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THE RELOCATION OF PUBLIC SECTOR JOBS IN ENGLAND, SCOTLAND AND THE REPUBLIC OF IRELAND

A review of policy on the location of public sector jobs in Northern Ireland was recently announced. This paper refers to the experiences of public sector job relocation in England, Scotland and the Republic of Ireland. The various policies and the associated outcomes are outlined, and any potential lessons for Northern Ireland identified.

Research Papers are compiled for the benefit of Members of The Assembly and their personal staff. Authors are available to discuss the contents of these papers with Members and their staff but cannot advise members of the general public.

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1. Introduction

The relocation of public sector jobs away from capital cities has become an increasingly high profile (and often contentious) policy in Europe. Locally, the Department for Finance and Personnel (DFP) has recently published a 'Framework to Underpin Decisions on the Location of Public Sector Jobs resulting from the Review of Public Administration' and announced a review of policy in this area. This paper outlines the events behind these developments and refers to the experiences of public sector job relocation in England, Scotland and the Republic of Ireland to identify any lessons for Northern Ireland (NI).

2. The Rationale for Relocation

Relocation usually involves “dispersing” or “decentralising” staff from the main urban centre of an area. The resultant “spreading” of jobs into smaller, or less densely populated regions, is argued to enable the redistribution of employment, economic, and other benefits¹.

The following specific arguments for relocation (or decentralisation) are cited²:

1. *Reduction of costs*: By moving away from capital cities, it might be possible to avail of lower rent and labour costs³;
2. *Improvement in the quality of services*: Provincial areas may offer opportunities to attract and retain better quality staff, since labour markets are less tight;
3. *Catalyst for change*: This motive was central to the French, Irish and UK proposals for relocation, and has become increasingly significant given a growing European emphasis on improving efficiency and modernising the public sector⁴;
4. *Making government open and accessible*: This has been a stated objective of the Scottish relocation policy;⁵
5. *Improving policy delivery*: By moving staff closer to the origin of policy, policy-makers' local knowledge may be improved. The Norwegian proposals for dispersal suggest that the spatial separation of regulatory agencies increases their ability to be independent of the agencies that they seek to regulate⁶;
6. *Improving balance between the centre and the periphery*: In France, Finland, Ireland and the UK, relocation has been used to create jobs and encourage economic development in provincial regions while simultaneously reducing inflationary pressures in the property and labour markets of the capital cities⁷;
7. *Making national policy more effective by reducing regional disparities*: This is a less frequently cited objective of relocation policy, but was highlighted by Experian in 2004; it was argued that reducing the uneven geography of a country makes monetary policy more effective⁸;
8. *National security*: It is also argued that the dispersal of government functions, and/or the creation of back up offices away from capital cities, is a prudent security measure. Japan has used this approach as part of their natural disaster planning⁹.

¹ *Comparative Relocation Policies*, SPICe Briefing, 26 February 2004

² As cited in Marshall, *Public Sector Relocation Policies in UK and Ireland*, European Planning Studies, 15, 2007

³ Marshall et al (2003)

⁴ Lyons (2004)

⁵ It is debatable as to whether general dispersal might achieve this outcome. A clearer example might be the dispersal of specific departments to more appropriate locations, for example relocating the agricultural department to a rural area; a policy objective in Finland

Yliskyla-Peuralahti (2003)

⁶ www.eiro.eurofound.eu.int

⁷ Lyons (2004)

⁸ Experian (2004)

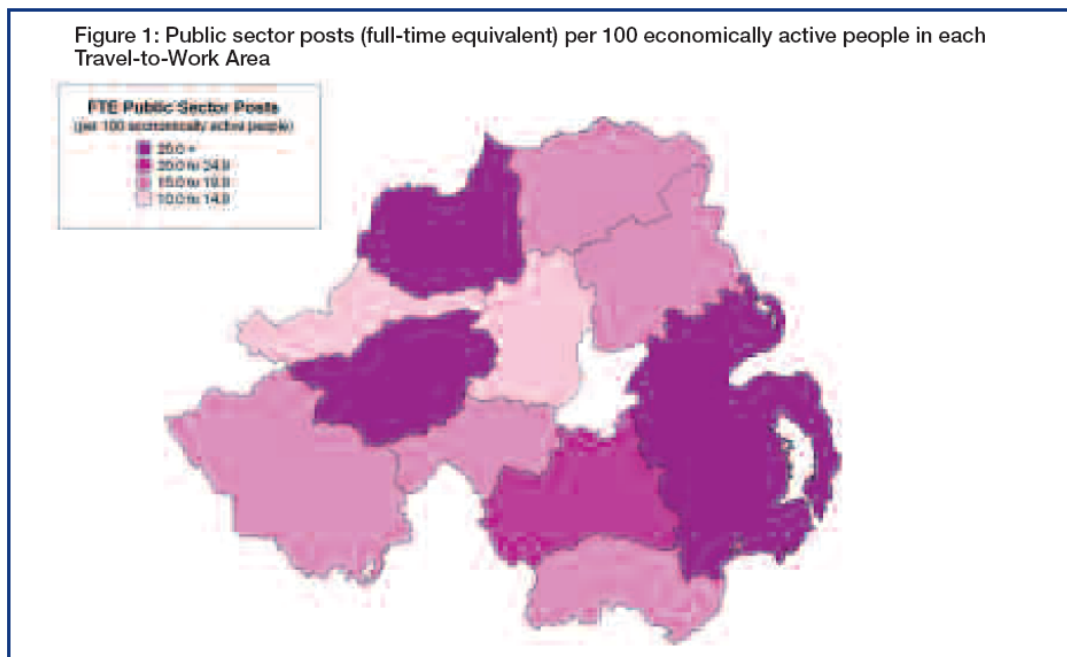
⁹ www.mlit.go.jp/kokudokeikaku/daishu/English/er_001.html

