

DECENTRALISATION

THE great Government decentralisation drive promised much, but failed to deliver in the end. *CON POWER reports.*

Almost 40 provincial towns are set to lose out on the transfer of more than 5,000 lucrative public sector jobs from Dublin following the decision to suspend the Government's decentralisation programme for at least two years. The Government had already spent more than €220m on lands and properties in its grand design to relocate in excess of 11,000 public and civil servants out of Dublin when Finance Minister Brian Lenihan blew the whistle.

On the plus side, the Government claims that its ill-fated decentralisation initiative will ultimately deliver a total of 6,000 public service jobs to the regions. But the remainder of the ambitious (foolhardy?) programme has now been mothballed and costly development plans have come unstuck.

"The Government has reviewed the decentralisation programme in the light of the changed economic circumstances," Minister Lenihan announced in his inaugural Budget speech. "The timeframe in which the programme can be implemented has to be revised. The Government has identified priority elements which will proceed as planned. "In excess of 2,500 public service posts have already moved to new locations outside of Dublin. The priority element, coupled with the progress already made, will bring a total of 6,000 public service jobs to 40 locations around the country. We are deferring decisions on the timing of the implementation of the balance of the programme pending a review in 2011 in the light of budgetary developments."

It seemed a good idea at the time – to Fianna Fail diehards at least. The controversial decentralisation plan was introduced by former Finance Minister Charlie McCreevy in the 2004 Budget. But the omens were inauspicious right from the outset and the skeptics were out in force. Hand in hand with widespread accusations of political jobbery, critics charged that the new programme rubbished the National Spatial Strategy and put political expediency before real regional necessity. In the event, only a minority of public servants rowed in with the relocation programme and – as so often before – the public sector proved a pretty immovable object.

To be fair, most of the offices which have ultimately been decentralised are from Government departments. But State agencies have been very reluctant to move. Indeed, some, including national employment agency FAS, waged protracted industrial relations battles against attempts to force through relocation to the provinces. This stance was vindicated last year by a Labour Court ruling effectively prohibiting State agencies from making promotions conditional on staff being prepared to move out of Dublin.

The embarrassing decision to ultimately consign the original programme into political limbo thus scarcely came as a surprise. The first signs of the Government's row-back on the relocation plan indeed came as early as last July, when major spending cutbacks were flagged. The Finance Minister indicated that there would be a "pause" in the acquisition of

accommodation for decentralisation and the writing was on the wall. Two reports on the implementation of the programme were subsequently completed, setting out the status of each of the proposed moves and signing off on unrealised projects.

Decentralisation tables appended to the Budget statement show that 2527 public sector posts had actually been moved out of the capital at that date. Twenty relocation projects had been successfully completed including Phase One of the Social & Family Affairs relocation to Carrick-on-Shannon (135 staff); Finance to Tullamore (125) and Irish Prison Service (123 jobs). A further 3474 have been scheduled to decentralise in Budget '09.

The decision to suspend the programme pending review two years hence means some 5,140 jobs will not be relocated to 37 towns around the State, according to the official figures. A capital "envelope" for decentralisation projects of €72m in 2009 and €90m in 2010 has been provided. However, the decentralisation "volte face" still leaves several hundred staff who relocate unsure as to whether their colleagues will eventually follow, or if they will be recalled to Dublin.

Where the building of property for decentralised offices has started, or where contracts to build are in place, the Government has pledged that work on these projects will continue. However, the decentralisation "freeze" immediately triggered legal examination of several major non-realised projects.

The biggest single loss in decentralised jobs is in Kildare where the decision not to proceed with the Office of the Revenue Commissioners relocation will cost 380 jobs. The overall county has, in fact, been dealt a triple whammy, with a further 180 planned Revenue Commission jobs in Athy and 300 Health Service Executive posts in Naas long-fingered.

The nationwide financial implications of all this are as equally significant as the personnel dimension. The Office of Public Works has paid more than €52m for 19 sites around the country. Building work is either in progress or imminent on 14 of the sites. In addition, the OPW spent more than €10m on the purchase and fit-out of offices in Tullamore for officials from the Department of Finance.

The OPW will reconsider its position on the sites after the 2011 review. It plans to retain five decentralisation sites acquired for more than €7.2m despite the recent decision to put the relocation programme on ice.

The vacant sites include a land bank in Waterford bought for €8m last year to house the Department of Environment, Heritage and Local Government; a €2.9m site in Cavan, bought in 2006 to house the Department of Communications, Energy and Natural Resources and the Health Information

Quality Authority; a €1.5m site in Offaly, bought in 2006 for the Department of Education and Science; €2.1m site in Dungarvan, Co. Waterford bought in 2006 for Ordnance Survey Ireland; and a €1.8m site in Kilkenny bought in 2008 for the Health and Safety Authority.

The OPW is also left with a site in Knock which it bought for €390,000 to build new offices for the Department of Community, Rural and Gaeltacht Affairs. Planning permission was refused and that site is also idle.

The €140m construction of offices for three departments in towns in the Midlands was immediately put in question by the decision to scale down the relocation plan. An agreement is already in place with a private consortium to build the offices in Portlaoise, Mullingar and Carlow but it has not been confirmed whether or not contracts have been signed.

The value of vacant decentralisation sites has, meantime, been slashed as a result of the economic collapse – prompting further criticism of the Government strategy. With the Government kicking into touch, Opposition parties have been quick off the mark to include this issue among the many balls they have been lobbying at the beleaguered Coalition.

Even with land prices estimated to fall by up to 35 per cent (a figure now seen to be very conservative), Labour Party finance spokesperson Joan Burton has publicly claimed that the value of the sites is more than enough to cover the cost of the €10m cervical cancer vaccine for girls which the government says it can't afford. "Here we are denying a potentially life-saving vaccine for women, and on the other hand, running millions into the sand on a failed government policy," said Ms Burton, quoting official figures that the Government has spent €230m on decentralisation, with over €220m going on property costs.

The figures were earlier released to Fine Gael TD John Deasy in response to a series of parliamentary questions. The "non-property" costs included almost

€700,000 in one-off payments given to civil servants who needed training in advance of being re-located. Civil servants who live 35 miles or more from the training centre are entitled to a one-off allowance of €3,000. The allowance rises to €5,000 if the training period lasts longer than eight weeks.

Decentralisation accordingly features high in the list of areas where both Fine Gael and Labour Party say significant Exchequer savings can still be achieved even at this stage. Both political parties insist that the Government can cut €100m from spending on decentralisation this year – despite most of the money already being spent on projects under construction.

Fine Gael is targeting the budget allocated for the relocation of government departments and agencies to contribute to its proposed €2bn savings plan. The party wants to call a complete halt to the decentralisation programme. For its part, the OPW has no plans to sell decentralisation lands, however. It argues that the €230m cost of decentralisation was offset by the sale of state assets, including valuable sites in Dublin 4, which had raised more than €500m in the past four years.

The OPW says it has no choice but to spend at least €72m of the €100m allocation as it has signed contracts on a number of projects. Work is thus under way for new government offices in Wexford town; Killarney, Co Kerry; Trim, Co Meath; Clonakilty, Co Cork; Newbridge, Co Kildare; and Buncrana, Co Donegal.

The first four projects are due to be finished this year and the remaining two in 2010. The OPW has warned of legal implications if there was any attempt to negate these contracts to save the €100m involved. Opponents insist that more cuts can still be made and that there is no point in throwing more good money after bad. So, while decentralisation is now in suspended animation, the final act has yet to be played. ■

**Con Power is a Property Writer with The Irish Independent.*



Department of Finance offices, Tullamore, Co. Offaly.