

# Well Placed to Deliver?

Shaping the Pattern of Government Service

Independent Review  
of Public Sector Relocation

Sir Michael Lyons

March 2004



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# Foreword

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## 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.

A handwritten signature in black ink, appearing to read 'M. Lyons', with a stylized flourish extending to the right.

Sir Michael Lyons

