

Framework to Underpin Decisions on the Location of Public Sector Jobs resulting from the Review of Public Administration

Executive Summary
November 2007



Department of
**Finance and
Personnel**

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Executive summary

Introduction

1. This document provides an executive summary of the framework to underpin and provide a robust process for decision-making on the location of public sector jobs resulting from the Review of Public Administration (RPA). The full framework document can be downloaded at www.rpani.gov.uk/index/cross-cutting-themes/estate-issues.htm

Background

2. The RPA reached a conclusion in March 2006. Thereafter implementation was taken forward by the relevant government departments. Following the return of devolution and the Northern Ireland Executive in May 2007 various aspects of the RPA are currently under review or have had their timetables altered.
3. While recognising that the outcomes of the various reviews are not yet complete, it is clear that the implementation of Ministerial decisions in relation to RPA could potentially result over time in some relocation of public sector jobs across Northern Ireland. There is currently guidance on relocation and accommodation, however, the scale of change provides opportunities to review the policy framework and in particular the principles which need to underpin location decisions resulting from the RPA.
4. Accordingly a cross-sectoral Estates Working Group, chaired by DFP was set up in summer 2006. The Working Group issued a set of draft guiding principles for public consultation in January 2007: **Guiding Principles for the Location of Public Sector Jobs in Northern Ireland**¹. The Committee for Finance and Personnel then published its 'First Report on Workplace 2010 and the Location of Public Sector Jobs' in July 2007².
5. Recognising that decisions around the future location of public sector jobs could have important implications for communities throughout Northern Ireland and the need for a longer term strategy, the Executive subsequently agreed a two-pronged approach:

¹ http://www.rpani.gov.uk/estates_final_guiding_principles.pdf

² <http://www.niassembly.gov.uk/finance2007mandate/finreports-07.htm>

- **To put in place a framework to provide a robust process for decision-making on the location of RPA-related bodies; and**
 - **To undertake a time-bound review of policy on the location of public sector jobs in Northern Ireland.**
6. The Minister made a statement to this effect to the Northern Ireland Assembly on 24 September 2007³.
 7. This document is an executive summary of the framework which is the first element of the approach agreed by the Executive. It also outlines progress on the second element – the time-bound review of location policy.

Framework

8. This framework is relevant to those decisions on the location of public sector jobs resulting from the RPA. It replaces the DFP guidance on ‘Dispersal of Northern Ireland Civil Service Jobs’ produced in March 1999 and whilst compliance by other sectors including local authorities cannot be mandated, there is an expectation that decision makers will follow the framework as it provides a robust and transparent process and consistency in the approach to decision-making across sectors.
9. The framework will be examined as part of the policy review and therefore may change as a result of the final outcome. However, in the interim it should be applied to any decisions being made about the location of RPA-related bodies.
10. The framework is made up of two key components:
 - **A set of five guiding principles; and**
 - **A detailed methodology on how the principles should be applied.**
11. The guiding principles and the methodology on how the principles should be applied are set out at Annexes A and B to this summary. Full details are set out in the framework document www.rpani.gov.uk/index/cross-cutting-themes/estate-issues.htm

³ <http://www.niassembly.gov.uk/record/reports2007/070924.htm#3>

12. The five guiding principles are underpinned by a detailed methodology on how the principles should be applied throughout the decision making process. It aims to promote an efficient and equitable process that in turn supports efficient and equitable outcomes and meets accountability requirements. In brief, the methodology adopts an impact statement approach in particular to broaden the initial long list of locations. Thereafter detailed appraisal should be undertaken as set out in the Northern Ireland Practical Guide to the Green Book complemented by a commentary recording how the guiding principles have been applied throughout the process. In line with the Northern Ireland Practical Guide to the Green Book, those responsible for location decisions should ensure that each decision should be subject to comprehensive but proportionate assessment.
13. The Estates Working Group has established a base case of data which decision-makers should draw on as appropriate in applying the framework. Further detail on the information available can be found in the full framework document.

Review of policy on the location of public sector jobs

14. The framework will provide a robust and transparent methodology for decisions on location for the RPA-related bodies. However, the Executive also recognised the need to think about the longer term. The wide spectrum of opinion on the issue of location was reflected in the responses to the consultation exercise and the Committee for Finance and Personnel also called for a strategic approach with a cross-cutting strategy on jobs location. The Executive therefore agreed to initiate a time-bound review, the outcome of which would enable the Executive to come to an agreed approach to location policy. The terms of reference for the review will shortly be discussed by the Executive and the review will get underway as soon as practicable thereafter.

Conclusion

15. The issue of public sector job location is complex and in reaching a practical way forward the Executive have agreed to a detailed time-bound review of policy alongside a robust framework to facilitate decision making for RPA-related bodies. Those with responsibility for taking decisions on the location of public sector jobs resulting from the RPA in the forthcoming period should therefore apply the framework until such times as the review is concluded and the Executive reaches conclusions on future policy.