3. Public Sector Relocation in Northern Ireland

3.1 The Existing Distribution of Public Sector Jobs

The Department for Trade, Enterprise and Investment defines the areas within which the majority of people live and work as Travel-to-Work-Areas (TTWA). The figure overleaf indicates the distribution of full-time equivalent public sector jobs per 100 economically active people in each TTWA¹⁰.

The highest proportions of public jobs are found in Omagh (30.1), Belfast (28.1) and Londonderry (25.9); lowest figures apply to Strabane (13.3), Mid-Ulster (14.5) and Ballymena (16.8). Annex 1 details all figures.



Source: http://www.rpani.gov.uk/estates_framework.pdf

3.2 The Development of a Relocation Framework

Relocation guidelines in NI have developed with the following sequence of recent events:

- **March 1999:** DFP published '*Dispersal of Northern Ireland Civil Service Jobs*'.
- **May 2001:** The NI Executive commissioned a review, which considered the scope for decentralising civil service jobs and proposals for future locations. This covered the accommodation needs of the 11 NI government departments and identified a number of issues regarding the structure of the Government estate, dispersal policy and space utilisation.¹¹
- **June 2002:** The RPA was launched by the NI Executive, involving a comprehensive examination of the existing arrangements for the administration and delivery of public services in NI¹².

¹⁰ Source: Census of Employment 2005. Each part-time job has been counted as half a full-time job. The count is based on where the jobs are located.

¹¹ *Report on Workplace 2010 and Public Sector Jobs Location*, Committee on the Programme for Government

¹² It covered over 150 bodies, including the 26 district councils, the Health and Social Services Boards and Trusts, the five Education and Library Boards and approximately 100 other public bodies.

- *March 2006:* The RPA concluded; some outcomes created potential for the relocation of public sector jobs across NI.
- *Summer 2006:* A cross-sectoral Estates Working Group was set up and issued '*Guiding Principles for the Location of Public Sector Jobs in Northern Ireland*'.
- *September 2007:* The Committee for Finance and Personnel published '*First Report on Workplace 2010 and the Location of Public Sector Jobs in NI*', recommending that:
 - An affirmative policy be developed to ensure the capacity of the public sector in delivering a range of services efficiently and effectively, that the approach be sustainable, and implemented '*for the benefit of the whole of NI*';
 - A strategic approach be adopted in terms of locations, jobs, functions and units selected;
 - Assurances be provided that contract and costs in respect of Workplace 2010 do not militate against future relocation decisions;
 - Lessons be learned and applied from the international experience of relocation;
 - That appropriate weighting be given to longer-term strategic gains, including the potential of dispersal in supporting the development of regional economic hubs and in closing the significant regional economic and prosperity gaps within NI;
 - That the department takes the lead in developing a cross-cutting strategy on jobs location and that this apply best practice, based on experience elsewhere;
 - That the department commissions an independent study on how to maximise the longer-term economic, social and environmental benefits from dispersal policy.

On 27 November 2007, the Department of Finance and Personnel published a '*Framework to Underpin Decisions on the Location of Public Sector Jobs resulting from the Review of Public Administration*'. This guidance specifically relates to relocation decisions resulting from the Review of Public Administration and provides a set of five guiding principles, which incorporate the majority of the Committee's recommendations¹³:

1. *Improving service delivery:* by embracing innovation, collaboration, skills retention;
Sub-principles:
 - Providing workspace that promotes effective working and best use of ICT;
 - Providing local public services where demand and need exists;
 - Exploiting opportunities for co-location, co-operation and integration of services;
 - Ensuring skills retention; and
 - Promoting the creation of effective new organisational cultures.
2. *Achieving value for money:* ensure value for taxpayer and optimal use of resources:
Sub-principles:
 - Releasing funding to priority front line services;
 - Maximising value for money for taxpayer, per Green Book guidance;
 - Minimising transitional costs, e.g. recruitment, travel, staff costs, training; and
 - Ensuring effective asset management via a coordinated approach which makes best use of existing assets
3. *Maximising social and economic benefits:* to tackle inequality, disadvantage and stimulate economic growth in a way that promotes sustainable development:
Sub-principles:
 - Supporting areas of social and economic deprivation, per Anti Poverty Strategy;
 - Contribute to economic growth and sustainability, per 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 agreed); and
 - Promoting sustainable development, per Sustainable Development Strategy
4. *Taking Account of Staff Interests:*
Sub-principles:
 - Respecting staff rights, terms and conditions;
 - Engaging fully with staff and their representatives during process;
 - Seeking to provide sustainable career development opportunities for staff, taking account of mobility, travel to work and work-life balance needs

¹³ The framework also provided a methodology, which outlined how to apply the principles

5. *Promoting equality and good relations:*

Sub-principles:

- Contributing to equitable distribution of public sector job opportunities;
- Promoting equality, good relations and job opportunities for the vulnerable
- Creating an objective, open and transparent decision making process;
- Ensuring open communication and consultation with public and representatives;
- Promoting good relations between different groups, per Sect. 75(2) NI Act 1998

However, these are all subject to change, depending on the outcome of the review of policy. The terms of reference of the review of policy were agreed on 25 November 2007; it will focus on decisions relating to the RPA and will be headed by Professor Sir George Bain. Review details are attached at Annex 2.

