

## **TCPA RESPONSE TO THE LYONS REVIEW, PUBLIC SECTOR RELOCATION REVIEW**

### **Introduction**

The TCPA welcomes this opportunity to comment on the Public Sector Relocation Review. The TCPA campaigns inter alia for the reform of the UK planning system to promote public participation and sustainable development and for environment and development policies which improve the living and working conditions of everyone.

The Town and Country Planning Association (TCPA) is the oldest planning and environment body in the UK. Throughout the past century the TCPA has argued in favour of balanced local and regional development, the matching of economic opportunity to social needs, the planned development and management of town and country, and the devolution of government powers, responsibilities and functions.

It is in this context that the TCPA welcomes the current review of Public Sector Relocation. This is a topic of considerable importance that has been a neglected policy tool for over three decades. As was demonstrated by the relocation actions taken during the 1960s and 1970s, the decentralisation of central government activities can contribute significantly to reducing the overheating of the economy of London and the South East, and can assist in promoting economic development elsewhere in the country. In addition to the economic consequences of such actions, decentralisation can also contribute to improved social welfare in both 'donor' and 'recipient' areas, and can assist in improving environmental conditions.

There is considerable available evidence in the UK of the benefits of decentralisation and devolution. This evidence takes the form of the reduction in London- and South East- based functions related to the former Welsh and Scottish offices and the establishment of the Welsh Assembly and the Scottish Executive. These actions have provided a boost to the economic fortunes of Wales and Scotland and, most importantly, have helped to broaden the

employment base of both of these nations. In addition, the transfer of 'home' central government functions to a location closer to the point of consumption has helped to improve the relevance of policy and delivery.

The TCPA's preferred option for the relocation of central government would be for a major and comprehensive relocation of a wide range of functions as part of the establishment of elected regional government. Most of the 'home' department functions (ODPM, DEFRA, Home Office, DfT, DTI, Health, Education, Employment, Department for Work and Pensions, DCMS, etc.) could be decentralised under such a scenario, with only small residual central units remaining in order to deal with national issues, and even these central units could be located outwith London and the South East.

However, it is appreciated that the current review may wish to stop short of such a radical approach, although this should not prevent the decentralisation of as many jobs and functions as possible to expanded Government Offices. It is also appreciated that devolution of power to the regions will happen in only a few regions within the foreseeable future. As such, the TCPA advocates that a programme of relocation be taken forward regardless of devolution.

The following section promotes our view of the 'second best' option, that is the decentralisation of government departments and national agencies/organisations through relocation.

## **The TCPA's Views**

The TCPA argues that any relocation of public sector activities should preferably occur as part of the establishment of elected regional government in England and in the expansion of the range of functions discharged by the devolved governments in Wales, Scotland and Northern Ireland. However, whilst this should remain the long term ambition, there is an intermediate level of relocation that should be promoted with immediate effect.

This intermediate policy of relocation should:

- enable the dispersal of entire central government departments and other public bodies;

- ## ensure that high level jobs are relocated as well as middle and lower tier jobs;
- ## be linked to a wider process for the dispersal of government-funded research and development functions; and
- ## form part of a planned programme of regional and national economic development and employment creation.

A planned dispersal of public sector activities would enable existing regional strengths to be extended. Thus, for example, given the financial strength of Leeds, it would be possible to relocate substantial elements of the Treasury and the Bank of England to West Yorkshire; given the considerable expertise in planning and regeneration, a substantial part of the ODPM could be relocated to Liverpool or Manchester; given the expertise of managing responses to considerable regional problems, the DTI could be relocated to Newcastle; given the presence of a considerable multicultural population and the substantial experience of attempts at assimilation, the Home Office could be moved to Birmingham or Leicester; given the expertise in defence matters, much of the Ministry of Defence could be moved to Plymouth; and given the very different environments in the various regions of England, DEFRA could be decentralised as a series of regional units to locations such as Carlisle, Truro, Cheltenham, Shrewsbury, Lincoln and Darlington. The precise location is not the central matter, rather it is the principle of matching local context and capacity to the opportunities in decentralised locations.

As well as decentralising the ministries, it will be essential also to decentralise the ministerial teams. This shift of political power would do much to enhance the regional and local context of policy and, when accompanied by the strengthening of the powers and portfolios of the Government Offices, would allow policy-making and implementation to be better tailored to meet the needs of individual regions and localities. This break with the 'one-size-fits-all' approach would, in itself, be a worthy achievement.

A further reform is hinted at in the above paragraph; this is the strengthening of the powers and portfolios of the Government Offices. Evidence to support this reform has accumulated over recent years partly as a consequence of the success of devolution of power to Wales and Scotland. Equally, there is substantial evidence which suggests that stronger policy co-ordination, especially with regard to planning and delivery, is urgently required

in the English regions; the most powerful evidence here is that contained in the Regional Coordination Unit's reports on Area Based Initiatives. The first of the RCU's reports, on Cornwall, identified concerns about partnership overload, the amount of additional bureaucracy and a lack of integration between initiatives dealing with the same problem or the same client group.

One solution to such problems would be to develop what the TCPA calls 'single territorial programmes' which would bring together the various sources of departmental funding into a single 'pot' and then manage spending through a single programme. The consequence would be that in regions with or without elected regional assemblies, a regional civil service department (an expanded Government Office) would be responsible for a co-ordinated programme of policy-making and implementation within the region. The individual central government departments would only retain residual functions. This model could be described as a matrix management approach, with regional civil service departments having equal (or greater) status to central departments. The merits of this approach are that it would address the problems identified by the RCU, it would reduce costs at regional and sub-regional level by linking together the planning and implementation of complementary functions, and it would balance central power through the creation of regional centres of government in England. Such an approach would, of course, be additional to the decentralisation of the central units of public sector activities that do not have a 'home' function.

The TCPA would be pleased to expand upon any of the suggestions contained in this submission. In addition, the Association would be pleased to supply written material to support the views advanced.