Queries in relation to the framework should be directed to:

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Guiding principles

Principle: Improving service delivery

- Objective of principle: To ensure decisions on the location of public sector jobs help drive improvements in service delivery through embracing innovation and collaboration and ensuring skills retention.
- Sub-principles:
 - Providing workspace that promotes effective working and makes best use of ICT to enable the provision of more efficient, effective and accessible public services;
 - Providing local public services where demand and need exists;
 - Exploiting opportunities for co-location, co-operation and integration of services to meet customer and business needs and achieve economies of scale;
 - Ensuring skills retention; and
 - Promoting the creation of effective new organisational cultures.

Principle: Achieving value for money

- Objective of principle: To ensure decisions on the location of public sector jobs deliver value for money to secure the best deal for the taxpayer and release resources for front line services.
- Sub-principles:
 - Releasing funding to priority front line services;
 - Maximising value for money for the taxpayer in line with Green Book guidance;
 - Minimising, where possible, transitional costs such as recruitment, travel, staff costs, training, and parallel running; and
 - Ensuring effective asset management through a co-ordinated approach which makes best use of existing assets to deliver a smaller, more efficient portfolio and maximises value for money on the basis of whole life costs.

Principle: Maximising social and economic benefits

- Objective of principle: To ensure that, as well as delivering value for money, decisions on the location of public sector jobs support efforts to tackle inequality and disadvantage and stimulate economic growth across Northern Ireland in a way that promotes sustainable development.
- **Sub-principles:**
 - Supporting development in areas of social and economic deprivation (in line with the Anti Poverty Strategy);
 - Contributing to local economic growth and sustainability in line with the Regional Development Strategy;
 - Taking rural issues into account through rural proofing;
 - Taking account of the impact on public employment within the new Council boundaries (when these are agreed); and
 - Promoting sustainable development in line with the Sustainable Development Strategy for Northern Ireland.

Principle: Taking Account of Staff Interests

- Objective of principle: To ensure that decisions on the location of public sector jobs and the decision-making process take staff interests into account.
- **Sub-principles:**
 - Respecting staff rights, terms and conditions;
 - Engaging fully with staff and their representatives throughout the decision-making process; and
 - Seeking to provide sustainable career development opportunities for staff, taking account of their mobility, travel to work and work-life balance needs

Principle: Promoting equality and good relations

- Objective of principle: To ensure that decisions on the location of public sector jobs and the decision-making process work positively to promote equality and good relations.
- **Sub-principles:**
 - Contributing to the equitable distribution of public sector employment opportunities;
 - Promoting equality and good relations and creating opportunities to address inequalities in access to services and employment opportunities for vulnerable groups and communities;
 - Creating a decision making process that is objective, open and transparent;
 - Ensuring open communication and consultation with the public and their representatives during the decision making process; and
 - Promoting good relations between different groups as specified in Section 75(2) of the Northern Ireland Act 1998.

