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**Research Paper**

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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.

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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 benefits<sup>i</sup>.

The following specific arguments for relocation (or decentralisation) are cited<sup>ii</sup>:

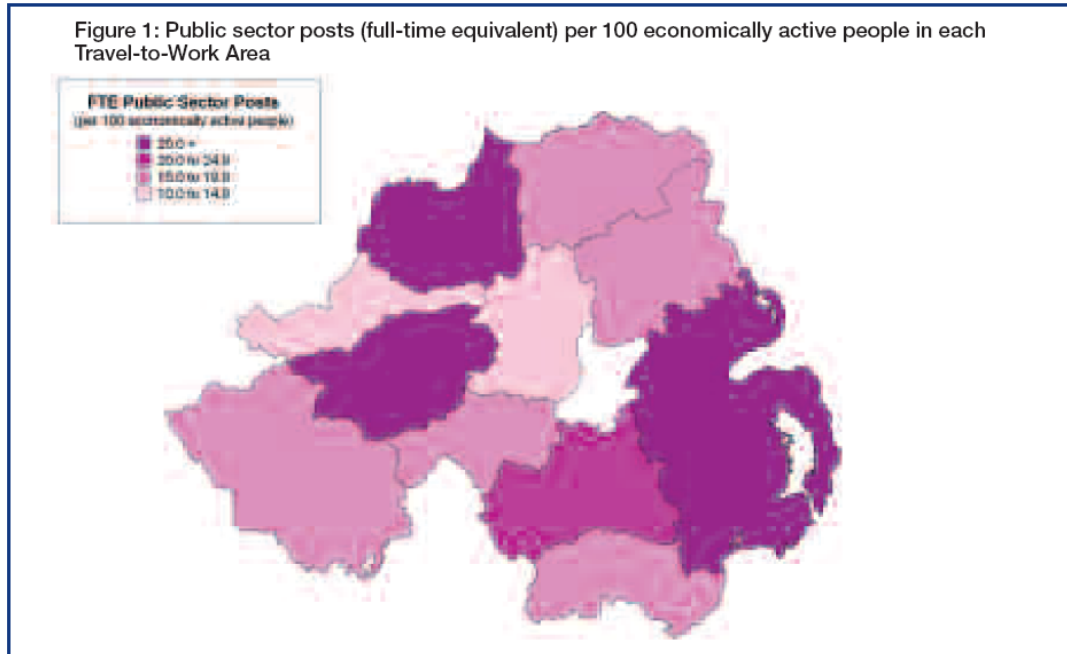
1. *Reduction of costs*: By moving away from capital cities, it might be possible to avail of lower rent and labour costs<sup>iii</sup>;
2. *Improvement in the quality of services*: Provincial areas may offer opportunities to attract and retain better quality staff, since labour markets are less tight;
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 sector<sup>iv</sup>;
4. *Making government open and accessible*: This has been a stated objective of the Scottish relocation policy<sup>v</sup>;
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 regulate<sup>vi</sup>;
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 cities<sup>vii</sup>;
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 effective<sup>viii</sup>;
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 planning<sup>ix</sup>.

## 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 TTWA<sup>x</sup>.

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](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.<sup>xi</sup>
- **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 NI<sup>xii</sup>.
- **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 recommendations<sup>xiii</sup>:

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
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 were<sup>xiv</sup>:

- 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 dispersed<sup>xv</sup>.

#### *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.

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 2004<sup>xvi</sup>.

### **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 2002<sup>xvii</sup>. 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 UK<sup>xviii</sup>. 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 relocations<sup>xix</sup>.

## **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 population<sup>xx</sup>. The policy has evolved over time and currently has three key objectives<sup>xxi</sup>:

- 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

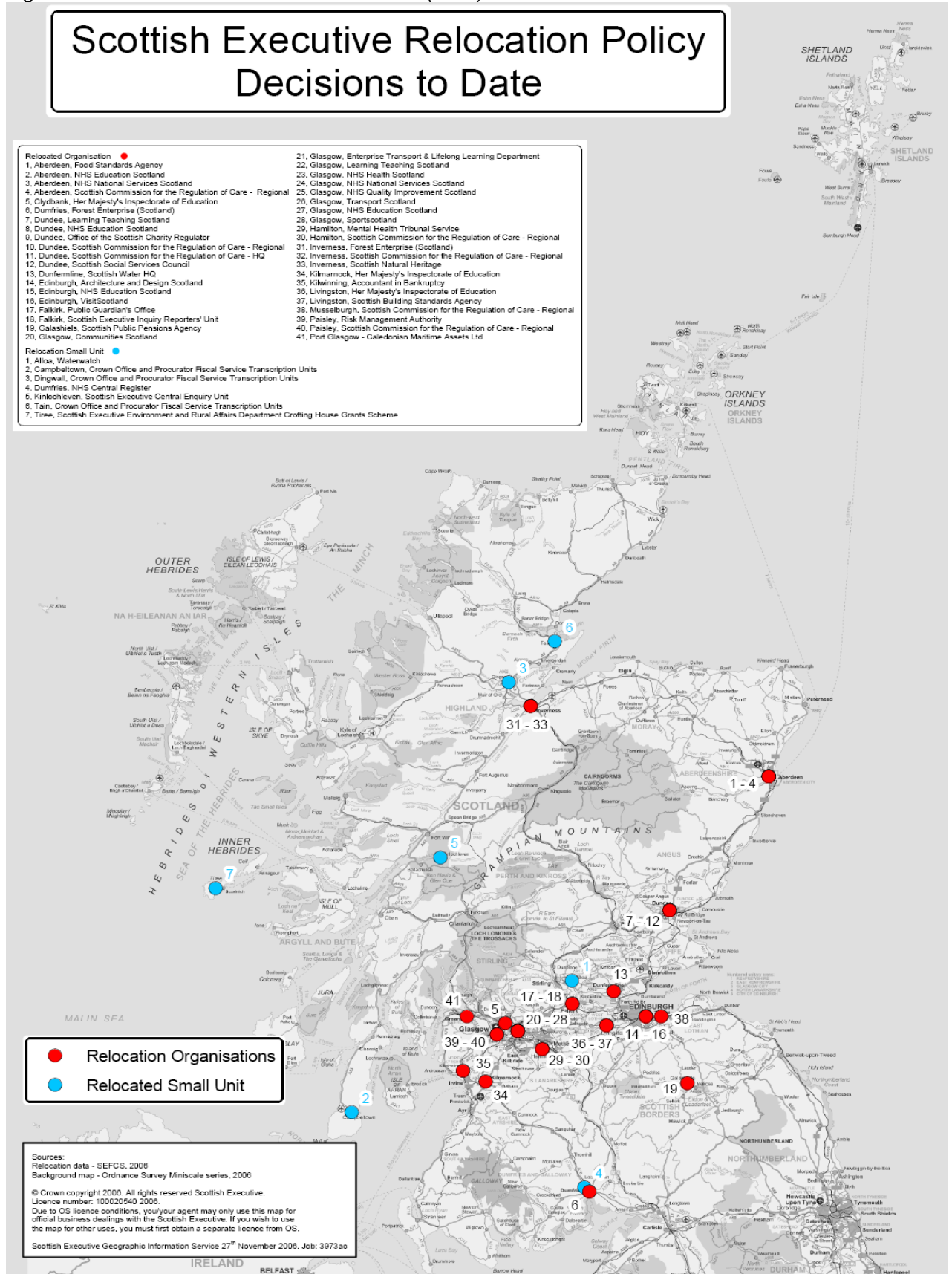
The Scottish system is interesting because it differs markedly from Westminster's. Whereas the policy in Westminster is periodically reviewed, the Scottish programme is continuous. The occurrence of any of the following events acts as a 'trigger' for a relocation review<sup>xxi</sup>:

- 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 Glasgow<sup>xxiii</sup>. 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 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)<sup>xxiv</sup>



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 below<sup>xxv</sup>:

- 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:

Figure 3: Planned relocations from Dublin – completion 2007

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

Source: <http://www.publicjobs.ie/en/caj/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 moved<sup>xxvi</sup>.

## 7. THE IMPACT OF RELOCATION

### 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.”*<sup>xxvii</sup>

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 practices<sup>xxviii</sup>.

### 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’*<sup>xxix</sup>. 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 findings<sup>xxx</sup>:

- 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 abandoned<sup>xxxi</sup>. 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 services<sup>xxxii</sup>.

### 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-value<sup>xxxiii</sup>.

In terms of the more recent relocation programme, the Irish government provided the Scottish Parliament Finance Committee with the following summary of its experience<sup>xxxiv</sup>:

- 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"<sup>xxxv</sup>. 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-advancement<sup>xxxvi</sup>.

