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Press release

Strictly Embargoed until 00.01 Thursday, 21 September 2006

Benefits and value for money of relocation unclear

An Audit Scotland report says that 28 public sector bodies have been, or will be, either relocated or established under the Scottish Executive's relocation policy, introduced in 1999.

The report, *Relocation of Scottish Executive departments, agencies and NDPBs*, states that 1,653 posts have been transferred from Edinburgh and a further 1,164 posts have been created outside the city.

Audit Scotland found that most of the reviews arose from the creation or restructuring of organisations, or from breaks in property leases. Only two of 38 reviews were the result of potential efficiency improvements identified by the organisations in their business plans. In most cases, it was not clear whether relocation would deliver wider policy objectives.

The Auditor General for Scotland, Robert Black said: "The Executive has plans to evaluate the impact of the policy but little has been done to date. For this reason it is difficult to determine whether relocations are good value for money."

Key findings in the report include that:

- there is some limited evidence of efficiency gains from relocation, such as lower staff turnover and reductions in sick leave in specific relocations, but wider benefits have not so far been measured.
- the estimated cost per job for the relocation of individual organisations range between a saving of £33,000 per job and a cost of £45,000 per job.
- the Executive does not have explicit targets for relocation and it has not identified areas of the country expected to benefit from its policy.
- In some cases, new or revised criteria to identify potential sites for relocation were introduced late in the review process.

Robert Black said: "I would encourage the Scottish Executive to define more clearly the measures of success that it is applying to its relocation policy and to develop its plans for evaluating the benefits of relocation."

Audit Scotland examined the implementation of location and relocation in Scotland. It reviewed the process and management of relocation and looked at evidence of the impact of the moves. Around 34,000 public sector employees (six per cent of the public sector workforce) are in posts which could be considered for relocation under the policy.

Ends

For further information contact Leon Thompson tel: 0131 624 9974 or Anne McCubbin tel: 0131 624 9970

Notes to Editors:

1. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Auditor General for Scotland and the Accounts Commission.
2. The Auditor General is responsible for securing the audit of the Scottish Executive and most other public bodies in Scotland, except local authorities. He investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Executive or the Scottish Parliament.

3. The full report can be found on Audit Scotland's website – www.audit-scotland.gov.uk