4. Public Sector Relocation in England

4.1 Relocation Policy

Flemming Review 1963

Public sector relocation policy was initiated in the UK by the Flemming Review in 1963, which considered the relocation of 95,000 London-based staff. The key criterion in the selection of target roles was the extent of contact that staff had with Ministers. As a result, the majority of the 57,000 jobs recommended for relocation were predominantly low-grade, administrative roles. Between 1963 and 1972, 22,500 jobs were relocated from London and 9,490 new civil service posts were created outside London.

Hardman Review 1973

In 1973, there was a second major relocation exercise, known as the "Hardman dispersals", involving 78,000 London based staff. This review was concerned with improving the quality of policy formulation, the framework in which it was formulated, and ensuring that Government responded and adapted to new policies and programmes. Policy staff were considered for relocation; the criterion applied in this case was the *frequency* of meeting with Ministers. Other issues considered in the review were¹⁴:

- Areas requiring special assistance;
- Capacity of premises;
- Accessibility to London; and
- Labour force availability.

The Hardman review recommended the dispersal of 31,500 posts; however, only 10,000 of these were ever dispersed¹⁵.

1988 Relocation Policy

The subsequent Lawson-Thatcher Relocation Policy of 1988 did not specify numbers or areas for relocation. It focussed instead on improving cost effectiveness, potential employment and economic benefits, and operational and managerial efficiency. A number of Departments, including the Department of Health and the Department of Social Security, relocated substantial numbers of staff as a result.

Lyons 2004

Most recently, in March 2004, the Independent Review of Public Sector Relocation (conducted by Sir Michael Lyons) highlighted the requirement for:

- Efficient delivery of public services
- Boosting regional economic growth
- Bringing government closer to people.

¹⁴ Of the 31,500 posts that were recommended for relocation, only 10,000 materialised

¹⁵ SPICe briefing, "Comparative Relocation Policies", The Scottish Parliament, 26 February 2004

Specifically, the report recommended the urgent dispersal of 20,000 jobs from London and the South East, highlighting the inefficiently high degree of concentration. These proposals were accepted by the Chancellor in July 2004¹⁶.

4.2 Completed Relocations

Over the last 40 years, approximately 69,000 jobs have been dispersed from London; the number of civil service jobs in the capital has declined from 181,000 in 1976 to 87,000 in 2002¹⁷. As part of the Lyons relocation programme specifically, 11,068 posts had been relocated out of London and the south-east by December 2006, to every nation and region in the UK¹⁸. It is expected that the target to relocate 20,000 civil service posts out of London and the south-east will be met on schedule, i.e. by 2010. Location decisions have not yet been made for the remaining relocations¹⁹.

5. Public Sector Relocation in Scotland

5.1 Relocation Policy

The Scottish Executive's policy for the relocation of public sector organisations in Scotland was announced in September 1999. Around 34,000 posts were eligible to be considered for relocation, representing approximately one per cent of the employed population²⁰. The policy has evolved over time and currently has three key objectives²¹:

- Ensure the Scottish government is more efficient and decentralised;
- Provide cost-effective delivery solutions;
- Assist areas with particular social and economic needs.

Another strand of policy, the Small Units Initiative (SUI) was announced in October 2002. This seeks to focus some dispersal on promoting sustainable rural communities by relocating small discrete units of Executive work to Scotland's more remote and rural communities.

In determining destination location, an independent assessment is made for each decision using a scoring system based on economic and social variables. There are two criteria against which potential areas are assessed; an equal 50% weighting is applied to each:

- Efficiency and effectiveness; and
- Socio-economic benefits

The Scottish system is interesting because it differs markedly from Westminster's. Whereas the policy in Westminster is periodically reviewed, the Scottish programme is continuous. The occurrence of any of the following events acts as a 'trigger' for a relocation review²²:

- The creation of a new unit, agency or organisation;
- The merger or reorganisation of an existing organisation;
- A significant property break, such as the termination of an existing lease

5.2 Completed Relocations

By May 2006, 1,653 posts had been transferred, or were in the process of being transferred, from Edinburgh to another location; 933 of these went to Glasgow²³. A further 1,164 posts had been established outside Edinburgh in new or reorganised organisations. The figure below depicts the dispersal; fifty-six per cent of the posts relocated have been or will be relocated in Glasgow and a further 200 jobs have been created in Glasgow. Other areas

¹⁶ Marshall, *Public Sector Relocation Policies in UK and Ireland*, European Planning Studies, 15, 2007

¹⁷ Marshall, *Public Sector Relocation Policies in UK and Ireland*, European Planning Studies, 15, 2007, p. 648

¹⁸ <http://www.publications.parliament.uk/pa/cm200607/cmhansrd/cm070419/text/70419w0017.htm>

¹⁹ <http://www.publications.parliament.uk/pa/cm200607/cmhansrd/cm070119/text/70119w0019.htm>

²⁰ The policy covers the Executive's departments and agencies, departments of non-ministerial office holders, the Crown Office, National Health Service common services functions and all non-departmental public bodies funded by the Scottish Executive.

