SECTION 4: IMPROVING PARTNERSHIPS WITH ORGANISATIONS/ AGENCIES OUTSIDE CENTRAL GOVERNMENT

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4.1 Contestable policy advice

There have been suggestions that the provision of policy advice in the U.K. should be put on the same customer/contractor basis that now applies to service delivery through Next Steps Agencies. The Treasury and Civil Service Committee of the House of Commons recently examined this topic and heard suggestions from some quarters that senior officials should be employed on fixed-term contracts, with a clear remit related to producing answers on policy issues. However, this is not the case at the moment. Under the present system, most policy proposals still originate from Ministers and/or those civil servants who are specially designated to produce policy advice. Political advisers play a part in this process and the Prime Minister's office has its own advisers in the form of the No.10 Policy Unit.

This unit is headed by an officer of Deputy Secretary level who is in charge of a team of eight people producing ideas on domestic, economic and foreign affairs for the Prime Minister. Proposals produced by the group are naturally available direct to the Prime Minister who has the opportunity to discuss the topics at a regular weekly meeting, and at other times as necessary, for instance at Cabinet Committees or bilateral meetings with other Ministers. There is little public information available about the Policy Unit, but it will also no doubt consider material submitted unsolicited to the Prime Minister by independent think tanks, pressure groups and academia.

4.2 Deregulation

The Deregulation Initiative, dates back to 1985 but was relaunched at the Conservative Party Conference in 1992 when the Prime Minister declared his personal commitment to deregulation.

It has three key targets or objectives:

i) better existing regulation, to be achieved by cutting unnecessary burdens on business and streamlining existing requirement;

ii) better new regulation (including EC legislation), to be achieved by introducing new requirements only where necessary, minimising costs of compliance and consulting business about changes;

iii) better enforcement of regulation, to be achieved by ensuring that local authorities and national inspectorates apply regulations consistently and provide simple and accessible guidance to make it easier for business to comply.

The context for change

The Deregulation Initiative aims to cut "red tape" (from Whitehall, the town hall and Brussels), which stops businesses from getting on with their primary task of producing goods and services. It is particularly concerned with smaller businesses, which are disproportionately affected by over-regulation and face the difficulty of making their voice heard by government. It therefore aims to reduce significantly administrative and regulatory burdens on business. The U.K. Government believes that business enterprise was often being stifled by too much government intervention in economic activity. This risks discouraging innovation and removing incentives. The aim is to do away with some of the costs, delays and uncertainties in business caused by unnecessary government bureaucracy. A significant point is that the impact on business is cumulative, so that even fairly minor requirements when added together represent a significant burden.

Implementing change

The main elements of the programme are:

- The Deregulation and Contracting Out Bill which is currently before Parliament. It effects a number of deregulatory changes to primary legislation and provides a new mechanism to make changes in the future in appropriate cases, subject to public consultation and Parliamentary scrutiny.

- The setting up of a new Deregulation Task Force to succeed the earlier Task Forces. The seven original Task Forces of businessmen appointed in 1993 made over 600 proposals for deregulation of which 359 have now been accepted.

- An eighth Task Force on Charities and the Voluntary Sector is due to report soon.

- Compliance cost assessments for new legislation required to be published. This involves a detailed look at any new legislation to see what would be the cost of businesses putting it into practice.

- Scrutiny of how U.K. has implemented EC legislation. There have been suggestions that some legislation has been implemented too tightly and legalistically.

- Publication by the EC of its legislative programme, indicating those proposals to be subject to an impact assessment.

- Local authority/business partnerships set up to provide guidance to business on how regulations apply to them.

- Two reviews to examine how to remove duplication in the work of local government enforcement agencies and fire safety. These have both now submitted reports to government which is considering their recommendations. The Fire Safety Report was published on 22 June 1994.

- Following the Prime Minister's announcement of a new drive on deregulation in 1992, all government departments were asked to review *all* their regulations to identify candidates for repeal or simplification. The President of the Board of Trade has now reported on the results of the Reviews to the Prime Minister. As a result of this work and also the work by the business task forces, there are now over 870 regulations earmarked for amendment or repeal.

