

# Well Placed to Deliver?

Shaping the Pattern of Government Service

Independent Review  
of Public Sector Relocation

Sir Michael Lyons

March 2004



# Well Placed to Deliver?

---

Shaping the Pattern of Government Service

---

Independent Review  
of Public Sector Relocation

© Crown copyright 2004

Published with the permission of HM Treasury on behalf of the Controller of Her Majesty's Stationery Office.

The text in this document may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Any enquiries relating to the copyright in this document should be sent to:

HMSO  
Licensing Division  
St Clements House  
2-16 Colegate  
Norwich  
NR3 1BQ

Fax: 01603 723000

E-mail: [hmsolicensing@cabinet-office.x.gsi.gov.uk](mailto:hmsolicensing@cabinet-office.x.gsi.gov.uk)

## Contacts

This document can be accessed at:

[www.hm-treasury.gov.uk/lyonsreview](http://www.hm-treasury.gov.uk/lyonsreview)

For enquiries about this publication, contact:

Correspondence and Enquiry Unit  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

Tel: 020 7270 4558

Fax: 020 7270 4574

Email: [public.enquiries@hm-treasury.gov.uk](mailto:public.enquiries@hm-treasury.gov.uk)

ISBN: 1-84532-009-3

Printed on material containing 75% post-consumer waste

# Contents

---

<b>Foreword</b>		1
Sir Michael Lyons to the Deputy Prime Minister and the Chancellor of the Exchequer.		
<b>Executive summary</b>		3
<b>Chapter 1</b>	<b>Introduction</b>	9
How I conducted my study.		
<b>Chapter 2</b>	<b>The context</b>	13
The relevance of location to the Government's objectives.		
<b>Chapter 3</b>	<b>The impact on government business</b>	19
The business case for moving and the lessons learned from earlier moves.		
<b>Chapter 4</b>	<b>The impact on communities</b>	31
The economic and social implications for receiving locations and for London and the South East.		
<b>Chapter 5</b>	<b>The current pattern of government service</b>	45
How dispersed the Government is, and the scope to go further.		
<b>Chapter 6</b>	<b>Departments' proposals</b>	55
The relocation proposals submitted to my review and my assessment of them.		
<b>Chapter 7</b>	<b>The human dimension</b>	65
The impact of location decisions on different groups of people.		
<b>Chapter 8</b>	<b>Shaping the pattern of government service</b>	73
How Government should manage the pattern of its locations.		
<b>Chapter 9</b>	<b>Rethinking location</b>	81
Overcoming intellectual and cultural hurdles.		
<b>Chapter 10</b>	<b>An agenda for action</b>	87
Conclusion and recommendations.		
<b>Annex A</b>	<b>Department summaries</b>	97
<b>Annex B</b>	<b>Consultation responses</b>	133
<b>Annex C</b>	<b>Cost modelling</b>	143
<b>Annex D</b>	<b>Evidence from other countries</b>	147
<b>Annex E</b>	<b>A brief history of relocation</b>	153



# Foreword

---

## Letter from Sir Michael Lyons to the Deputy Prime Minister and the Chancellor of the Exchequer

Dear Deputy Prime Minister and Chancellor,

I have now completed the review you invited me to undertake. With the cooperation of government departments I have identified up to 20,000 posts which can be dispersed from London. Initial estimates suggest that moves of this scale could generate savings over 15 years of more than £2 billion. To achieve this result will call for leadership, substantial early investment and more effective coordination across departments.

My conclusions, however, go well beyond this initial task and I argue that a new pattern of government service can make a significant contribution to your national policies for the reform of public services; reduced disparity in the economic fortunes of the regions; national competitiveness; and devolution. Research I have commissioned clearly demonstrates the positive impact that well-planned relocation can have on local economies; the work of government services and the quality of life for public servants.

I argue for a radical new approach to shaping the future pattern of services, with the retention in London of only slimmed-down headquarters functions for the main departments of government and a more vigorous test of the need to locate other agencies in the capital. A more dispersed, but integrated, government service offers cost advantages and can pave the way for future devolution. It can also make the processes of government more resilient to the threat of terrorism.

I am convinced of the need for Government to provide explicit advice on the geographical pattern of activity it is seeking to achieve over time. This will be the stronger if it is developed with the active cooperation of the devolved administrations, the regional development agencies and local authorities, including those of the capital, which remains the very heart of our system of government and national public service. I emphasise that individual location decisions need to be taken in the context of this advice but must be founded on service needs.

Finally, I would like to underline again the importance of leadership if the benefits I anticipate are to be realised. Leadership not only from ministers but also, critically, from those to whom the stewardship of government services have been entrusted.



Sir Michael Lyons