²¹ *Relocation of Scottish Executive departments, agencies and NDPBs*, Audit Scotland, September 2006

²² In the cases of the first two triggers, there is a policy presumption against an Edinburgh location.

²³ *Benefits of relocation 'unclear'*, BBC News Online, 21 September 2006

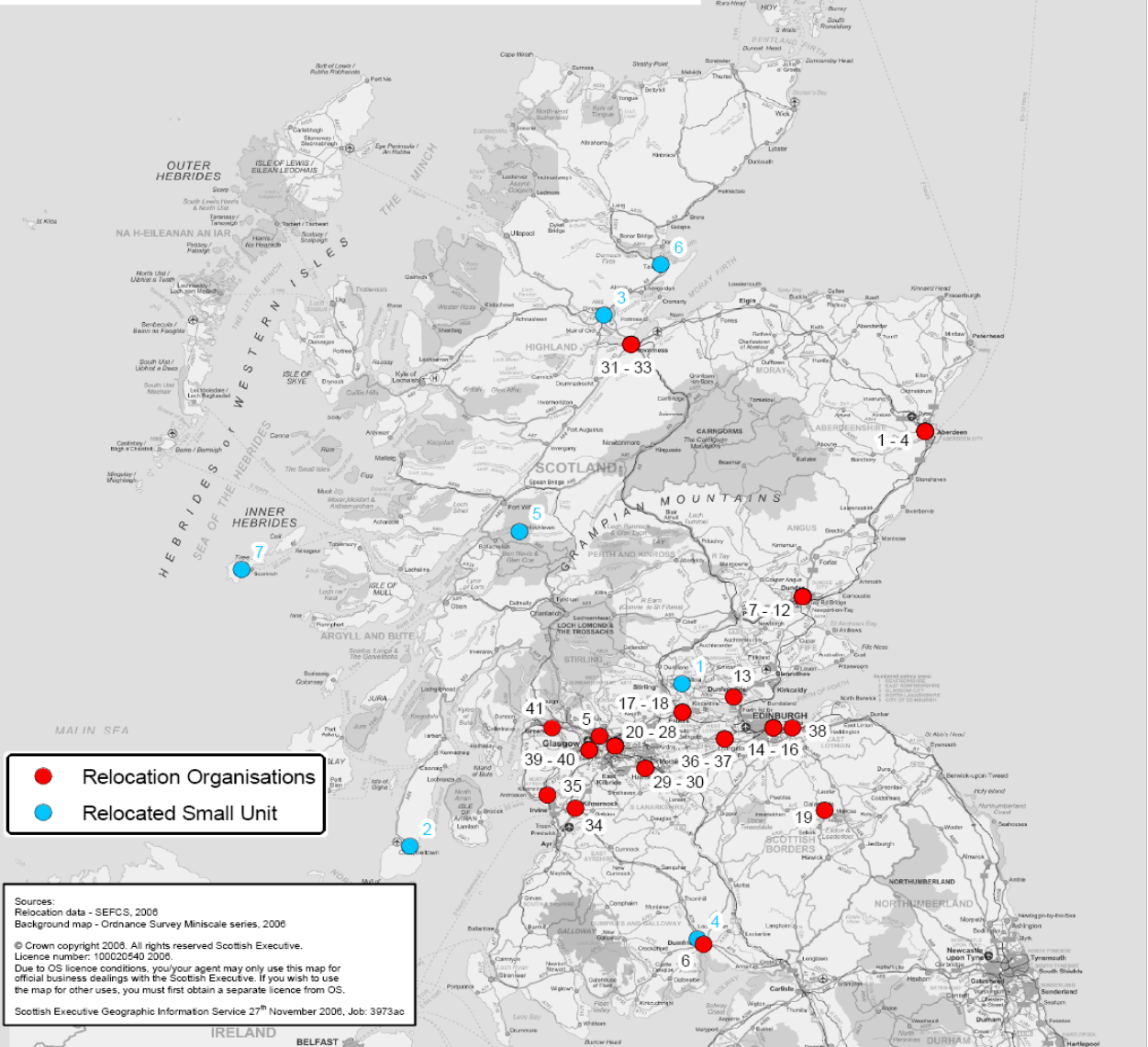
which have benefited from the policy include Inverness, Dundee, Aberdeen and Hamilton. The main areas to benefit from the SUI are Dumfries, Alloa, Kinlochleven and Tiree.