#### **7.4 Summary: Impacts of Relocation**

<b>Benefits Identified</b>	<b>Drawbacks Identified</b>
<p data-bbox="188 312 1019 368">“Economic benefits to areas receiving relocated government functions was greater than had been believed”<sup>xxxvii</sup></p> <p data-bbox="188 400 1019 488">Broader (albeit less tangible) benefits to areas in respect of boosting skills and investment, and building confidence for future development and investment</p> <p data-bbox="188 520 495 552">Improved accommodation</p> <p data-bbox="188 584 826 616">Opportunity to introduce new/improved work practices</p> <p data-bbox="188 647 528 679">Improvements in recruitment</p> <p data-bbox="188 711 528 743">Improvements in productivity</p> <p data-bbox="188 775 472 807">Improved staff retention</p> <p data-bbox="188 839 427 871">Better qualified staff</p>	<p data-bbox="1046 312 1877 344">Emergence of ‘them and us’ culture, with relocated staff feeling isolated</p> <p data-bbox="1046 376 2063 432">Reluctance of senior level staff to locate, due to perception that career locations more restricted outside of city centre</p> <p data-bbox="1046 464 1733 496">Influx of public sector jobs might drive up local rates of pay</p> <p data-bbox="1046 528 1525 560">Considerable planning &amp; control required</p> <p data-bbox="1046 592 1666 624">High staff turnover during &amp; subsequent to relocation</p> <p data-bbox="1046 655 1603 687">Costs associated with necessity of staff overlap</p> <p data-bbox="1046 719 1424 751">Disruption in delivery of services</p>

## 8. POTENTIAL LESSONS FOR NORTHERN IRELAND

Factors which have generally been identified, post implementation, as important in the relocation process, include<sup>xxxviii</sup>:

- 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 2004b<sup>xxxix</sup>:

- *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 recommendations<sup>xl</sup>:

### 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

### 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 1<sup>xii</sup>

Travel-to-Work Area	FTE public sector employment <sup>8</sup> 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



## **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;

- 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.

- 
- <sup>i</sup> *Comparative Relocation Policies*, SPICe Briefing, 26 February 2004
- <sup>ii</sup> As cited in Marshall, *Public Sector Relocation Policies in UK and Ireland*, European Planning Studies, 15, 2007
- <sup>iii</sup> Marshall et al (2003)
- <sup>iv</sup> Lyons (2004)
- <sup>v</sup> 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)
- <sup>vi</sup> [www.eiro.eurofound.eu.int](http://www.eiro.eurofound.eu.int)
- <sup>vii</sup> Lyons (2004)
- <sup>viii</sup> Experian (2004)
- <sup>ix</sup> [www.mlit.go.jp/kokudokeikaku/daishu/English/er\\_001.html](http://www.mlit.go.jp/kokudokeikaku/daishu/English/er_001.html)
- <sup>x</sup> 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.
- <sup>xi</sup> *Report on Workplace 2010 and Public Sector Jobs Location*, Committee on the Programme for Government
- <sup>xii</sup> 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.
- <sup>xiii</sup> The framework also provided a methodology, which outlined how to apply the principles
- <sup>xiv</sup> Of the 31,500 posts that were recommended for relocation, only 10,000 materialised
- <sup>xv</sup> SPICe briefing, "Comparative Relocation Policies", The Scottish Parliament, 26 February 2004
- <sup>xvi</sup> Marshall, *Public Sector Relocation Policies in UK and Ireland*, European Planning Studies, 15, 2007
- <sup>xvii</sup> Marshall, *Public Sector Relocation Policies in UK and Ireland*, European Planning Studies, 15, 2007, p. 648
- <sup>xviii</sup> <http://www.publications.parliament.uk/pa/cm200607/cmhansrd/cm070419/text/70419w0017.htm>
- <sup>xix</sup> <http://www.publications.parliament.uk/pa/cm200607/cmhansrd/cm070119/text/70119w0019.htm>
- <sup>xx</sup> 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.
- <sup>xxi</sup> *Relocation of Scottish Executive departments, agencies and NDPBs*, Audit Scotland, September 2006
- <sup>xxii</sup> In the cases of the first two triggers, there is a policy presumption against an Edinburgh location.
- <sup>xxiii</sup> *Benefits of relocation 'unclear'*, BBC News Online, 21 September 2006
- <sup>xxiv</sup> Annex 3 lists full details, however does not correspond exactly since it is more up-to-date (04/07)
- <sup>xxv</sup> As cited in SPICe briefing, "Comparative Relocation Policies", The Scottish Parliament, 26 February 2004
- <sup>xxvi</sup> <http://www.publicjobs.ie/en/caf/updates.asp> (July 2007)
- <sup>xxvii</sup> Lyons, *Independent Review of Public Sector Relocation*, 2004
- <sup>xxviii</sup> *The Impact of Relocation*, Experian, January 2004
- <sup>xxix</sup> *Finance Committee Official Report*, The Scottish Parliament, 13 December 2005
- <sup>xxx</sup> *Relocation of Scottish Executive departments, agencies and NDPBs*, Audit Scotland, September 2006
- <sup>xxxi</sup> *'Jobs-relocation strategy under Executive review'*, The Scotsman, 28 July 2007
- <sup>xxxii</sup> *'£22m plan to move health staff out of capital axed'*, The Scotsman, 28 August 2007
- <sup>xxxiii</sup> *"Good for the regions and good for Dublin"*, The Irish Times, 10 June 2005
- <sup>xxxiv</sup> As provided to the Scottish Parliament Finance Committee 2004b as part of the Finance Committee's Relocation Inquiry
- <sup>xxxv</sup> *"IMPACT warning on relocation plan"*, The Irish Times, July 29 2004
- <sup>xxxvi</sup> *"Decentralisation is imposition of policy"*, The Irish Times, 2 August 2004
- <sup>xxxvii</sup> Experian, *The Impact of Relocation*, January 2004
- <sup>xxxviii</sup> Experian, *The Impact of Relocation*, January 2004
- <sup>xxxix</sup> SPICe briefing: "Comparative Relocation Policies", The Scottish Parliament, 26 February 2004
- <sup>xl</sup> *Relocation of Scottish Executive departments, agencies and NDPBs*, Audit Scotland, September 2006
- <sup>xli</sup> [http://www.dfpni.gov.uk/review\\_of\\_policy\\_on\\_the\\_location\\_of\\_public\\_sector\\_jobs\\_in\\_ni.pdf](http://www.dfpni.gov.uk/review_of_policy_on_the_location_of_public_sector_jobs_in_ni.pdf)
- <sup>xlii</sup> DFP website