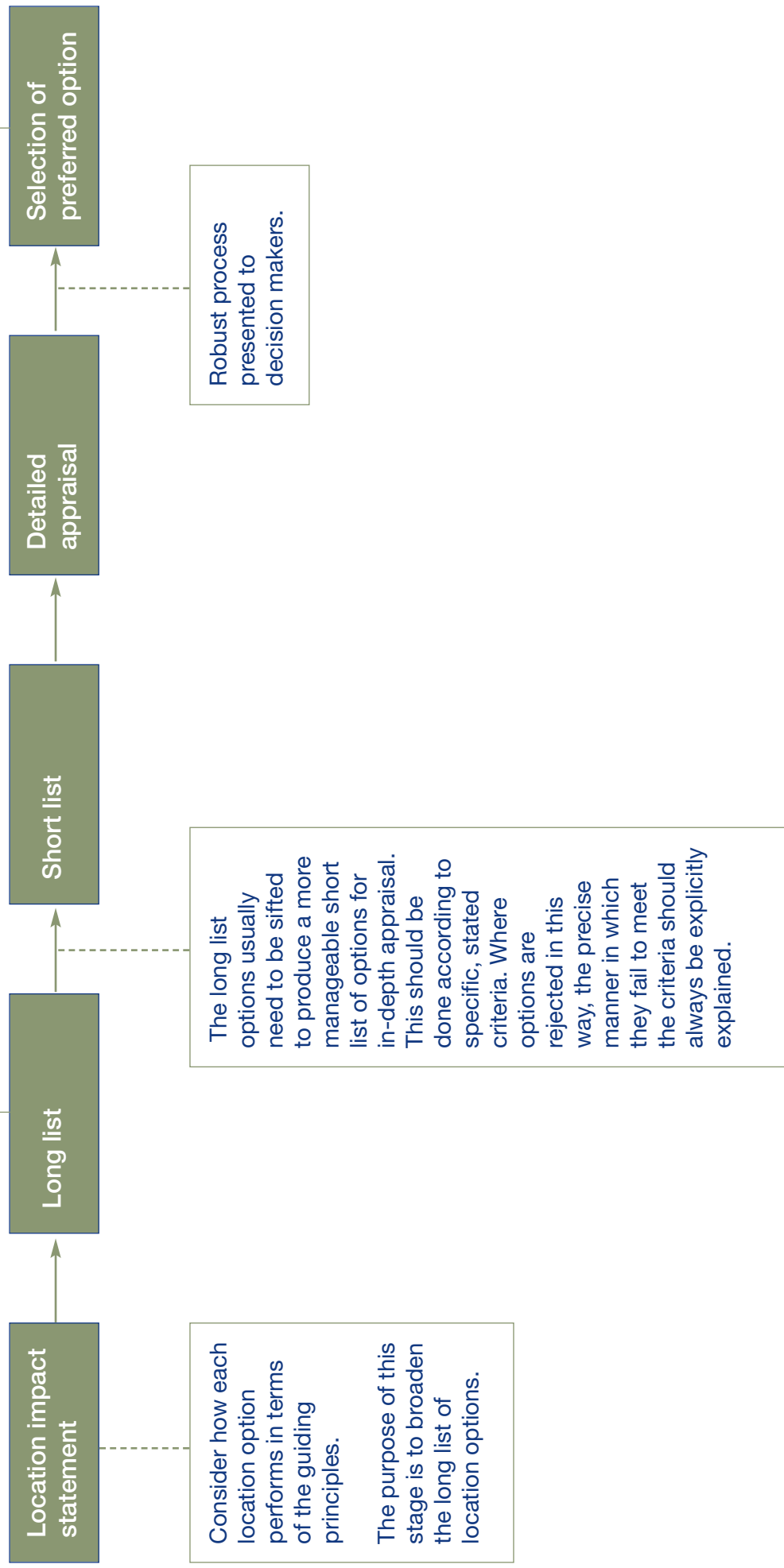
Methodology for application of the guiding principles

Outline of approach

Annex B

Guiding principles applied throughout

Business case process as per the NI
Practical Guide to the Green Book



Outline of Methodology

Outset stage

Location impact statement



Long list of accommodation options

Short listing stage

Assess performance against Guiding Principles plus any project specific objectives that are not covered in the Guiding Principles plus any project specific constraints



Short listed



Not short listed



Conventional monetary and non-monetary analysis



Selection of the preferred option



Commentary

Record how the guiding principles have been applied throughout

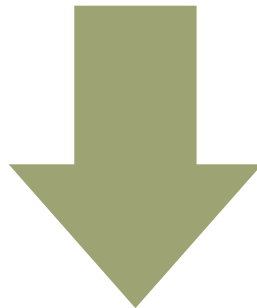
Overview

The Outset Stage involves assessing location options exclusively against the guiding principles. At short listing Stage, accommodation options are assessed against the guiding principles plus project specific objectives and project specific constraints.

Outset: Location Impact Statement

- The purpose of the outset stage is to broaden the initial long list of location options.
- A wide range of location options are considered exclusively against the location guiding principles at the outset. Location options might include Regional Hubs identified in the Regional Development Strategy.
- The impact statement at the outset stage is primarily descriptive. However, assessment against the guiding principles should be informed, drawing on available information including quantitative information. This might include the information collated by the Estates Working Group, plus any additional information. The aim is to populate the Location Impact Statement and not to rank the locations.
- It would not be appropriate to 'rule out' location options at this stage as they have not yet been assessed against other factors relevant to the accommodation decision.

All locations considered at the outset stage are carried forward into the economic appraisal to the Long list



Economic Appraisal: Short listing Stage

- Section 2.4.4 of the Northern Ireland Practical Guide states that ,
“The long listed options usually need to be sifted to produce a more manageable ‘short list’ of options for in-depth appraisal. This should be done according to specific, stated criteria. These may be expressed in terms of, for example, failure to satisfy the principal objectives of the proposal, or violation of important constraints regarding finance, manpower availability, policy commitments, site suitability and so on. Where options are rejected in this way, the precise manner in which they fail to meet the criteria should always be explicitly explained.”
- Short listing stage will involve assessing the Long list of accommodation options against the Guiding Principles plus Project Specific Objectives and Project Specific Constraints that are not covered in the guiding principles.

Accommodation Project Specific Objectives

The following principles should be applied when identifying accommodation project level objectives and constraints:

- SMART objectives (**S**pecific **M**easurable **A**greed **R**ealistic & **T**ime-dependent).
- Substantial quantification included rather than vague qualitative aims.
- Outputs to be produced are expressed in measurable terms.
- Constraints are clear e.g. technical, legal, financial, political, timing.
- Implementation targets included e.g. dates for completion of milestones.
- Provides sufficient detail to enable option generation and option performance assessment.