The Deregulation Bill is expected to deal with those changes requiring primary legislation and the Deregulation Task Force in conjunction with departments will continue the offensive against over-regulation by identifying further candidates for repeal or reform. To ensure that over-regulation does not become a problem in the future, all proposals for new regulation are now accompanied on publication by an assessment of the costs to business.

The Deregulation Initiative also affects local authorities. There are now 20 local authority business partnerships which were first launched on 30 June 1992 in several representative pilot areas. They are giving business clear and simple guidance on how regulations apply to them and on services provided by local authorities. The Deregulation Unit is encouraging inspectors and enforcement agencies to learn to distinguish between companies deliberately trying to evade controls and a vast majority trying to abide by the law but sometimes finding the task of achieving more difficult than it should be.

Deregulation starts from a clear conviction that businesses should be restricted as little as possible by legislation. There does of course need to be a clear balance between deregulation and a free-for-all in which adequate safety and consumer safeguards are not in place. One of the main emphases of deregulation in the U.K. has been the elimination of restrictions that were at best trivial and probably unnecessary (for example, a long-standing requirement in law to clean factory walls at particular intervals, rather than when commonsense dictated it).

This is a Ministerial initiative and the key stakeholders are the Deregulation Ministers in each deregulatory department who are in turn responsible to their Secretaries of State and the Prime Minister. Each department has its own Departmental Deregulation Unit which is responsible for ensuring that the Deregulation Initiative is carried out within that department and reports regularly to the Deregulation Minister.

4.3 Intergovernmental restructuring

The powers of local authorities in the U.K. are set out in a number of statutes which have been enacted by Parliament over the years. The Government firmly believes that Parliament should make conscious decisions about which activities and responsibilities are assigned to local government.

Unlike many of their European counterparts, U.K. authorities do not enjoy a power of general competence (although they have an important discretionary power to undertake other activities which they believe to be in the interests of local citizens under Section 137 of the Local Government Act 1972). The introduction of such a power would require major ongoing legislation to define what local authorities may not do. The assumption that where this power exists they have a freer hand can be misleading, since where this is the case there is usually an extensive raft of legislation setting out precisely what they are prevented from doing.

There have been many ebbs and flows of local government functions over the years. Although local government has lost certain responsibilities since 1979, there have also been gains – in particular, the administration of housing benefit was transferred from the Department of Health and Social Security (DHSS) to local authorities in 1982, the discretion to grant non-domestic rates rebates to charities or to ratepayers sustaining hardship was transferred in 1988 and, as a result of the community care reforms, local government has been given lead responsibility for assessing people's needs in this area.

The key reforms in this area have been:

- To introduce a "National Non-Domestic Rate" (NNDR), set at a uniform rate in the pound for all business and other non-domestic premises in England, the total sum collected being re-distributed to local authorities on a per capita basis. The NNDR replaced locally variable business rates.

- To replace local domestic rates/community charges with a Council Tax on each domestic property, based on the relative value of properties (each being placed in one of eight valuation bands, covering a range of values) with discounts for smaller households.

- To allocate central government support for local government services between authorities on the basis of "Standard Spending Assessments" (SSAs) for each authority. SSAs are based on indicators (e.g. the number of school pupils) which allow the relative spending needs of authorities to be assessed. They also take account of the capital Government's view of the appropriate amount of expenditure for local authorities as a whole.

Grant is distributed in such a way that every authority in England should be able to set the same value of Council Tax for properties in a particular valuation band, if they spend at the level of their "SSA".

- To introduce "capping" of local authority budgets, allowing the Secretary of State to designate an authority which, in his view, has set a budget which is excessive, or has increased its budget by an excessive amount, according to general criteria determined by him, and to set a limit on the size of that budget, with which the authority must comply.

- To increase central funding for local authority expenditure, resulting in a reduction in the proportion met from local domestic taxation from 28 per cent in 1990/91 to 16 per cent in 1993/94.

