayoral Combined Authority to make decisions in the long term interest of stations, users and the local community. This will improve the efficiency and effectiveness of rail station management, by simplifying the management of assets and responsibilities and creating an operating model for stations with the potential for enhanced scope in future. It seeks to create a better passenger experience, with an improved and more consistent passenger experience throughout the City Region rail network, and better integration between rail and other transport networks.</p> <p>Localised control of planning and investment will also increase local influence in the rail decision making process. It will improve the integration and coordination of rail planning and city region spatial planning, including better utilisation of station land and surrounds. This will promote growth and economic development, lead to higher</p>

	<p>patronage throughout the City Region rail and wider public transport network, and stimulate local regeneration at and around rail stations. It will secure better value for money for the local portfolio of City Region stations, and longer term investment and more certainty.</p>
<p>Review the tolls on the Mersey Tunnels.</p> <p><b><i>Specific powers/ scheme reference: Section 3.6</i></b></p>	<p>The City Region’s two Mersey Tunnels (Queensway and Kingsway) were planned and constructed as locally-promoted schemes and are now the responsibility of the Combined Authority. They are tolled crossings as they do not form part of the national road network. The tolling mechanism is governed by the Mersey Tunnels Act 2004, parts of which are considered out-dated and inflexible, and through the Combined Authority and directly elected Mayor there is the opportunity to review the legislation to give the Liverpool City Region direct influence over tolls and the management of the tunnels. For example, this could include offering discounts for new entrants into the job market, off peak discounts and variable tolls based on the environmental credentials of vehicles. The review will also consider options to reduce the cost of tunnel tolls and review impacts on infrastructure and the ability to accelerate economic growth.</p>
<p>Explore ways to implement Clean Air Zones to help achieve Air Quality Plan objectives at both the national and local level.</p> <p><b><i>Specific powers/ scheme reference: Section 3.5</i></b></p>	<p>Poor air quality across the Liverpool City Region is predominantly caused by transport emissions and several Air Quality Management Areas have been declared as a result. The exploration of Clean Air Zones, as a means of helping to reduce emissions, will help the City Region to achieve Air Quality Plan objectives at both the national and local level, which in turn will impact on public health and wellbeing and improve the economic attractiveness of the Liverpool City Region. This also reduces the financial risk of fines being levied locally in the event that targets are not met.</p>

<b>Business support</b>	
<p>Develop and implement a devolved approach to business support and deliver more integrated working in investment and trade</p> <p><b>No specific powers required</b></p>	<p>The City Region has significant challenges to address in terms of low levels of entrepreneurship and business density. A simplified and rationalised business support system which is locally delivered and demand led will help the city region improve business growth and performance and contribute to the government objectives to rebalancing the economy and improving productivity. The business support landscape must be simplified for businesses and rationalised to ensure that resources are focused on providing the support services which businesses need to establish and grow. National programmes need to reflect local business needs and be delivery at the local level to maximise take-up of those services.</p>
<b>Energy</b>	
<p>Development of a tidal power scheme proposal for the River Mersey.</p> <p><b>Specific powers/ scheme reference: Section 4.1</b></p>	<p>The Liverpool City Region estuary has one of the largest tidal ranges in the UK and is considered as one of the best locations in the UK for a tidal power scheme. The River Mersey and Liverpool Bay area is a key asset that has the potential to drive growth within the Northern Powerhouse and the government has committed to supporting Liverpool City Region by providing guidance to support Liverpool City Region’s development of a cost-effective tidal power scheme proposal for the River Mersey or Liverpool Bay that could generate low carbon energy for businesses and consumers.</p>

<b>Culture</b>	
<p>The government will work with Liverpool City Region to support a place-based strategy and the city region's plans for a Local Cultural Partnership (LCP).</p> <p><i>Specific powers/ scheme reference: Section 5.1-5.3</i></p>	<p>Culture and creativity are key to the Liverpool City Region drive to accelerate economic growth, improve skills and further develop its distinctive visitor offer. The culture sector (arts, heritage and sport) and the creative and digital industries already make a large contribution to the city region but the aim is to achieve more through strategic collaboration. A Cultural Partnership will be established in May 2016 to drive forward the vision for Culture to accelerate economic growth, improve skills, engage residents and further develop the distinctive visitor offer in Liverpool City Region. The Cultural Partnership will be a place-making partnership that brings together the interests of the Metro Mayor, the Combined Authority and the Cultural Sector with the regional, national and international funding and investment partners who share the vision of Liverpool City Region as a Cultural Powerhouse.</p>