# The Scottish Government

## Public Sector

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## Completed and Implemented

### Location Reviews - Completed and implemented

Organisation	Status of Body	Review Trigger	Location (Pre-review)	Location Decision	Number of posts when review commenced*
VesCo (Caledonian Maritime Assets Limited)	NDPB	New Body (partly formed from an existing function)	Inverclyde	Port Glasgow	10
Transport Scotland	Executive Agency	New Body (partly formed from an existing function)	Edinburgh	Glasgow	287 (130 posts from Edinburgh)
Accountant in Bankruptcy	NDPB	New Body (partly formed from an existing function)	Edinburgh	Kilwinning	140
Risk Management Authority	NDPB	New Body	-	Paisley	20
Her Majesty's Inspectorate of Education Regional Offices	Executive Agency	New Body (partly formed from an existing function)	Edinburgh & Glasgow	Livingston, Clydebank & East Ayrshire	84 (60 posts from Edinburgh)
Architecture and Design Scotland (Royal Fine Arts Commission for Scotland)	NDPB	New Body (partly formed from an existing function and lease break)	Edinburgh	Edinburgh	10
Scottish Building Standards Agency	Executive Agency	New Body (partly formed from an existing function)	Edinburgh	Livingston	44 (21 posts from Edinburgh)
Mental Health Tribunal Service	NDPB	New Body	-	Hamilton	20
Learning Teaching Scotland	NDPB	Reorganisation and lease break	Glasgow & Dundee	Glasgow Dundee	210
VisitScotland	NDPB	Lease Break	Edinburgh	Edinburgh	152
Office of the Scottish Charity Regulator	NDPB	New Body	-	Dundee	30
Scottish Executive Inquiry Reporters Unit	Scottish Executive core function	Lease Break	Edinburgh	Falkirk	26
NHS National Service Scotland	NDPB	Lease Break	Edinburgh	Aberdeen Livingston Glasgow	160
Scottish National Heritage	NDPB	Lease Break	Edinburgh	Inverness	210

Forest Enterprise (Scotland)		Establishment of HQ	Inverness & Dumfries	Inverness & Dumfries	20
Scottish Public Pensions Agency	Executive Agency	Lease Break	Edinburgh	Galashiels	218
Scottish Water HQ	NDPB	Merger	Various	Dunfermline	50
Scottish Commission for the Regulation of Care HQ Plus 6 Regional Offices	NDPB	New Body (partly formed from an existing function)	Various	Dundee (HQ and office) Aberdeen Mussleburgh Paisley Hamilton Inveness	560
Scottish Social Services Council	NDPB	New Body (partly formed from an existing function)	Various	Dundee	29
Office of the Public Guardian	NDPB	New Body	-	Falkirk	50
Food Standards Agency	NDPB	New Body	-	Aberdeen	57
Enterprise Transport & Life Long Learning Department	Scottish Executive Department	Management Decision	Edinburgh	Glasgow	210
				TOTAL	2597