The main objectives of the reforms have been to:

- place local authority revenue finance on a surer footing, improving the transparency of the system and increasing local accountability;

- distribute the burden of local taxation more firmly;

- exercise firmer control over the level of local government revenue expenditure, as part of the control of public expenditure as a whole;

- protect local taxpayers – domestic and non-domestic – from excessive levels of local taxation.

The context for change

Against a background of rapid change, a key issue is the degree of trust between local and central government. Following a speech in 1990 by the then Secretary of State Michael Heseltine, the Government has tried to bridge the gulf of misunderstanding that has existed between itself and local authorities.

The Secretary of State and other Ministers meet the Chairmen of the local authority associations regularly to discuss current concerns, whilst the Permanent Secretary maintains regular contact with the associations at official level.

Implementing change

This section describes two specific measures being taken to improve relations between central and local government:

(i) The Secondments Initiative Programme (SIP);

(ii) Local Government Seminars.

The Secondments Initiative Programme (SIP) is designed to encourage and enable civil servants and local authority executives to exchange posts for periods of up to two years. The Programme is aimed principally at staff in generalist policy and management positions. Although intended primarily for civil servants in Grades 7-5 and their local government equivalents, the programme is open to staff of all grades and ages with appropriate experience or potential, and with clear prospects of further promotion.

It is intended that SIP will increase understanding and co-operation between the two spheres and will encourage the cross-fertilisation of fresh ideas and new ways of thinking. High quality officers from local government obtain first hand experience of policy formation whilst civil servants experience service provision at the sharp end where it impacts on people's lives.

A target of achieving 140 secondments over three years was set at the launch of SIP, but it is intended that the Programme will continue indefinitely.

No legislation was required to implement the Programme. SIP was given a public launch by Ministers and local government leaders. Continuing widespread publicity has been maintained by leafleting and articles in the specialist press. Officers interested in the scheme apply to their personnel offices or directly to the Local Government Management Board who arrange details of each secondment with the organisations involved. A number of seminars have been arranged for secondees to enable them to share their experiences with colleagues.

It was immediately apparent that the most important prerequisites for success were to ensure that as many central and local government staff as possible were aware of the Programme and to guarantee that their applications or expressions of interest would be properly dealt with.

Secondments should not have major cost implications for either of the authorities involved – the usual practice is for a secondee to continue to be paid by his/her parent organisation, but for these costs to be reimbursed by the receiving employer.

Other minor cost implications obviously arise from the staff time involved in administering the scheme, but most of the administration involved is carried out by the Local Government Management Board.

The progress of the Programme has been closely monitored at a number of levels. The Permanent Secretaries of the departments involved meet every six months to discuss progress. Day to day monitoring is carried out by the Department of the Environment's Personnel and Local Government directorates.

The 24-hour *Local Government Seminars* are held annually at the Civil Service College, Sunningdale. Approximately 35 participants attend, split equally between the permanent secretaries of the home government departments and local authority representatives, mainly Chief Executives, but also directors of departments. The programme allows for discussion of a variety of topics of interest to both sides.

The object of the seminars is to improve links and understanding at a senior level between central and local government.

It is intended that the seminars will continue on an annual basis for the foreseeable future. They have already made an important contribution to improved central-local government relations.

The seminars are organised by the Local Government Directorate of the Department of the Environment in close liaison with the Civil Service College who have much experience of organising such events. The cost to the Department of organising the seminars is minimal, as each individual's accommodation costs are met by his/her own organisation. The lessons learnt from each seminar are valuable in preparing for the next occasion.

The first preparations for a seminar begin soon after the preceding one has been concluded. Early consideration is given to the individuals to be invited, the nature of the discussions and who should lead them, and deciding on a guest speaker. Potential local government attendees are chosen largely according to the contribution it is thought that they can make to discussion. A balance is struck between those who have attended in previous years and new attendees. As the seminar approaches, attention is focused on preparing papers for the discussions and on more practical considerations, such as travel arrangements and menus.