Project Specific Constraints

- Constraining factors might include for example timescales, accommodation schedules and specification and planning permission.
- Constraints should not only be listed, but also explained fully.
- It seems likely that in many cases there may well be an overlap between the accommodation project objectives and the guiding principles. If this is the case i.e. there is an overlap, there should be a short commentary listing which of the project objectives are already contained in the guiding principles and their subheadings. The important thing is that looked at holistically, the short listing process is capable of bearing scrutiny.
- The short listing impact statement will comprise the guiding principles plus any additional project objectives not covered by the guiding principles (please see example in the full framework document). Any project specific constraints should also be included in the short listing stage impact statement.
- Assessment at Short listing stage is envisaged to be primarily descriptive, akin to a 'list and describe' method of considering accommodation options against the guiding principles, project specific objectives, and project specific constraints.

Any narrative or description should be informed by both quantitative and qualitative information, drawing on information collated by the Estates Working Group plus any additional information that may be relevant to a particular decision. There would be no scoring of options at this stage.

- Performance against these attributes will provide those undertaking the economic appraisal with an indication as to which accommodation options should form the short list. Accommodation options are then divided into two categories as follows:

Short-listed

Not Short-listed

- The rationale for placing accommodation options in either category should be presented clearly. In addition, the rationale underpinning any constraint should be fully explained and recorded.

- The Short list should include the status quo option which is normally retained as a benchmark.

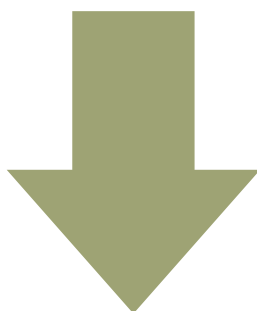
The Northern Ireland Practical Guide, section 2.4.6 states:

“The status quo should normally be short-listed and appraised even where it is not considered to be a realistic option. Its function is to provide a benchmark so that the VFM of the alternative 'do something' options may be judged by reference to current service provision. The exception to this requirement is where the appraisal concerns the introduction of a wholly new service, that is, where there is no existing provision to appraise.”

- Section 29 of the consultation document ‘Guiding Principles for the Location of Public Sector Jobs in Northern Ireland’ (Jan 2007) states:

“The Estates Working Group has not sought to rank these proposed guiding principles into a priority order because depending on the different sectors and issues appropriate to those sectors and the specific circumstances of decisions, decision-makers would have to consider the varying levels of importance of the individual principles”

**Short list carried forward to
selection of the preferred option stage**



Economic Appraisal: Selection of the Preferred Option

- Accommodation options carried forward in the Short list are subject to conventional monetary and non-monetary analysis.

Conventional Monetary Analysis

- Identify and quantify the monetary costs and benefits of each accommodation option (The Northern Ireland Practical Guide, Section 2.5)

Conventional Non-Monetary Analysis

- Weigh up non-monetary costs and benefits of each accommodation option (The Northern Ireland Practical Guide, Section 2.7).
- Selection of the preferred option involves bringing together all key decision making information from the monetary and non-monetary analysis.
- The final stage of the methodology comprises a summary commentary section recording how the Guiding Principles have been applied throughout.
- **Any decision would only be taken once all of the stages, including commentary on application of the guiding principles, are complete.**

Benefits of the Proposed Approach

Economic Appraisal Guidance

- The proposed approach is consistent with the current HM Treasury Green Book (2003) and The Northern Ireland Practical Guide to the Green Book (2003).

Timing

- Consideration of location options against the location guiding principles at the outset stage broadens the initial long list of locations.

Transparency and Accountability

- The outset stage provides an opportunity for location options to be considered exclusively against the location guiding principles.
- The guiding principles continue to be applied throughout the economic appraisal, with the final stage providing an opportunity to record how the guiding principles have been applied throughout.

Consistency and Flexibility

- The proposed approach offers both consistency and flexibility. The timing and application of the guiding principles, from the outset and through to selection of the preferred option, will be consistent across all decisions. However, this approach offers flexibility to incorporate objectives and constraints relevant to each decision. Whilst sectors can draw upon information collated by the Estates Working Group, they may also incorporate any additional sector/project specific information which may be relevant to a decision.

Monetary/Non-Monetary Analysis

- Selection of the preferred option will involve consideration of both monetary and non-monetary costs and benefits. The final stage of the methodology brings together the findings from the monetary and non-monetary analysis, recording how the guiding principles have been applied throughout.
- Whilst value for money from a financial perspective is important, any decision will also need to reflect social and environmental policy considerations in arriving at an overall value for money assessment.