\*As reported on announcement of review

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# The Scottish Government

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## Small Units

### Small Units Initiative

Organisation	Status of Body	Review Trigger	Location (Pre-review)	Location Decision	Number of posts when review commenced
Waterwatch Scotland	NDPB	Management Decision	Stirling	Alloa	9
NHS Central Registrar	NDPB	Management Decision	Edinburgh	Dumfries	17
Croft House Grants Scheme	Scottish Executive core function	Management Decision	Edinburgh	Tiree	8
Central Enquiry Unit	Scottish Executive core function	Management Decision	Edinburgh	Kinlochleven	9
COPFS Transcription Unit	Department	Management Decision	Glasgow	Campbeltown	4
COPFS Transcription Unit	Department	Management Decision	Glasgow	Tain	4
COPFS Transcription Unit	Department	Management Decision	Glasgow	Dingwall	6
				<b>TOTAL</b>	<b>57</b>

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# Appendix 1. Advisory group members

James McCulloch	Scottish Executive Inquiry Reporters Unit
Stan Ure	Dundee City Council
Angus McIntosh	King Sturge
Tony Fitzpatrick	Dumfries & Galloway Council
Keith Jenkinson	Accountant in Bankruptcy/Scottish Executive
Archie McCreevy	Highlands & Islands Enterprise
Charlie Fisher	Scottish Executive
Owen McCabe	Halifax/Bank of Scotland

# Appendix 3. Case study narratives

## Accountant in Bankruptcy (AiB)

The AiB is an Executive agency of the Scottish Executive Justice Department. The Accountant is the chief executive, and the agency operates independently and impartially while remaining directly accountable to the Scottish ministers. The Accountant is responsible for administering the process of personal bankruptcy (sequestration), recording corporate insolvencies and acting as administrator for the Debt Arrangement Scheme in Scotland. The staff are all civil servants within the Scottish Executive.

The AiB was considered for review because it underwent a change in status to an executive agency in April 2002. The organisation continues to undertake all of the same work it did before, plus introduced the Debt Arrangement Scheme in November 2004, and will shortly take on additional work as a result of new legislation soon to come into force.

The organisation was located in Edinburgh at the time the review was announced, in December 2002. The organisation engaged consultants to assist with the review. In December 2003, Ayrshire was announced as the new location. In March 2006, the organisation was operating more or less fully from its final Kilwinning location. The review ranked Ayrshire second in terms of cost but eighth against the combined other criteria.

The organisation employed 92 staff at its previous location. Only two staff moved with the organisation to the new location. AiB currently employs 132 staff, 31 of whom are either employed on a temporary basis or are involved in parallel running. Staff are split between the new office and accommodation in Edinburgh. The organisation employed

parallel running to mitigate risks to business delivery. Although AiB has not been operating at its new location for very long, there is no evidence of any negative impact on performance as a result of the review or relocation.

### Key points:

- The organisation experienced some pressure from local authorities and other organisations during the review process, where the organisations were bidding for the organisation to locate in their area.
- Some delay was caused by the fairness of the review process being challenged – the minister sought clarification of the process followed.
- The organisation felt it could have benefited from a 'mentor' or being part of a forum of people who had gone through relocation.

## Croft House Grant Scheme (CHGS)

The Crofters (Scotland) Act 1993, allows the Scottish ministers to provide grants and loans to crofters and cottars towards the erection, improvement or rebuilding of dwelling houses in the former crofting counties of Argyll, Inverness, Ross & Cromarty, Sutherland, Caithness, Orkney and Shetland.

The unit administering the scheme, based in Edinburgh and consisting of eight-and-a-half full time equivalent staff, was formally identified for review in October 2002, under the recently announced SUI. Highlands & Islands Enterprise had previously approached the Scottish ministers about relocating the unit and ministers began considering the possibility of relocation as early as March 2002.

The location review was run alongside a consultation on a review of the provisions of the scheme. The location review was handled primarily by Highlands & Islands Enterprise. Stakeholders were consulted on the possibility of relocating the unit and the majority were in favour of the unit's work being delivered from existing area offices, spread throughout the Highlands & Islands. This proposal appeared to meet with ministerial approval initially but, in March 2004, ministers asked the unit to reconsider options, particularly the possibility of moving the unit to a single location. The final decision, to relocate the unit to Tiree, was announced in November 2004. The unit relocated in July 2005.

### Key points:

- The unit was considered for relocation before the SUI had been developed.
- Ministers initially agreed the dispersed approach but very late in the process decided that a single location would bring greater direct benefit.

## Her Majesty's Inspectorate of Education (HMIE)

The principal activity of HMIE is to promote sustainable improvements in Scottish education. HMIE does this through independent inspections and reviews of schools and other educational establishments, community learning and the education functions of local councils.