4.4 Developing partnerships with academic institutions

There is a wide variety of partnerships with academic institutions that exist across the whole of U.K. Government. The arrangements differ according to the nature of the work of the particular department. This section indicates some of the main areas of interchange between government and academic institutions but concentrates on one example of such partnerships set up by the Department of Trade and Industry as part of the "Managing in the 90s" programme.

The context for change

There is mutual advantage from the partnership between academic institutions and government departments. Academic institutions are an important source of advice in the development of policy and management practice. They may provide:

- proposals for policy development;
- experts for advisory committees;
- a sounding board for policy proposals – offering new ideas and broader perspectives;
- a research capacity;
- consultants to examine particular aspects of poiicy, administration or management;
- training in public management or in particular specialisms, e.g. personnel management and internal audit training.

Work for the public sector provides an important source of income for academics, through research contracts, consultancy fees and fees for attendance at committees, etc. It also provides access to practical examples of policy implementation and outcomes against which to test the theoretical background. There is benefit from interchange of personnel with secondments of academic staff into government and vice versa.

Good relations with universities are cultivated through an arrangement whereby the Permanent Secretaries of departments each have links with two universities which they take an interest in and visit from time to time.

Universities also provide an important recruiting ground for staff at Executive Officer level and for the fast stream schemes. The office of the Civil Service Commissioner organises programmes of "Graduates in Government" (GiG) Careers Information Fair which enable staff working in departments and agencies to provide details of their work and opportunities to students in a cost-effective way. Commissioners also have a programme of visits each year to Institutes of Higher Education and links with the Association of Graduate Careers Advisory Services (AGCAS).

A particular initiative in developing partnerships with academic institutions: "Managing in the 90s" (Department of Trade and Industry)

"Managing in the 90s" is intended to improve management practice in British businesses, rather than within the Civil Service itself. However, the techniques used would be similar if the exercise were directed at the public sector, and relationships would need to be developed with academic institutions and other knowledgeable bodies. It is an awareness programme designed to help managers in British companies respond to change, to adapt, to innovate and to plan for continuous improvements. In other words, to introduce best practice into all their activities. The programme provides seminars, workshops, literature, videos etc, and signposts managers to further sources of help.

Academic institutions have provided much of the input to the programme and have helped prepare the content of the printed materials which the Department of Trade and Industry (DTI) issues to industry. They have also organised a variety of seminars and events for businessmen. DTI have a range of contacts across the country's business schools and with individual academics so that fresh material and revisions to existing material can be prepared quickly to respond to current needs.

In order for companies to compete successfully with the leaders in their respective fields, there is a need to develop world-class abilities. The commercial sector does not fill the gaps, particularly in respect of smaller and medium-sized firms. Competitive advantage depends increasingly on the effective management of change across wide areas of almost every company's business.

The basic pre-condition is that messages to industry must be couched in clear language, but should be fully authoritative. It is also essential that the messages are taken to firms, rather than the Department offering national, London-based events. The programme delivery mechanism is becoming more locally-based, working through DTI Regional Offices, Training and Enterprise Councils, Business Link and so on.

The costs of the Managing in the 90s Programme are approximately £3 million per annum.

Skills and source material are identified through liaison with academic institutions and professional bodies. Indeed the majority of the material offered under the programme is developed in collaboration with non-governmental experts in such bodies.

The target market for the programme is chief executives and senior managers in businesses in all sectors and all regions of the U.K. These are identified through databases (specific and general) and other information available from numerous sources on an ad hoc basis.

Potential obstacles, risks etc. largely concern the ability to attract the right audience to events. These can be overcome by offering an attractive programme and targeting the market accurately.

It is difficult to be specific about demonstrable progress. Much depends on how this is defined. If it is defined in terms of broader recognition in the target market of the need to take action and then an indication that action has been taken, timescales can vary between eight years and three years. But the target market is continually changing and thus the programme needs to be a rolling one.

Typical steps include:

i) Establishing an outline plan for the programme;

ii) Developing contacts with providers of material, including academic institutions;

iii) Arranging for literature to be written and published;

iv) Arranging for seminar events to be organised;

v) Continual review of activities;

Steps (ii) to (iv) above take between 12 and 15 months.

