FINANCE COMMITTEE

AGENDA

5th Meeting, 2003 (Session 2)

Tuesday 9 September 2003

The Committee will meet at 10.30 am in The Chamber, Assembly Hall, The Mound, Edinburgh to consider the following agenda items:

1. Items in private: The Committee will decide whether to consider its draft report on the Financial Memorandum of the Vulnerable Witnesses (Scotland) Bill in private at a future meeting.

2. Vulnerable Witnesses (Scotland) Bill: The Committee will take evidence on the Financial Memorandum of the Bill from—

   Ed Morrison, Director of Finance, and Jackie Robeson, Head of Practice, Scottish Children’s Reporter Administration

   John Ewing, Chief Executive, and Cliff Binning, Head of Operational Policy and Planning, Scottish Courts Service

   Philip Shearer, Solicitor (Technical), Scottish Legal Aid Board


4. Correspondence from the Executive: The Committee will consider a letter from the Deputy Minister of Finance and Public Services on the Executive’s relocation policy.

David McGill
Clerk to the Committee
The papers for this meeting are:

**Agenda item 2**

Vulnerable Witnesses (Scotland) Bill and Explanatory Notes

Private Paper

**Agenda item 3**

Paper by the Clerk

**Agenda item 4**

Paper by the Clerk

Correspondence from Tavish Scott, Deputy Minister
Background

1. During the previous session, the Finance Committee agreed that as part of its role in ensuring the budget process is open and accessible it would endeavour to meet out with Edinburgh when considering the budget process. This would enable the Committee to take evidence from local organisations and groups who traditionally would not have an opportunity to contribute evidence to the budget process prior to the Committee questioning the Minister.

2. Such sessions have worked extremely well in the past and have involved contributions from a wide range of organisations including Health Boards, voluntary organisations, small business representatives, local authorities and local enterprise bodies. Feedback has shown that these organisations have found the sessions to be useful and have been grateful for the opportunity to contribute.

3. The previous Committee, in its Financial Scrutiny Review report, commended this level of consultation and recommended that the current committee continue the pattern it had set.

Timing

4. Previously the Committee has met all day enabling it to take evidence from local groups and organisations in the morning followed by evidence from the Minister in the afternoon.

5. This year, given the contracted consideration timescale for the budget, the most suitable date for an external meeting is Monday 10 November.

Locations


Format for meeting

7. Previously the Committee has set up workshop sessions with the organisations. The workshops aimed to provide an insight into how national priorities and spending plans impact on the local area, and the level of engagement that local organisations have with the budget process. Members have been assigned to workshops which meet informally and have the support of a clerk. A member is then appointed to report back to the Committee once its reconvenes on completion of the workshop. It is suggested that the Committee takes a similar approach to this meeting.
Procedure

8. A fully costed request to hold a meeting outside Edinburgh must be made to the Parliamentary Bureau and other than in exceptional circumstances, such a request will not be considered unless it has been referred to it from the Conveners’ Group.

Recommendation

9. Members are asked to agree in principle to meeting outwith Edinburgh during stage 2 of this year’s budget process.

10. If members are in agreement, decisions on the date, format and preferred location are required. The Committee met latterly in remote areas and it may be that this Committee would prefer to meet in an urban area on this occasion. An indication of the Committee’s preferred geographical area would allow the clerks to make preliminary investigations. After those investigations are complete, the Clerks will bring forward a paper at a future meeting with detailed arrangements for the meeting and suggested witnesses for the workshop sessions.

David McGill
3 September 2003
Finance Committee
Correspondence with Executive over Relocation Policy

1. On 9 July 2003, the Convener of the Committee wrote to Andy Kerr, Minister for Finance and Public Services, seeking further information on the Executive’s relocation policy.

2. This follows a number of reviews carried out by the Executive of public bodies which have taken into consideration the relocation of these bodies outwith Edinburgh. The Executive has indicated that it plans to continue this programme of relocation reviews on an individual agency basis, rather than through an overarching strategy.

3. The Convener asked for information on the criteria considered as part of the decision process in the reviews. In particular, he sought:
   - clarification on any value for money assessments that were conducted;
   - details of the criteria used for identifying any potential costs and savings involved in relocation and for ascertaining whether relocation would be beneficial for the bodies concerned;
   - details of the criteria used to short list possible areas for relocation, and for arriving at the final decision.

4. The Committee is invited to consider the Executive’s response and decide whether any further action is required.

Emma Berry
September 2003
Dear Des

Thank you for your letter of 9 July requesting background information to the Finance Committee about the process and methods employed in conducting relocation reviews.

I attach as an Annex to this letter a note covering the issues considered and the process employed in carrying out relocation reviews, which I hope you find useful.

Yours sincerely

TAVISH SCOTT
ANNEX

PROCESS AND METHOD EMPLOYED IN CONDUCTING A RELOCATION REVIEW

Vision

The Executive’s relocation policy reflects the type of Scotland we wish to see post Devolution. A Scotland in which devolution is applied within Scotland itself. The Executive is committed to ensuring that Government in Scotland is efficient and effective and more decentralised as part of our wider vision of more accessible, open and responsive Government.

We see the dispersal aims of our Relocation Policy as a significant contribution to this commitment. We believe that public sector work can be carried out across the country and that it is important that the people of Scotland see public administration as part of the fabric of Scotland as opposed to being distant and centralised. In examining the value of relocating organisations to particular parts of the country we will take this consideration into account in addition to other factors such as indicators of social and economic need. Other important factors will be the operational effectiveness of the organisation, the level of investment required and the position of staff concerned.

Process

Relocation reviews are initiated by a number of triggers. When the Scottish Executive establishes a new unit or Agency, or where an existing unit is merged or otherwise reorganised, a location review takes place with a presumption against location in Edinburgh. In addition where a significant property break point is reached – for example, the termination of an existing lease – a location review takes place and options outside Edinburgh are considered. In each case, Ministers will look at alternative locations.

The policy applies to the Departments of the Scottish Executive, to its Executive Agencies, to the Departments of the non-Ministerial office holders and to the Crown Office, and to all Non-Departmental Public Bodies funded by the Scottish Executive.

The purpose of any relocation review is to determine the most efficient and effective location for the body concerned, to calculate space requirements and to locate potential office space to meet both the business requirements of the body concerned and Ministers’ expectations for the implementation of their relocation policy. The methodology used for relocation reviews has been consistent with the Treasury’s Green book and the Scottish Public Sector Finance Manual guidelines.

To date, relocation reviews, have normally involved two stages - an analysis of possible locations and a costing of the best of these. The purpose of the first stage has been to identify a shortlist of locations from a list of generic locations, consistent with Ministers' relocation objectives, where the body/organisation could be located. The second stage has identified potential sites in each short-listed location and has calculated the costs and benefits of each.
In the first stage each location has been scored against the following factors:

- the socio-economic make-up of the area;
- the effect on the business efficiency;
- the availability of sustainable public transport links and road links; and
- the existence of a local property market likely to provide suitable accommodation.

In order to arrive at a final ranking of generic locations, weighted values have been applied covering:

- Business Efficiency (20%)
- Sustainable Transport Links (15%)
- Property Suitability/Availability (15%)
- Socio-economic Factors (50%)

The figures in brackets show typical weightings used in more recent appraisals. Areas short-listed have then been subject to a more detailed cost appraisal based on Chapter 5 of the Green Book. The methodology is currently under review to ensure that the form of appraisal used captures all the benefits of relocation.

Corporate Services: Facilities and Estates Services: Corporate Responsibility Unit
August 2003