The organisation was initially located in several locations throughout Scotland, including in Executive offices in Edinburgh. It was considered for a location review when it underwent a change in status to an Executive agency in April 2001. The review was formally



announced in November 2001 but would focus only on certain Edinburgh-based posts: senior management, central functions and inspection posts with a national remit. The organisation did not commence with the review until September 2002. Ministers approved the shortlist but asked that Lanarkshire also be considered on the basis of socio-economic factors. Initially the review ranked Saughton House (an Executive building in the south west of Edinburgh) first but this was not acceptable to ministers. The review ultimately ranked Falkirk first. However, the organisation was made aware by the Executive that another organisation undertaking a location review had also ranked Falkirk first and suggested Livingston as a suitable alternative. In November 2003, ministers announced Livingston as the chosen location and the relocation was broadly complete in December 2004.

#### Staffing details:

- The organisation employed 173 permanent staff prior to its move. Seventy-four posts were based outside Edinburgh. Of the 99 Edinburgh posts, only 60 were considered formally under the review as the remainder had their inspection function centred on Edinburgh and adjoining areas.
- Overall staffing increased as a result of additional responsibilities allocated by ministers, and the relocation exercise was carried out in the context of a restructuring exercise (this was not undertaken as a result of the relocation). These factors complicate reporting on the HMIE relocation exercise because it was, in effect, carried out as one element of a wider accommodation exercise involving a number of offices around Scotland. By May 2006, there were 111 permanent staff based at Livingston. A further 23 seconded and part-time staff had Livingston as their home base, spending varying amounts of time there.
- Sixty-three existing staff moved with the organisation. Some staff with a remit for inspections in the local area remained in Edinburgh and some posts were also moved to Dunbartonshire. The number of posts in Dundee increased with the opening of a new office there. Moves to Ayrshire were agreed but have not yet been implemented.

The organisation did not employ parallel running, instead it drew on its own staff in other office locations to provide temporary cover where needed. There is no evidence of any negative impact on performance.

A distinctive feature of HMIE's relocation exercise derived from growth in organisational numbers while the relocation exercise was ongoing. It was not possible to accommodate the increased numbers in existing accommodation while new offices were being prepared and opened. Accordingly, HMIE incurred additional costs through taking on temporary accommodation in both Livingston and Dundee over the relevant period.

#### Key point:

- Although the organisation suggested that the score for cost and other criteria would be similar for Livingston and Falkirk, Livingston was not subjected to formal assessment.

#### Learning and Teaching Scotland (LTS)

LTS is the lead organisation for the development and support of the Scottish curriculum. It works with the Scottish Executive and education

authorities to take forward the national education improvement agenda. The organisation formed when the functions of the Scottish Consultative Council on the Curriculum and the Scottish Council for Educational Technology were brought together in July 2000.

The review was not formally announced but the Executive sponsor team indicated to the organisation during 2000 that it should consider relocation. The trigger for the review was the merger/major reorganisation. The review proper commenced in May 2001, following a request from the Executive. The initial review, undertaken with the assistance of consultants and submitted to ministers in October 2002, identified the best option as being co-location of all existing staff (then split between Glasgow and Dundee) in a single office in Glasgow. The review was brought fully within the scope of the policy in September 2003, when ministers requested that the organisation reconsider the options. Despite not ruling out a single site location, the minister did emphasise that moving jobs into the central belt would be difficult to justify in terms of the policy, effectively ruling out the co-location in Glasgow option. The final decision was made in March 2004, being a split location between Glasgow and Dundee, but with the organisation moving to a new office within Glasgow. A public announcement was made in May 2005, including that the organisation would co-locate with the Scottish Qualifications Authority. The organisation was operating from its new office from February 2006.

In 2002, the organisation employed 162 staff at the original Glasgow office. There are 172 staff employed at the new location. All existing staff moved with the organisation. The organisation was unable to

provide evidence on performance but considers that that performance was maintained during the relocation process.

#### Key points:

- The organisation's existing Glasgow office was not fit for purpose (primarily a result of it being an old building in need of major refurbishment) and a move to another building was likely even had there not been an Executive policy on relocation.
- The organisation was not told at the outset that moving all staff to Glasgow would be difficult to justify.
- The Scottish Qualifications Authority (SQA) shares the new building in Glasgow.

#### NHS Central Register (NHS CR)

The Register is an electronic database of all people born in Scotland and those registered with a National Health Service general medical practitioner in Scotland. Its main purpose is to permit the efficient movement of patients' medical record envelopes as they transfer between health boards, leave the country, join the Armed Forces (or are dependants of Armed Forces personnel). It also records all deaths occurring in Scotland. Staff are responsible for maintaining the register and, although they are employed by the General Register Office for Scotland, staff carry out work on behalf of the Scottish Executive Health Department.

The unit was identified under the SUI, and the review was announced in March 2003. The initial review, submitted to ministers in September 2004, suggested either deferring the decision (because the future role of

the unit was unclear at that time) or staying in Edinburgh. However, ministers did not consider deferment appropriate and announced Dumfries as the new location in November 2004. The unit opened in temporary accommodation in Dumfries in June 2005 and, following a period of parallel running, the Edinburgh office closed in March 2006. The move to the permanent premises in Dumfries is scheduled for April 2007.