Figure 2: Scottish Relocation Decisions to Date (2006)²⁴

²⁴ Annex 3 lists full details, however does not correspond exactly since it is more up-to-date (04/07)

Scottish Executive Relocation Policy Decisions to Date

- | | |
|--|---|
| <p>Relocated Organisation ●</p> <ol style="list-style-type: none"> 1. Aberdeen, Food Standards Agency 2. Aberdeen, NHS Education Scotland 3. Aberdeen, NHS National Services Scotland 4. Aberdeen, Scottish Commission for the Regulation of Care - Regional 5. Clydbank, Her Majesty's Inspectorate of Education 6. Dumfries, Forest Enterprise (Scotland) 7. Dundee, Learning Teaching Scotland 8. Dundee, NHS Education Scotland 9. Dundee, Office of the Scottish Charity Regulator 10. Dundee, Scottish Commission for the Regulation of Care - Regional 11. Dundee, Scottish Commission for the Regulation of Care - HQ 12. Dundee, Scottish Social Services Council 13. Dunfermline, Scottish Water HQ 14. Edinburgh, Architecture and Design Scotland 15. Edinburgh, NHS Education Scotland 16. Edinburgh, VisitScotland 17. Falkirk, Public Guardian's Office 18. Falkirk, Scottish Executive Inquiry Reporters' Unit 19. Galashiels, Scottish Public Pensions Agency 20. Glasgow, Communities Scotland 21. Glasgow, Enterprise Transport & Lifelong Learning Department 22. Glasgow, Learning Teaching Scotland 23. Glasgow, NHS Health Scotland 24. Glasgow, NHS National Services Scotland 25. Glasgow, NHS Quality Improvement Scotland 26. Glasgow, Transport Scotland 27. Glasgow, NHS Education Scotland 28. Glasgow, SportsScotland 29. Hamilton, Mental Health Tribunal Service 30. Hamilton, Scottish Commission for the Regulation of Care - Regional 31. Inverness, Forest Enterprise (Scotland) 32. Inverness, Scottish Commission for the Regulation of Care - Regional 33. Inverness, Scottish Natural Heritage 34. Kilmarnock, Her Majesty's Inspectorate of Education 35. Kilwinning, Accountant in Bankruptcy 36. Livingston, Her Majesty's Inspectorate of Education 37. Livingston, Scottish Building Standards Agency 38. Musselburgh, Scottish Commission for the Regulation of Care - Regional 39. Paisley, Risk Management Authority 40. Paisley, Scottish Commission for the Regulation of Care - Regional 41. Port Glasgow - Caledonian Maritime Assets Ltd | <p>Relocation Small Unit ●</p> <ol style="list-style-type: none"> 1. Alloa, Waterwatch 2. Campbeltown, Crown Office and Procurator Fiscal Service Transcription Units 3. Dingwall, Crown Office and Procurator Fiscal Service Transcription Units 4. Dumfries, NHS Central Register 5. Kinlochleven, Scottish Executive Central Enquiry Unit 6. Tain, Crown Office and Procurator Fiscal Service Transcription Units 7. Treen, Scottish Executive Environment and Rural Affairs Department Crofting House Grants Scheme |
|--|---|



● Relocation Organisations
● Relocated Small Unit

Sources:
Relocation data - SEFCS, 2006
Background map - Ordnance Survey Miniscale series, 2006
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Scottish Executive Geographic Information Service 27th November 2006, Job: 3973ac

Source: <http://www.scotland.gov.uk/Resource/Doc/82980/0042670.pdf>

6. Public Sector Relocation in the Republic of Ireland

6.1 Relocation Policy

The relocation programme began in Ireland in 1987 and was extended in 1999 to involve up to 10,000 civil and public servants. In December 2003, the Irish Government produced "*Public Service Decentralisation: Government Opportunities and Challenges*" which committed to the *voluntary* decentralization of over 10,300 civil service posts to over fifty locations across twenty-five counties throughout the country. Relocation plans are based on the government's regional development policy; the National Spatial Strategy (NSS).

The voluntary aspect of the Irish relocation plan differentiates it from others. The Irish programme is also very much 'top down', not unlike those implemented in the UK in the 1960s and 1970s. There is a strong lead from Ministers and a clear commitment from the top. It was established by a Cabinet sub-committee; a central Implementation Group oversees its successful conduct, and the Office of Public Works is responsible for the acquisition of property.

In determining the relocation criteria, consultations were held with the Minister of Finance and Officials, other government departments and staff unions. The resultant criteria is summarised below²⁵:

- Units should be adequately large and self-contained so as to avoid disruption and enable career opportunities – caution would have to be taken to avoid decentralising units with considerable numbers of professional or specialist staff in case they didn't move;
- Given the voluntary nature of the programme, it is necessary to recognise the requirement for locations to be appealing, both for staff, spouse/partners and children;
- Access to Dublin and its airport should be prioritised;
- The possibility of choosing a location for a particular function of an agency with a view to a later transfer of more / all of its functions should be considered;
- Chosen locations must have the necessary facilities – environmental, infrastructural, housing, etc. and must be able to absorb the arrival of public employees, so as to avoid "one company towns";
- Chosen locations must be in line with the National Spatial Strategy

6.2 Completed Relocations

The table overleaf lists the planned relocations for 2007, as outlined in the report of the Decentralisation Implementation Group (DIG) in its Progress Report to the Minister of Finance in September 2006:

²⁵ As cited in SPICe briefing, "Comparative Relocation Policies", The Scottish Parliament, 26 February 2004

