

GOVERNMENT'S PRINCIPLES FOR RELOCATION

Introduction

This note sets out the principles endorsed by Government in November 2003 for the further dispersal of public sector activity from London and the South East. The principles, which are already in force, constitute emerging Government policy on relocation and build on the Government's position set out in the 2002 Regional White Paper¹.

The principles also reflect themes emerging from Sir Michael Lyons' independent review of public sector relocation and will inform the further development and implementation of departments' relocation proposals.

Relocation Principles

Rationale

1. The concentration of Government activity in London and the South East must be determined by the service needs of the regional population and the interests of effective national Government. The current degree of concentration is not optimal in terms of efficiency, effective delivery and the needs of the United Kingdom outside London and the South East.
2. The Government is committed to realising the benefits of well-planned dispersals of public sector activity from London and the South East. These benefits include enhanced efficiency and service delivery, social and economic benefits across the United Kingdom, and improved governance, including paving the way for further devolution of national Government responsibilities.

Context and responsibilities

3. Heads of departments and sponsored bodies will be responsible on a continuing basis for realising the benefits of relocation and will be held accountable for exercising this responsibility.
4. Public sector relocation is a key strand of modernising and reforming Government. Heads of departments must integrate relocation with their wider reform programmes, in particular the search for greater efficiency, and the development of pay and workforce strategies.

¹ "The Government is taking further steps to ensure that it is well placed to respond to each region's needs including.....encouraging Whitehall departments to consider the balance of their staff as between the centre and the regions in terms of effective policy design and implementation. In particular, departments will have to demonstrate the case for not locating new streams of work outside London and the South East." Paragraph 2.34 "Your Region Your Choice: Revitalising the English Regions", May 2002

5. Relocation will be driven by individual departments' business plans, developed in the context of the Government's wider objectives for efficiency, economic and social impact on different United Kingdom locations, and good governance.
6. There is an automatic presumption that new or reconstituted Government activities will be located outside London and the South East.

Incentives

7. Departments and their sponsored bodies need sharper incentives to keep their presence in London and the South East at the most appropriate level and to help realise the cost savings and other benefits of relocation. It is not clear that capital charging has provided a sufficient discipline in this area.

Civil estate coordination

8. Departments or sponsored bodies wishing to enter into or renew a significant property commitment in London (currently defined as 2,000 square metres or more) must continue to seek Treasury approval.
9. There will be stronger central co-ordination of the civil estate in the interests of greater efficiency and in particular to facilitate the sub-letting of properties vacated by Government bodies in London, to drive through savings, and to ensure a joined-up overview of the pattern of regional locations.

Staffing issues

10. Departments will benefit from a broadly common approach to the staffing dimension of relocation. Common principles include:
 - ## a need to engage the trade unions early in taking forward relocation proposals;
 - ## relocation packages to follow best practice in the public and private sectors; and
 - ## wherever possible, but with no guarantee, movements of staff in post will be undertaken on a voluntary basis and efforts will be made to reabsorb elsewhere in the public sector staff who do not move with their relocated posts.