The unit employed 16 full-time equivalent staff both before and after the move. Only the head of the unit moved with the organisation. The unit employed parallel running during the relocation process and performance was maintained.

#### Key point:

- Dumfries was chosen for its links with NHS clients; it did not feature on the list of suggested locations for small unit moves.

#### NHS Education for Scotland (NES)

NES is a special health board, established to provide better patient care by designing, commissioning, quality assuring and, where appropriate, providing education, training and lifelong learning for the NHS workforce in Scotland. The organisation was created to merge the work of three predecessor organisations and staff are employed at a variety of locations around Scotland.

The merger led to the organisation being considered for a location review. Ministers announced the review in December 2002. The organisation engaged consultants to assist with the review. In November 2003, NES submitted its review report to ministers, identifying dispersal to existing regional offices as the best option. Ministers

requested that another NHS agency, National Services Scotland (NSS) carry out another location review, looking at co-location options in Glasgow only. The NSS report was submitted to ministers in June 2004. While the final building for relocation has not yet been announced, in June 2005, ministers announced that the organisation would relocate to Glasgow, and was likely to be co-located with another special health board.

As at May 2006, the organisation employed around 440 staff, spread around the country. Only 106 were included in the initial review but the organisation currently estimates that around 150 posts will be relocated. The organisation has not yet moved. The current estimate for the relocation is September 2008.

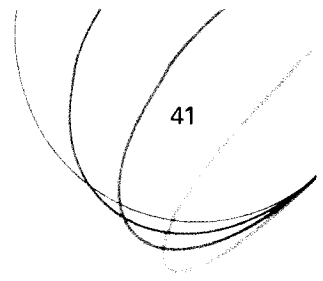
#### Key point:

- Two reviews were conducted – it is not clear why co-location was not considered from the outset.

#### Office of the Scottish Charity Regulator (OSCR)

The OSCR came into existence as an Executive agency in December 2003. The OSCR is the independent regulator and registrar for 19,000 Scottish Charities. In February 2006, it became a non-ministerial department and forms part of the Scottish Administration.

The creation of a new organisation is one of the triggers for a location review. The creation of the organisation, and the associated location review, were announced in December 2002. The review was carried out by the Charity Law Team, within the Scottish Executive's Development Department. The review report was submitted to ministers in May 2003 and ranked



Dundee first. Ministers announced Dundee as the location in June 2003 and the organisation began operating at its new location in December 2003.

Some functions previously undertaken by the Executive were carried over to the new organisation and two staff moved to the new organisation.

### **Scottish Building Standards Agency (SBSA)**

The SBSA is an Executive agency of the Scottish Executive, and established to undertake the national functions related to the building standards system which came into effect in May 2005. The agency is responsible for taking forward the requirements of the Building (Scotland) Act 2003, which protects the public interest in matters relating to the design, construction, conversion and demolition of buildings. Some of the functions of the agency were previously carried out by Executive staff based in Edinburgh.

The creation of a new organisation is one of the triggers for a location review and the review was announced in December 2003. The organisation employed consultants to assist with the review and the initial review report was submitted to ministers in February 2004. The report ranked Glasgow first. Ministers subsequently requested that Dumfries and some peripheral areas also be considered. The final submission ranked Livingston first. Ministers announced Livingston as the chosen location in June 2004. Although the organisation was established in June 2004, it did not begin operating in Livingston until February 2005.

Twenty-one staff were employed in Edinburgh prior to relocation to Livingston. Nineteen of these staff relocated to the new location. Thirteen new staff have been

recruited since the move and a total of three staff have left. The additional work required to support the new building standards system mean that staffing is likely to increase (current estimates are that 44 staff will be employed by the organisation by the end of 2007).

### **Scottish Executive Inquiry Reporters Unit (SE IRU)**

The unit is part of the Scottish Executive and is responsible for dealing with planning and related appeals in Scotland. A Reporter appointed by the Scottish ministers decides most appeals.

The unit was identified due to a future lease expiry at its Edinburgh office. The review was announced in December 2002. The unit employed 26 staff at its Edinburgh office at the time of the announcement.

The organisation engaged consultants to assist with the review and the initial submission to ministers, in June 2003, identified a shortlist of potential locations which ranked Glasgow first. Ministers requested that North Lanarkshire be added due to its socio-economic profile. The final submission ranked Edinburgh and Falkirk equal first. Edinburgh because it was the most cost-effective option that would meet the sustainability and accessibility criteria and Falkirk as the lowest cost option overall. Ministers selected Falkirk.