Figure 3: Planned relocations from Dublin – completion 2007

	<i>Location</i>	<i>Organisation</i>	<i>Accommodation Spaces Available</i>
1.	Portlaoise	Dept of Agriculture & Food	200-250
2.	Tipperary	Dept of Justice, Equality & Law Reform – Private Security Agency	13
3.	Na Forbacha	Dept of Community, Rural & Gaeltacht Affairs	10
4.	Sligo	Dept of Social & Family Affairs	100
5.	Clifden	Pobal	21
6.	Limerick (<i>Newcastlewest advance party</i>)	Revenue Commissioners	50
7.	Tullamore	Dept of Finance	135
8.	Tubbercurry (<i>Knock advance party</i>)	Dept of Community, Rural & Gael Affairs	75
9.	Thurles	Garda HQ – Garda Vetting Office	40
10.	Clonakilty	Dept of Communications, Marine & Natural Resources	90
11.	Cavan	Dept of Communications, Marine & Natural Resources	40
12.	Portarlington	Data Protection Commissioner	23
13.	Kilkenny (<i>Thomastown advance party</i>)	Health & Safety Authority	28
14.	Loughrea	Road Safety Authority/Dept of Transport	50
15.	Killarney	Dept of Arts, Sports & Tourism	70+
16.	Roscommon	Land Registry	40
17.	Ballina	Road Safety Authority	60
18.	Carrick-on-Shannon	Dept of Social & Family Affairs	186
19.	Kilrush	Revenue Commissioners	50
20.	Claremorris	Office of Public Works	40
21.	Listowel	Revenue Commissioners	50
22.	Athy	Revenue Commissioners	100
	Thurles	Garda HQ – Fines Office	43
23.	Navan	Probation & Welfare Service	20
		Garda Civilian HR Unit	36
		National Property Services Regulatory Authority	6
		Coroner's Agency	40
24.	Dundalk	Sustainable Energy Ireland	20
25.	Limerick	Dept of Foreign Affairs	125
	Tipperary	Dept of Justice, Equality & Law Reform	18
	Roscommon	Land Registry	40
26.	Carlow	Dept of Enterprise, Trade & Employment	80
27.	Roscrea	Equality Authority	15
28.	Kildare	Dept of Finance - CMOD	33
29.	Longford	Irish Prison Service	141
End 2007 Total			2,138

Source: <http://www.publicjobs.ie/en/caf/updates.asp>

The DIG provided an update to this report in September 2007; this confirmed that decentralising organisations had a presence in 29 locations with approximately 1500 posts moved. The Group expected at that time, that by the end of 2007, public services would be delivered from 33 of the new locations with over 2000 posts moved²⁶.

7. The Impact of Relocation

²⁶ <http://www.publicjobs.ie/en/caf/updates.asp> (July 2007)

7.1 General Studies into the Impact of Relocation

Despite its significant history, there has been relatively little research into the implications of public sector relocation. Lyons commented in 2004: *"The research base needs enriching and the government would benefit from a clear evidence-based view of the benefits and the best ways in which public and private agencies can co-operate to lock the benefits [of relocation] in."*²⁷

Lyons considered the international experiences of public sector relocation, and concluded that reductions in overheads were a key benefit. Some countries experienced improvements in recruitment, retention and productivity. Relocation was also seen as an opportunity for improving efficiency via re-engineering, new working practices and modernisation. Another perceived advantage of relocation was that it enabled a better balance between the region and the centre. This was expressed in terms of a better economic balance, and also in terms of easing congestion and overheating in the capital cities. However, pitfalls were also identified; in Norway, for example, relocations were spread over a three year period (to enable business continuity) and this seemed to result in increase costs and loss of staff. In Germany, the experience was that free-standing organisations and agencies relocated more successfully than advisory and strategic bodies.

A report by Experian also assessed the impact of relocation; this appraised completed relocations by examining economic outcomes. This study also found considerable evidence of reduced operating costs, cultural changes and modernisation of working practices²⁸.

7.2 Scotland

The main benefits of relocation in Scotland have been improvements in the quality of staff and retention levels, and economic benefits in areas of relative socio-economic need. The main risk appears to have been disruption in the delivery of services. Another criticism has arisen in respect to the high proportion of jobs relocated in Glasgow; a tendency which arguably *'...does not seem...to fulfil the purpose of the relocation policy'*²⁹. However, the counter-arguments to this are that some of the most deprived areas of Scotland are in Glasgow.

The Finance Committee of the Scottish Parliament carried out a critical assessment of Scottish relocation policies in 2004. The committee reported the following findings³⁰:

- Policies appeared to have been developed in an *ad hoc*, rather than strategic way;
- There has not been a full public debate and clear communication on the policy;
- The completed relocations did not appear to have had a significant impact on areas of deprivation;
- It was debatable as to whether the criteria had been applied consistently;
- The use of limited trigger mechanisms may not be the most strategic basis for policy.

More recently, Scottish relocation policy has been criticised by Audit Scotland. Their report said that the policy had not achieved its purpose of dispersing employment across the country, and specifically criticised the decision to move *Scottish National Heritage* (SNH) to Inverness. Estimated at having cost in the region of £30 million, the SNH move was criticised on the basis that it was not good value for money. In response to this, the Executive announced that it was *'...considering the future direction of the policy on public sector jobs location'* and that while the method might be improved to achieve better value for money, the general principle would not be abandoned³¹. Furthermore, in August 2007, a plan to relocate NHS Quality Improvement Scotland (QIS), NHS Health Scotland (HS) and NHS Education for Scotland (NES) was scrapped. The Minister for public health had decided that the £22 million relocation cost would be better spent on frontline services³².