4.5 Developing partnerships with industry

This entry takes the Department of Trade and Industry (DTI) as an example and concentrates on its "Managing in the 90s" programme and the sector Divisions of the Department. Moreover, successive governments have placed differing levels of emphasis on links with industry and this paper will largely reflect the current approach.

First, a number of the main industrial sectors are represented by sectoral Divisions of the Department of Trade and Industry. Each of these Divisions keeps in close contact with developments in its own industry or industries, gets to know its problems and successes and is able to act as a two-way link between the industries and Government. The sector Divisions are also in close touch with other parts of DTI and are therefore able to signpost firms correctly and also pass on a flow of up to date information wherever it is needed. The flow of information and assistance is far from being one-way. Government itself derives much valuable material from the contact. The bottom line is that best practice is best disseminated by business-to-business links. DTI facilitates this by featuring in much of its literature real experiences of companies.

DTI (and some other departments) have regional offices in major cities throughout the United Kingdom, whose task is to visit, inform and help local industry and groups of companies, exporters etc.

There is also an increasing emphasis on seconding industrialists to the public sector. This not only gives better and more up to date information to government departments but enables their advice to carry greater credibility with the target audience. Industry looks to DTI and other departments as a source of unbiased and impartial information, but it is important that it is closely related to the realities and demands of industry and commerce. DTI's primary role is as a catalyst.

The context for change

A strong, prosperous and competitive industry is clearly an advantage to any country and government has a role to play in supporting, encouraging and informing. The aim of U.K. Government policies is to achieve this and to equip U.K. industry by acting as a catalyst to improve the exchange of best practice, of innovative approaches and of ready access to government help and information, as described in the paragraphs above.

The policies of the U.K. Government in this field are aimed at:

- improving the competitiveness of U.K. business;

- informing, encouraging and standing alongside industry to help them face current challenges and problems;

- helping industries faced with the need for change to tackle it head on and develop a strategy;

- encouraging industries to share experience and best practice with their peers;

- producing authoritative information on current topics, e.g. the European Single Market;

- making advice and information available locally to industry via a network of sources, such as Training and Enterprise Councils (TECs) and One Stop Shops;

- encouraging innovation, in the widest sense, so that firms are able to progress dynamically.

Implementing change

There is also a number of initiatives aimed at meeting industry's needs. Currently, one emphasis is on the "Managing in the 90s" programme. Its purpose is to help companies address the challenges of world-wide economic uncertainty, changing markets, demographic change, saturation of demand, environmental concerns, increased competition from newcomers to the marketplace and a more discerning end-user.

A recent emphasis has been on innovation. This is not simply generating new products but far more an openness to and enthusiasm for ideas and developments of all types that will improve the performance and competitiveness of industry. The most successful companies in world industry innovate in this sense on a very large scale and many believe that this is the secret of their success.

The programme initially focused on four areas of industrial performance – design, production, purchasing and quality – and has recently been extended and updated to include marketing and new product introduction. It aims to cover further topics in the future.

"Managing into the 90s" aims to help companies adapt and change – not by telling them what to do so much as by spreading the message of encouragement and best practice. Much of this is achieved through high quality, informative publications and seminars (attended by more than 50,000). The aim is to inform and enthuse businesses so that they become better aware of best practice and in this way become better able to share it with others.

One of DTI's most successful schemes is called "Inside U.K. Enterprise". This scheme enables representatives of U.K. businesses to visit leading companies employing management practice in a wide range of product areas. Key personnel can see successful methods and ideas in practice and are able to speak directly to those able to pass on their knowledge and expertise. It is a concept which is now being adopted in several other countries.

Costs naturally depend on the extent of the action taken. Extensive and longstanding arrangements for partnership and contact with industry will naturally be costly in terms of staff time and promotional material and seminars of all types. However the expectation is that this expenditure is more than repaid by the economic benefits in the long-term.

Key stakeholders include the relevant Divisions of government and also staff at a senior, decision-taking level in industry and the relevant associations.

