

Leicester
City Council

WARDS AFFECTED
All Wards (Corporate Issue)

Cabinet

25th July 2005

PUBLIC SECTOR RELOCATION (THE LYONS REVIEW)

Report of the Town Clerk

1. Purpose of Report

- 1.1 To seek Cabinet's commitment to pursuing relocations to Leicester, and to consider the request of SP&R Scrutiny Committee to set up a cross party working group.

2. Report

- 2.1 On 22nd June 2005, SP&R Scrutiny Committee considered the report in the Supporting Information on the steps being taken to attract public sector relocation to Leicester. The Committee was keen to do all possible to smooth the path of relocating organisations and to demonstrate that Leicester has a joined-up Council willing to work with these bodies. They resolved:

“That Cabinet be requested to set up a cross party working group and include relevant parties such as the Leicester Regeneration Company, to look at how the Council should go forward in ‘selling’ Leicester as a relocation choice for public sector departments.”

- 2.2 Local Authority commitment, preferably all-party, to supporting the relocation process, is important and the Cabinet is asked to express such commitment and decide how Members might best support the work of the partners, led by the LSEP.
- 2.3 When the Lyons Review was published fifteen months ago, the Council joined with the Leicester Regeneration Company (LRC), Leicester Shire Promotions Ltd (LPL), the County Council and the Leicester Shire Economic Partnership (LSEP) to set up a Public Sector Relocation Project Team. This officer team is headed by a full-time LSEP-funded manager, with the other partners contributing officer time. All other expenses (advertising, conference attendance, marketing materials etc) are paid for through the LSEP project. The sub-regional partnership approach has distinct advantages for the Council, including no direct cost and the ability to tap into existing networks and achieve economies of scale.
- 2.4 The work of the officer team is itself overseen by a small co-ordinating group, where the City Council is represented by the Chief Executive, with the Service Director (Property) as deputy. The Council has now set up an internal team, led by the Service Director (Property) to co-ordinate and drive its support for the initiative.

- 2.5 Progress of the LSEP project is reported six-weekly to the LSEP Board, of which the Leader of the Council is a member. The Deputy Leader also receives reports in his role on the Board of the Leicester Regeneration Company. The Cabinet Lead Members for the City Centre and for Regeneration receive briefings on progress, as do the Leicester Economic Regeneration Partnership and the Strategic Planning and Regeneration Scrutiny Committee.
- 2.6 The Public Sector Relocation Project Team are happy to make presentations to Members on request. It is intended to brief SP&R on the "Leicester offer" at their meeting on 14th September, and Cabinet Lead Members will also receive the information.

3. Recommendations

- 3.1 That the Cabinet express their commitment to pursuing relocations to Leicester and to supporting relocating organisations.
- 3.2 That the Scrutiny Committee's recommendations be considered and Cabinet decide how Members might best support the project.

4. Financial and Legal Implications

- 4.1 There are no direct legal implications of this report. A Working Group would be set up under the Council's Constitution, with terms of reference to be decided.
- 4.2 The successful relocation of civil servants to Leicester from London & the South East is likely to have significant financial implications, although at this early stage they are impossible to quantify. (Mark Noble)

Firstly, the relocation of civil servants is likely to kick start the development of new office provision in the New Business Quarter. The provision of new let office space would be likely to be positive for the Council under the Local Authority Business Growth Incentive scheme.

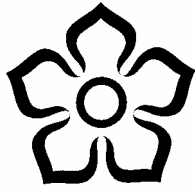
Secondly, large scale relocations to Leicester would be expected to be positive towards the regeneration of the City. Property values, including those owned by the Council, could be expected to rise, and residential development would be encouraged.

If new office accommodation was constructed, this would also be likely to result in additional costs such as infrastructure improvements, though these may be funded through S106 contributions and / or government grants. Residential development (which is likely to be encouraged by new let office space) would also require substantial City Council investment in areas such as highways, education provision and affordable housing.

5. Report Author:

Guy Wisbey
Policy Officer (Regeneration)

Tom Stephenson
Town Clerk



Leicester
City Council

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Strategic Planning & Regeneration Scrutiny Committee
Cabinet

22nd June 2005
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UPDATE ON PUBLIC SECTOR RELOCATION (THE LYONS REVIEW)

SUPPORTING INFORMATION

1. Report

- 1.1 Although the Government fully accepted the recommendations of the Lyons Review, which advocated the relocation of 40,000 to 100,000 public sector workers from London and the South East, it has been overshadowed by the Gershon Efficiency Review which proposed cuts totalling 84,000 posts. There has therefore been little genuine movement on Lyons, with the few recent announcements of relocations having already been in the pipeline. Realistically, only 20,000 posts will relocate by 2010, and many of them will be from smaller Government agencies.
- 1.2 A project team including representatives from the City, County, LRC, LSEP, Leicester Shire Promotions and the Leicester Mercury, amongst others, has been working for a year. The team has concentrated on getting intelligence on the likely movers, making initial contacts, and most of all on gathering the evidence supporting Leicester and Leicestershire's case. There is now a loose-leaf brochure and a website www.relocateleicester-shire.gov.uk While the Council and the other partners contribute staff time, other costs such as printing, conference attendance and the full-time co-ordinator are paid for as a LSEP project.
- 1.3 Leicester is considered likely to get 'something', especially given its strengths against the known Government criteria:
- Low business costs
 - Diverse workforce which will help the Civil Service be more representative of the communities it serves
 - Offers employment opportunities to areas in the most deprived 20% of wards, measured by the Index of Multiple Deprivation
- 1.4 The task of the project team is to successfully compete with some 200 other cities and towns in attracting public sector organisations. The other key strengths we are emphasising are:
- Location and accessibility, in the centre of England yet 90 minutes from London
 - Affordable office accommodation with advanced ICT infrastructure
 - Competitive workforce costs with large numbers of local graduates

