

APPENDIX 5



Department for Communities and Local Government

Mayor of Liverpool and Local Authority Leaders
Liverpool City Region

By email

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Dear all

I write in response to the correspondence from David Parr, Chief Executive of Halton Borough Council, which requested additional assurances that the Government remains committed to the employment and skills aspects of Liverpool City Region's devolution agreement.

As the Secretary of State set out to you, on his visit to Liverpool on 17 November, the Government remains fully committed to implementing your devolution agreement in full. This includes the commitments on employment and skills.

For clarity, in advance of Council and Cabinet meetings in the city region this week, I wanted to take this opportunity to set out the position for both skills and employment commitments.

On **skills** the Department for Education remains committed to the devolution of the adult education budget to Liverpool City Region from 2018/19, subject to the readiness conditions set out in the deal agreement. The implementation of this commitment continues at pace, with both the Department for Education and the Skills Funding Agency working closely with Liverpool City Region officials.

Since the beginning of 2016, the Department for Education has been targeting Easter 2017 for laying in Parliament a set of orders relating to the devolution of the adult education budget. This work is on track. The transferred functions will not need to come into force until 2018, but the Department for Education fully appreciates that it would be useful for all devolution areas to have, before 2018, the clarity which will come from the relevant orders being passed by Parliament.

With regard to the **Work and Health Programme**, the Department for Work and Pensions remains committed to working with Liverpool City Region to develop a programme that meets the needs of individuals with a disability and the long term unemployed. I understand positive discussions are continuing and that you have recently signed a Memorandum of Understanding with the Department for Work and Pensions, which sets out how you will take part in the evaluation of bids for this programme. In addition, I can confirm that there are no associated powers required at this stage to proceed with the implementation of the Work and Health Programme commitment in your deal.

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Finally on **proposals for a labour market pilot, that will set out a household approach to supporting those who are hardest to help**, the Department for Work and Pensions remains committed to working with Liverpool City Region to develop a business case for this programme. This will, as set out in the deal, be subject to approval by Department for Work and Pensions Ministers.

Our expectation is that business cases will be prepared over the next two months, with successful pilots going live by end March 2018. If the bid from Liverpool City Region is successful, the Department for Work and Pensions would be open to reviewing specific legislative proposals that are needed to support the delivery of this pilot.

I trust this letter serves to underline the Government's on-going commitment to delivering your agreed devolution agreement in full. Moving forward it is the case now, as with ratification of the deal last November, that it is for the six local authorities to decide whether to proceed with the devolution agreement and consent to the Order, or not. In the event of the latter, this would mean your devolution agreement would be off the table. I therefore encourage you to continue working with the Government on the implementation of this historic devolution agreement, which will provide you with new powers and funding that will support the continued success of your city region.



ANDREW PERCY MP