²⁷ Lyons, *Independent Review of Public Sector Relocation*, 2004

²⁸ *The Impact of Relocation*, Experian, January 2004

²⁹ *Finance Committee Official Report*, The Scottish Parliament, 13 December 2005

³⁰ *Relocation of Scottish Executive departments, agencies and NDPBs*, Audit Scotland, September 2006

³¹ *'Jobs-relocation strategy under Executive review'*, The Scotsman, 28 July 2007

³² *'£22m plan to move health staff out of capital axed'*, The Scotsman, 28 August 2007

7.3 Ireland

Decentralisation has worked successfully in Ireland in the past. The Department of Social and Family Affairs and the Revenue Commissioners have both confirmed that they have suffered no loss of efficiency in their service as a result of decentralisation. In fact, the Revenue claims that the relocation programme was beneficial in that it enabled a re-engineering of their operations and added-value³³.

In terms of the more recent relocation programme, the Irish government provided the Scottish Parliament Finance Committee with the following summary of its experience³⁴:

- Overall experience was good, but required considerable planning and control;
- Turnover of staff in work areas being decentralised in many cases is in excess of 90%, with consequential disruption and implications for loss of corporate experience;
- As many as twice the number of staff being decentralised had to transfer (internally and externally) to accommodate the relocation;
- High turnover of staff since decentralisation;
- Desirability / necessity of staff overlap, with obvious resource implications;
- Desirability of additional resources in areas such as training, personnel and accommodation during the planning / execution phase;
- The enhanced / improved accommodation and facilities were beneficial;
- There was opportunity to introduce new / improved work practices or accelerate change in management processes;
- There was some initial loss of customer service and some effect on output and effectiveness;
- Capacity to deal with urgent short-term demands, through the temporary transfer of staff, is seriously curtailed.

However, despite the relative success of the programme, recent reports have suggested that the Irish relocation plans have been shelved. It has been suggested that the Finance Minister and Taoiseach underestimated the opposition from the staff due to be relocated. In July 2004, the State's largest public sector union IMPACT called for the abandonment of plans to relocate State agencies outside of Dublin, stating that the majority of members would not move "under any circumstances". Their submission referred to the "political motives behind the proposals".

The opposition was significant; Common Assessment Framework Data indicated that just 7.5% of staff earmarked for relocation were willing to move implying that "92.5 per cent of the staff of decentralised departments and organisations would have no background, experience or expertise in their new organisations"³⁵. The apparently "voluntary" nature of the decentralisation programme was also attacked: "Individuals (including whole families) will be pressurised in one way or another to move". It was suggested that this pressure would come both in terms of the "carrot" being offered and the alternative threat of career non-advancement³⁶.

³³ "Good for the regions and good for Dublin", The Irish Times, 10 June 2005

³⁴ As provided to the Scottish Parliament Finance Committee 2004b as part of the Finance Committee's Relocation Inquiry

³⁵ "IMPACT warning on relocation plan", The Irish Times, July 29 2004

³⁶ "Decentralisation is imposition of policy", The Irish Times, 2 August 2004

7.4 Summary: Impacts of Relocation

Benefits Identified	Drawbacks Identified
<p>“Economic benefits to areas receiving relocated government functions was greater than had been believed”³⁷</p> <p>Broader (albeit less tangible) benefits to areas in respect of boosting skills and investment, and building confidence for future development and investment</p> <p>Improved accommodation</p> <p>Opportunity to introduce new/improved work practices</p> <p>Improvements in recruitment</p> <p>Improvements in productivity</p> <p>Improved staff retention</p> <p>Better qualified staff</p>	<p>Emergence of ‘them and us’ culture, with relocated staff feeling isolated</p> <p>Reluctance of senior level staff to locate, due to perception that career locations more restricted outside of city centre</p> <p>Influx of public sector jobs might drive up local rates of pay</p> <p>Considerable planning & control required</p> <p>High staff turnover during & subsequent to relocation</p> <p>Costs associated with necessity of staff overlap</p> <p>Disruption in delivery of services</p>

³⁷ Experian, *The Impact of Relocation*, January 2004

8. Potential Lessons for Northern Ireland

Factors which have generally been identified, post implementation, as important in the relocation process, include³⁸:

- Strong, committed leadership at top of organization
- Good communication with staff to maintain morale
- Rigour and transparency in the preparation of the case for relocating
- Risk management, realistic planning and close monitoring of progress

The Irish government provided the following list of relocation 'lessons' to the Scottish Parliament Finance Committee 2004b³⁹:

- *Impact on staff left behind* – may be demoralised, arrangements need to be in place to deal with (any) surpluses, attention and time needed for dealing with their deployment;
- *Communication* – needs to be effective and constant;
- *Size of Office* – a decentralised office should be sufficiently large to allow for reasonable staff development, mobility and motivation; it should provide a viable career pyramid for staff; a perceived lack of promotion outlets can give rise to discontent; there should be an emphasis on achieving a critical mass of staff in each decentralisation location;
- *Planning* – extensive preliminary planning is necessary, involving significant input from management; full assessment of the impacts on customers / users / business / industry;
- *IT* – ensure that a robust IT infrastructure is in place;
- *HR issues* – consider constraints to prevent staff from transferring interdepartmentally soon after assimilation and training; expedite filling of vacancies at clerical level; new recruitment practices required for decentralised locations;
- *Implementation* – phasing of staff movements can greatly help in smooth implementation; transfer of functions and staff should be achieved in shortest time scale possible;
- *Costs* – apart from those associated with the provision of accommodation, additional costs are likely to arise in relation to staff resources, training, and overtime;
- *E-government* – proposals should be cognisant of developments in this regard