- Excellent quality of life with affordable housing and exciting sports, leisure and cultural opportunities
- 1.5 Potential relocation destinations have to make their own contacts with relocating Departments and agencies. While we have chosen not to deluge the Civil Service with glossy brochures, we have taken an intelligence-led approach to contacting decision makers and use emda's consultant to arrange face-to-face meetings.
- 1.6 So far, there have been three relatively advanced enquiries:
- An anonymised enquiry, probably from a quasi-judicial body, looking for a location for some 150 staff, which we now understand is looking further at Manchester,
 - The NHS Institute, the successor body to the NHS University, which is after all to go to the originally earmarked building at the University of Warwick, and
 - The new National Offender Management Service (NOMS), the amalgamation of the Prison and Probation Services, is looking for a new national headquarters employing up to 2,000 staff. We understand that NOMS has shortlisted Derby, Leeds, Leicester, Nottingham and Sheffield. We have met the NOMS project team in Leicester and shown them the offer in the LRC New Business Quarter, and are now working up a bid document to submit in September.
- 1.7 Whilst NOMS is obviously the biggest prize at stake at present, we continue to target all possible organisations, and work with those agencies already present in the City to ensure we retain them.
- 1.8 We have had excellent co-operation from our partners. The LRC is keen to put together a package with a major developer, and it is very good news that the Charles Street site will now include some speculative high quality offices. Jobcentre Plus has also done a great deal of work towards the labour market offer. The Leicester Mercury is running a series of high profile articles under the banner "Changing our City", and development initiatives by the Universities and the NHS Trusts are raising Leicester's national profile. Private sector partners such as the Chamber of Commerce, the Institute of Directors and Procon have offered their full support when needed.

2. Future developments

- 2.1 Evidence from previous relocations across the country has shown what a key role the level of local support offered throughout the relocation process has played in the final decisions taken on the selection of a location. Discussions with those responsible for recent moves, such as the Met Office to Exeter, emphasised the absolute importance of being able to 'sell' the destination to existing key staff, so as to minimise disruption to services. The project team is now working on this support package.
- 2.2 The LSEP gave a presentation to Corporate Directors Board (CDB) on 17th May on the areas of support that the City Council could give. CDB agreed to set up an inter-departmental working group, led by Lynn Cave, to progress matters; and to commission a Cabinet report expressing the Council's commitment to supporting relocations to Leicester. The main areas where the City Council can contribute are:

- All-party Political commitment and certainty that the City Council will do everything in its power to assist relocating organisations
- Providing policy and practical support on issues relating to education, social services, planning, transportation and housing for those staff, their families and dependants considering moving to the area as a result of relocation
- Provision of information on community facilities, housing, health services, employment opportunities for spouses, further and higher education institutions, leisure/sport/cultural facilities, and retail facilities
- Practical help, with partners, in hosting visits

2.3 The working group will aim to provide the requested information and commitments in time to be included in the NOMS bid.

2.4 A key area which all partners need to continue addressing is the image and profile of Leicester. Initial discussions with decision makers at conferences suggested that they had not thought of Leicester and Leicestershire as a destination, but that they were keen to learn more. It is intended to commission a high quality “lifestyle” visual and audio presentation on living and working in the Leicester and Leicestershire area – aimed at civil service staff and their families considering relocation.

2.5 Many of the identified work areas to attract public sector relocation are generic Inward Investment initiatives, which we ought to be addressing in any case. Particular elements within the remit of this Scrutiny Committee are:

- Workforce skills and availability (and bespoke training packages)
- Joined-up working in Leicester city centre – turning plans into reality and making the links between office and workspace development, employment land, retail development, housing, leisure/cultural facilities, local procurement/employment policy issues, public transport, environmental improvements
- Overcoming the constraints and securing the release of sites for new office development which can be delivered within the timescales of those considering relocation
- Strategic issues relating to local procurement, maximising local employment opportunities, skills development, housing, the environment and transport
- Quality of life issues – for example, the retail offer, the night time economy, the leisure and cultural offer

2.6 It should be stressed that supporting relocation and inward investment does not mean giving preferential treatment or changing existing policies. In most cases it simply means providing a clear statement of the availability of the service and a point of contact for further information. An example would be if a relocating civil servant has a child with special needs, and would therefore be anxious to ensure that the same level of care would be available as soon as they relocated to Leicester.

3. Conclusion and recommendation

3.1 We are not treating a public sector relocation as the magic ingredient to ensure Leicester’s urban renaissance. It is well worth investing effort to have the chance of bringing secure high quality jobs to Leicester, and most of the work will help improve our chances of attracting other inward investment, and making the best use of the physical regeneration of the City.

- 3.2 The Scrutiny Committee is asked to express its support for the efforts to secure a public sector relocation to Leicester.
- 3.3 Cabinet is asked to confirm the Council's commitment to supporting relocating organisations.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4. Financial Implications

4.1 None from this report

5. Legal Implications

5.1 None from this report

6. Other Implications

6.1

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERENCES WITHIN SUPPORTING PAPERS
Equal Opportunities	NO	
Policy	YES	2.2
Sustainable and Environmental	NO	
Crime and Disorder	NO	
Human Rights Act	NO	
Older People on Low Income	NO	

7. Background Papers – Local Government Act 1972

SP&R Scrutiny Committee 1st April 2004 – paper on the Urban Action Plan
 SP&R Scrutiny Committee 15th September 2004 – paper on Sustainable Communities

8. Consultations

Consultee	Date
LSEP & project team	3 rd May 2005
Corporate Directors Board	17 th May 2005

9. Report Author

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