Programmes of any size are likely to take several years to bear any fruit. In the U.K., DTI launched the Enterprise Initiative, an overall banner under which much of the current material appears, in 1988. Similarly, the programme of "Managing in the 90s" has taken many months planning and introduction and is still very much an ongoing initiative.

4.6 A particular initiative in local empowerment: Inner City Task Forces

The Task Force Programme was one of the first to specify within its objectives the aim of promoting improved co-ordination at the local level between the activities of Central Government departments, local authorities and other organisations. This activity is equivalent to the building of local partnerships.

Task Forces have demonstrated the need for improved co-ordination and partnership in inner city policy at the local level and have also shown that it could be improved to the benefit of inner city residents.

The context for change

The Task Force Initiative was established because the inhabitants of inner city areas were, to a significant extent, unable to participate, or were prevented from participating effectively, in a modern, developed, free market economy. Thus they were not benefiting fully from the improvement in the performance of the economy which had occurred, and they continued to experience very high levels of unemployment. Moreover, existing national and regional government programmes were not sufficiently fine-tuned to help people in the inner city areas overcome their economic, social and environment disadvantages.

The Initiative is experimental in nature, pioneering new approaches to inner city problems which have been broadly identified as those of employment, enterprise, employability and, more recently, education. The rationale for the Initiative is the belief that government intervention is required to correct the failure of the market economy to benefit this portion of the population and the consequent necessity to provide a focal point for encouraging change within government, introducing greater sensitivity to the practical issues in areas of particular social and economic difficulty. The Initiative's aim is to improve targeting and enhance the benefit to local people of money channelled through existing central programmes. It also has its own budget to allocate to suitable projects in the areas in which it operates and encourages the participation of the private sector. The successful approaches which develop from this process will be adopted or encouraged more widely in urban policy.

Implementing change

The Inner City Task Forces are small teams which operate in sixteen of the most deprived urban areas. They come from a wide variety of backgrounds – central and local government, the private and voluntary sectors – and have a wide range of experience. They concentrate on the economic regeneration of designated inner city areas by improving local people's employment prospects, stimulating enterprise development and strengthening the capacity of communities to meet local needs.

Task Forces:

- work strategically to identify local problems and opportunities;
- determine their intentions and priorities (including an agreed exit strategy) through annual Action Plans;
- are temporary in nature, so they work with other key actors and organisations to improve the capacity of the local community to sustain the regeneration of the area after the Task Force leaves;
- support projects which promote the creation and safeguarding of jobs, the provision of education and training programmes, and the direct support of businesses;
- stimulate economic activity in the area by pump-priming private sector involvement and investment;
- target the needs of specific disadvantaged groups, especially ethnic minorities;
- develop community services, improve the environment, and reduce crime by supporting initiatives which provide training or jobs;
- develop innovatory approaches which are capable of wider application.

The successful features of the Inner Cities programme, identified in this paper, have been replicated/reflected in other mainstream programmes. For example, the notions of targeting, broking partnerships, involving local communities and capacity building, underpin later initiatives such as City Challenge. The current Task Forces have an economic remit. If required, this could be adapted to include a social or an environmental dimension. They can be managed centrally, regionally or by a local authority. They can be set up in towns as well as in large cities. In short, the Task Force model is capable of wide application.

U.K. experience suggests that the system needs to be simple, along the lines of the following:

- small teams of five or six committed and enthusiastic people;

- teams should work in tightly defined areas, with a specific remit to get certain things done;

- teams should be allowed a considerable degree of autonomy and flexibility in the way they carry out their tasks;

- programme managers need to develop a sophisticated system for monitoring performance, evaluating effectiveness and disseminating good practice.

The costs of the U.K.'s Inner Cities Task Force Initiative are approximately £22 million per annum, which accounts for only about two per cent of total government policy expenditure devoted specifically to the regeneration of inner cities. The average Task Force expenditure per project across the whole programme is less than £30,000. The "outside" contributions from government and private sector organisations are important. For every £1 spent of the Task Forces' own funds, about £1.60 was spent from the funds of partner organisations: 40p from the private sector (in cash or kind), £1.10 from elsewhere in the public sector and 10p from the voluntary sector. Each Task Force has a leader and staff of typically four or five and spends on average £11.4 million pounds per year of its own funds.

