

## **Local Government Association Submission to the Lyons Public Sector Relocation Review**

### **Executive Summary**

1. The LGA welcomes the opportunity to contribute to the review and sees it as an opportunity to consider a wider range of issues than simply the relocation of existing functions. The review should consider how process of government could change over the next 10-20 years and the opportunity this presents to achieve a better balance of regional economic activity.

2. The review should have regard to
- Ø The devolution and decentralisation agenda
  - Ø The growth of public/private joint activity
  - Ø Changes in the management of back office/administrative functions and contact centres
  - Ø The role of IT in transforming functions and enhancing their potential mobility
  - Ø The degree to which central, regional and local policy implementation and delivery could be integrated around localities.

### **Rebalancing Regional Disparities**

3. The LGA believes it is vital that the economic disparities between regions in the UK are tackled in a more systematic way than has been the case over most of the last 25 years. The recent 'Sustainable Communities Plan' represents an attempt to address regional imbalances in the housing market by tackling issues of high demand in the south and low demand in the north. If it is to succeed the underlying causes of differences in economic activity also need to be addressed. The relocation of government activities from London could support such a strategy by acting as a potential catalyst for change in both growth and low demand areas. Public sector relocation could play a key role in helping to instil and stimulate private sector confidence and investment and contribute towards the creation of more sustainable communities in these areas. It could also relieve pressure on London and the South East.

4. The LGA supports the Core Cities Submission to the review, which demonstrates the contribution that public sector relocation can make in creating prosperous and vibrant cities. It also demonstrates the potential for cost savings and enhanced quality of life.

5. The profile of London as a key decision-making arena has helped to create and promote a knowledge-based economy that attracts both national and international investment of resources and people. It is important that public sector relocation is based on creating alternative 'decision-making' locations to attract investment and skilled labour that is able to access a wide spectrum of career opportunities. This implies that Government needs to think carefully about the range and scope of public sector functions that are being considered for relocation.

6. The LGA believes the review should be seen as an opportunity to set out a vision for the future role of different levels of government and the relationship between them as well as how and where key policy and service delivery functions are carried out. This should include a longer-term vision outlining the potential for more joined-up, locally-led integration of government services with local authority work set within the context of wider workforce planning and regional strategies.

7. A potential example of the change is that which appears to be envisaged in the Haskins review of DEFRA and Rural Policy/implementation. This would attempt to make a distinction between the policy direction functions and the delivery of policy through national agencies (which need not necessarily be located in London) and the more integrated approach to coordinated delivery of joined up services through regional and local partnerships led by RDAs and local authorities.

8. Another example is the work being undertaken by the innovation forum of 'excellent' local authorities on the 'people first' project. Details of this project which aims to integrate public services around a customer interface is being pioneered by Sunderland, Gateshead, Blackburn with Darwen, Kent and Derbyshire. A summary of the project is attached at annex 1.

9. Some local authorities are participating in partnerships with the private sector to provide more effective back office functions supported by customer access and investment in IT. The Blackburn with Darwen/Capita collaboration envisages the creation of a regional hub capability, which other public services could economically 'plug into.'

10. The Core Cities submissions refers to the experience of large scale relocations in the recent past and demonstrates the economic spin off benefits which such relocations can generate. Where there is synergy between functions, other institutions, service providers and partner organisations may be attracted to invest. This approach to devolved functions to regions outside London and the South East may also be applicable to the creation of economic activity in the 'Communities Plan' growth areas of Thames Gateway, Milton Keynes and Ashford.

### **Conclusion**

11. The LGA considers that this review should take a wide ranging and long term view of the prospects for shifting the balance of economic activity to underpin regional and sub-regional prosperity. It should not be confined simply to the immediate opportunities for relocating office functions, people and activity from London elsewhere, but to encouraging the organic dispersal of government activity across the country as a whole. The devolution and decentralisation of government functions from London requires cultural shifts as well as physical moves and should be a long-term objective of national policy.

### The People First Project

The project is focused on how to integrate better public services from a customer point of view. The "people First" project in Sunderland is covering:

- €# Co-location of multiple services at a series of local access points, eg leisure centres
- €# Data sharing
- €# Common performance measures
- €# Shared IT platforms
- €# Joint procurement
- €# Shared planning
- €# Pooled budgets
- €# Cultural change for staff
- €# Accountability for new and shared services

This project is explicitly not being **driven** by cost savings but working for more effective delivery and use of resources overall. The project brings together a wide range of partners, such as police, health authorities, educational institutions, employment services, housing management companies as well as community and other public sector service provision. The project expects to see outcomes in terms of improvements to customers over 3-4 years.

The Innovations Forum project involving the group of councils will be drawing out the common themes between this and the work other councils are doing, particularly to see what can be replicated and what added value in terms of innovation in service provision can be achieved through the group working in partnership with central government

At a practical level, many of the above issues would be replicated if a central government department were to re-locate out of London and seek to integrate its systems with the local authority and/or other public agencies. There would also be potential for more integrated policy development drawing on the experience of people actually delivering services, eg national health inequalities work to be developed in Kirklees. There would be opportunities also to pilot greater devolution of decision- making and delivery, say in one region in the first instance.