<b>Finance</b>	
<p>A Single Investment Fund that draws together city region and agreed national funding streams.</p> <p><b><i>Specific powers/scheme reference:</i></b> <b>Section 7.6</b></p> <p>Supplement on Business Rates.</p> <p><b><i>Specific powers/scheme reference:</i></b> <b>Section 7.4</b></p> <p>Prudential borrowing powers.</p> <p><b><i>Specific powers/scheme reference:</i></b> <b>Section 7.5</b></p>	<p>Despite improvements in the performance of the City region’s economy, there remain substantial economic challenges. Average GVA per head is only 75% of the national average and this gap has remained largely unchanged over the last decade. As a result, the City Region suffers from an £8.2bn output gap compared to nationally. To unlock our economic potential and play a full part in the Northern Powerhouse, the City Region requires co-ordinated intervention and an ambitious investment programme. This will mean a step change in the way the City Region invests in the critical infrastructure and economic assets needed to support our growth plan. To support this, Liverpool City Region will create a Single Investment Fund (SIF) that draws together local and national funding streams to deliver a £1 billion plus investment programme. Government have committed to support this approach and provide an additional £30m p.a. for 30 years, forming part of and capitalising the SIF.</p> <p>Local partners are committed to capitalising the SIF with appropriate city region funding streams. In order to maximise the potential impact and size of the SIF, prudential borrowing powers are sought. In addition, Government legislation also provides for the Mayor – subject to consultation – to establish a precept upon local business rates of up to 2% for the purposes of a Mayoral investment fund.</p>

<p>Business rate pilot.</p> <p><b><i>Specific powers/ scheme reference: Section 7.7</i></b></p>	<p>The City Region will undertake a pilot with Government on 100% retention of business rates, considering all issues of implementation including the appeals system. Fiscal devolution and the ability to control resources locally, with control vested in those best placed to make decisions is a fundamental element of the Liverpool City Region devolution agreement. A business rates retention pilot offers the opportunity to consider how greater fiscal devolution through devolving business rates should operate in Liverpool City Region in support of the economic growth and public service reform agenda.</p>
<p>Intermediate Body Status for ESF and ERDF.</p> <p><b><i>No specific powers required</i></b></p>	<p>The Liverpool City Region Combined Authority will become an Intermediate Body for EU funds, with greater powers and influence over decision making for determining project selection. The Combined Authority and LEP have endorsed a series of investment strategies around business support, capital investment, innovation and low carbon investment which are aimed at aligning available resources to achieve the best impact and outcomes. EU funding should be more closely aligned to these strategies and their implementation processes.</p> <p>In order to achieve this and maximise outcomes of economic growth, job creation and productivity, the City Region is seeking maximum devolution of decision making powers for this funding, which will be achieved through Intermediate body Status. The Combined Authority will have enhanced powers to set the local strategic contents for calls for projects and also with regard to agreeing which projects best address local strategic fit.</p>
<p><b>Information Sharing</b></p>	
<p>Data sharing provisions.</p> <p><b><i>Specific powers/ scheme reference: Section 6.1-6.2</i></b></p>	<p>Information sharing is key to carrying out the widening range of functions which Liverpool City Region Combined Authority will be charged with exercising. At the current time, Liverpool City Region Combined Authority is at a disadvantage in not being designated as a relevant authority in several pieces of relevant legislation. The Scheme proposes that this is provided for and, in so far as it is possible to do so, that Liverpool City Region Combined Authority be provided with a general power enabling the requiring of data sharing in the exercise of its functions.</p>

<b>Constitutional and Governance Issues</b>	
<p>How decisions will be taken.</p> <p><b><i>Specific powers/ scheme reference: Section 8</i></b></p>	<p>The governance model of a City Region Directly Elected Mayor will initially be a challenging process to implement for those charged with delivery. Liverpool City Region Combined Authority is committed to a process which provides a strong leadership model whilst maintaining appropriate provisions which enable accountability to be clearly demonstrated. Functions will be divided between Mayoral and Non Mayoral functions. The exercise of powers will be divided between those which are exercised by the Mayor, those which are exercised by Liverpool City Region Combined Authority on its own behalf and those which are exercised by Liverpool City Region Combined Authority on behalf of the Mayor. The basis upon which decisions are taken with regard to voting provisions will be set out in the Liverpool City Region Combined Authority Constitution and is summarised in the Scheme.</p>