Skills include the ability to see through an innovative programme in an environment which may be difficult and challenging. Strong management, representational and diplomatic skills will be needed.

Key stakeholders include the local Task Force manager (choosing the right person is absolutely critical) and senior local authority officials. Clearly there will be other important local players in industry, voluntary groups and so on.

It is also important to monitor the effectiveness of the Task Forces. In the U.K.'s Inner City Task Forces, effectiveness is monitored internally, and evaluated externally, so that lessons learnt can be applied not only to other Task Forces, but also to mainstream government programmes.

The programme has been in existence for seven years and has had time to develop a successful track record. In some task force areas, clear, demonstrable results were being achieved within one or two years of their establishment.

4.7 Decentralisation

Decentralisation suggests removing from central government those functions which are no longer considered appropriate to it. It may also involve dispersing functions away from the traditional seat of government. Traditionally, much of the U.K. Government machine has been centred in London (Whitehall) and only relatively recently have significant "central" functions been moved to the provinces.

Moving functions away from government altogether may involve stopping the activities completely, contracting them out or privatising them. These aspects are addressed elsewhere in this publication, in particular in the entry on Market-Testing and Contracting Out of Services. Functions may also be entrusted to Agencies, a topic covered in the entry on Improving Productivity.

This entry therefore concentrates on the other aspect: relocation.

The context for change

Relocation is seen as a means of improving value for money and reducing costs, by reducing accommodation and staff costs and improving staff recruitment and retention. Locations away from the seat of government are likely to offer poorer employment prospects (at least this has been the case in the United Kingdom). As a result, moves to provincial locations have enabled the Government to recruit better quality staff at lower salaries. This has often proved to give greater savings than merely the reduced cost of accommodation.

Implementing change

U.K. Government departments are expected regularly to consider relocation to sites offering best value for money, easier labour markets and increased operational efficiency.

Originally, there was a centrally-directed dispersal programme, under which a number of departments decided to move staff away from London. However, the current focus is on a delegated, value-for-money approach introduced in 1987. This places responsibility for taking relocation decisions with departmental Ministers who are best placed to take into account all the various factors. There is therefore no longer a centrally-directed programme, but the Treasury acts as a central source of experience and expertise. Departments report each year to the Treasury on their progress with, and plans for, relocation.

Discontinuation, privatisation and contracting out of an activity should be considered before relocation. If none of these options is practical, relocation is a further possibility.

The relocation review programme for most departments is likely to include four main stages:

i) A preliminary review to identify the main blocks of work which, on the face of it, are the most suitable candidates for relocation. However, it is best to look at every part of the department, without exception, because otherwise some areas will claim that they ought to be exempt from scrutiny (when in fact they are merely trying to defend the status quo).

ii) Consultation with the key stakeholding departments (those responsible for regional policy and local industries/employment), territorial departments and any department responsible for administering government-owned buildings and property.

iii) Preparation of a detailed study of alternative locations, their costs and benefits. At the end of this stage, decisions in principle to relocate may be made by departmental Ministers.

iv) Appraisal of alternative property options within the chosen area for relocation.

If going ahead with a move, it is best to have a dedicated relocation project team. They will work with management to maintain good communications with the staff involved. Identifying possible obstacles is achieved through consulting the main stakeholders and through awareness of the practical lessons on the appraisal and project management of recent relocations shared by other relocating departments. Those who have moved offices successfully are likely to be enthusiasts for the methods used and will probably have identified even better ones in some areas.

This naturally depends on the size of the project. If a thorough review of locations is to take place, involving proper cost/benefit analysis, it will certainly take two or three months for even a medium-sized block of work (perhaps 100 staff). This provides only the information on which to take a decision. The actual decision to relocate will involve much more: convincing senior management and Ministers, overcoming possible opposition from staff and making detailed plans to move the work. Experience shows that all this cannot be achieved in less than one to two years.