Twenty-two staff are employed at the new location, only six of whom transferred from the original location. Performance was maintained during the move and there has been some improvement, though this was as a result of new working methods being used. This, and a restructuring of the administration team, has resulted in a reduction of staff from 26 to 22 since relocation.

### **Scottish Natural Heritage (SNH)**

SNH is a non-departmental public body, responsible for securing the conservation and enhancement of Scotland's natural heritage – the wildlife, the habitats and the landscapes which have evolved in Scotland. Its work also includes access, education, landscape, casework, renewables and greenspace. The organisation employs around 750 staff at a variety of locations throughout Scotland.

The organisation was identified for review as a result of an upcoming lease expiry at one of its two Edinburgh offices. The review was announced in November 2001. The review focused on the Edinburgh offices only, where 268 staff were employed when the review was announced.

The organisation submitted its review report to ministers in October 2002. The review ranked West Lothian, Stirling or Perth as the best options, if Edinburgh was not acceptable. The SNH Board rejected the Inverness option on grounds relating to its 'position in the SNH office network, distance from key partners and the proportion of staff that would leave'. Further work was requested by ministers and this was coordinated by the sponsor department. The organisation was not given the opportunity to comment on the cost figures upon which ministers based their final decision and disputes the rationale behind some of the assumptions. In March 2003, ministers announced Inverness as the chosen location. When the final decision was announced, the organisation, at both board and chief executive level, sought a ministerial direction to go ahead with the move, expressing their concerns that the move did not represent value for money.

The organisation began operating at its new office in Inverness in May 2006. The building has the capacity to accommodate a maximum of 293 people. At present SNH has 225 posts based in the new office. Fifty-five staff previously based in Edinburgh have moved or will move to Inverness. SNH staff from other locations, including staff previously based in Inverness, and new recruits make up the remainder. While the organisation has only recently relocated, there is no evidence of any adverse effect on performance as a result of the relocation process.

#### Key points:

- Seventy per cent of staff were located outside Edinburgh at the time the review was announced.
- The organisation will continue to operate at the office where the lease expiry triggered the review.
- The organisation did not consider Inverness to be a viable option in terms of value for money.
- Of the new staff in Inverness, 66 transferred from other SNH offices throughout Scotland.

#### Scottish Public Pensions Agency (SPPA)

The SPPA is an Executive agency of the Scottish Executive. The agency administers and regulates the NHS and teachers' pension schemes in Scotland, and other occupational pension schemes for which the Scottish ministers are responsible. It also regulates the local government, police and fire pension schemes administered by Scottish local authorities. The organisation employs around 220 staff.

The organisation was identified for review due to an upcoming lease break at its Edinburgh office. The review was announced in July 2000. The initial report was submitted to ministers in April 2001 and recommended either Rosyth or Galashiels. Ministers queried some aspects of the review, including the weightings used, and further work was undertaken. The final submission ranked Galashiels first and it was the location subsequently selected by ministers. The relocation was completed in September 2002.

The organisation employed 194 staff at the original location and 33 staff transferred to the Galashiels office. The organisation took on additional work at the same time as the move and current staffing is 220. Some adjustments had to be made to performance measures but there is no evidence of any long-term drop in performance. The organisation has also experienced improvements in both staff turnover and staff sick absence levels.

#### Key points:

- The organisation was unable to provide detailed evidence in relation to several aspects of the review, primarily due to the elapsed time since the events.
- There have been improvements in staff turnover and sick absence levels.

#### VisitScotland

VisitScotland is a non-departmental public body and is the principal agency for the promotion and development of Scotland's tourism industry. The organisation has around 1,000 staff who are employed at a variety of locations throughout Scotland.

The organisation's Edinburgh headquarters, where 125 staff were based, was identified for review as a result of an upcoming lease expiry. The organisation engaged consultants to assist with the review and the initial review report was submitted to ministers in August 2003. Glasgow topped a scored matrix of local authority areas at this stage. Ministers requested that North Lanarkshire and Inverclyde be added to the shortlist, and VisitScotland added Inverness. The final report ranked West Lothian first (the lowest cost option) but the organisation argued that relocating while also restructuring the Area Tourist Board network would have a significant negative impact on tourism and the economy. It suggested that the difference between it and a new Edinburgh location was small (£1.7 million over 15 years) and recommended relocating within Edinburgh. Ministers selected the regeneration area of North Edinburgh as the location. The relocation was completed in Spring 2005.

All of the staff moved with the organisation and performance was maintained during the move.

#### Key points:

- The organisation's existing accommodation in Edinburgh was to be sold on by the landlord for residential use.
- The impact on the organisation's ability to deliver its services was the key factor in it not relocating away from Edinburgh.