The Audit Scotland report, which highlighted a number of criticisms with Scottish relocation policy, made the following recommendations⁴⁰:

Strategic Approach

The Executive should:

- Compile a database of suitable locations and properties and consider prioritising locations;
- Consider how individual relocations can affect other public sector organisations not directly involved in the relocation, e.g. loss of staff and/or staff inputs required to the process from the wider public sector;
- Consider how good practice across the UK could be disseminated or incorporated

Costs and Benefits

The Executive should:

- Ensure the measures of success are clearly defined for both individual relocations and for relocation overall;
- Improve its approach to gathering cost information before, during and after relocation;
- Develop its plans for monitoring, evaluating and reporting both efficiency gains and wider benefits from relocation

³⁸ Experian, *The Impact of Relocation*, January 2004

³⁹ SPICe briefing: "Comparative Relocation Policies", The Scottish Parliament, 26 February 2004

⁴⁰ *Relocation of Scottish Executive departments, agencies and NDPBs*, Audit Scotland, September 2006

Relocation practice

The Executive should:

- Provide clear guidance, including the criteria and weightings to be used, at the outset of each review, and should make changes only where the reasons for doing so are clear;
- Ensure organisations engage staff from the outset and that they provide all staff with information and support throughout the relocation process;
- Ensure reviews are completed in a reasonable timescale to minimise the potential adverse effect on staff and performance;
- Make clear the reasons for choosing a particular location over others on the shortlist at the time the final location is announced. The reasons should be clearly linked to the objective to which the location is expected to contribute.

Annex 4 provides further information from the Audit Scotland report, including details of Advisory group members (Appendix 1) and Case study information (Appendix 3).

ANNEX 1⁴¹

Travel-to-Work Area	FTE public sector employment ⁸ located in area	Economically active population aged 16-74 living in area (2001 Census)	FTE public sector posts per 100 economically active people
Ballymena	6,618.5	39,474	16.8
Belfast	108,305.5	385,080	28.1
Coleraine	7,715.5	40,296	19.1
Craigavon	15,703.0	72,520	21.7
Dungannon	3,467.5	19,753	17.6
Enniskillen	4,640.5	26,754	17.3
Londonderry	14,893.0	57,392	25.9
Mid-Ulster	4,177.5	28,777	14.5
Newry	6,927.0	35,779	19.4
Omagh	6,230.0	20,108	31.0
Strabane	1,754.0	13,201	13.3
Northern Ireland	180,432.0	739,134	24.4

⁴¹ http://www.dfpni.gov.uk/review_of_policy_on_the_location_of_public_sector_jobs_in_ni.pdf

ANNEX 2⁴²

**REVIEW OF POLICY ON THE LOCATION OF PUBLIC SECTOR JOBS IN
NORTHERN IRELAND: TERMS OF REFERENCE**

The Executive Committee approved the terms of reference for a review of policy on the location of public sector jobs in Northern Ireland at its meeting on 25 November 2007.

The overarching objective of the review is to put forward a set of practical recommendations for the longer-term approach to the location of public sector jobs (including civil service jobs) in Northern Ireland and propose an agenda for action. In doing so it will:

- a) Consider the current location and nature of public sector jobs and functions in Northern Ireland, including planned movements in the short term;
- b) Consider current policies on the location of public sector jobs, including the framework for decision-making on the location of Review of Public Administration (RPA) related bodies (published November 2007);
- c) Take into account the public sector reform agenda, including
 - the future context of the Northern Ireland Civil Service in light of the reforms underway to develop a modern civil service;
 - the practical outworking of RPA on the ground; and
 - changing patterns of service delivery, including increasing co-location, co-operation and integration of services and use of electronic delivery channels;
- d) Consider the costs, benefits and lessons learned from previous dispersal exercises of public sector jobs within Northern Ireland;
- e) Consider the potential longer term impacts, costs and benefits of dispersal in the Northern Ireland context, including the social and economic cases for dispersal, the implications for communities, how best to maximise the longer-term benefits of a dispersal policy and value for money considerations;

⁴² DFP website

- f) Consider the potential equality issues in relation to the location public sector jobs;
- g) Consider the potential human resource issues in relation to the location of public sector jobs;
- h) Consider the sustainable development and environmental issues in relation to the location of public sector jobs, including the road and public transport impacts;
- i) Consider the organisational/operational impacts of decentralisation;
- j) Take into account the Programme for Government and the Executive's plans and priorities, including considering how location policy could best be linked with other Executive priorities;
- k) Consider the lessons learned from decentralisation policies in other jurisdictions - Scotland, Wales, England and the Republic of Ireland and their respective implementation;
- l) Take into account the Regional Development Strategy
- m) Consider the availability of suitable office accommodation to which public sector jobs could be dispersed;
- n) Reflect best practice in relation to policy-making and implementation in relation to decentralisation of public sector jobs and functions; and
- o) Take proper account of existing legislative and regulatory regimes, including employment law and other relevant Government policy and strategic frameworks, including 'Lifetime Opportunities'.

Membership of the review team is as follows:

- Professor Sir George Bain, Chair
- David Dobbin,
- Brian Hanna,
- Dame Geraldine Keegan,
- Feargal McCormack,
- Joan Ruddock,
- David Watkins.