THE RISE AND FALL OF CIVIL SERVICE DISPERSAL TO SCOTLAND

Richard Parry

Research Officer
Centre for the Study of Public Policy
University of Strathclyde

The attempt in the 1960s and 1970s to disperse civil service jobs from London to the English regions, Scotland and Wales appears in retrospect as one of the most interesting problems of policy implementation in Britain during these years. The experience shows how lack of clarity about the objectives of a programme can lead to a kind of 'policy capture' - the effective replacement of original goals resting on 'rational' analysis, without partisan or sectional loading, by other goals politically more salient but incapable of sustaining the same kind of consensual justification. In this case, confusion between two sets of goals was for a time suppressed by the momentum of the policy, but eventually could not be overcome and resulted in the programme's virtual liquidation in 1979. The conflict between the goals - which may be characterised as promotion of the interests of the civil service and promotion of the interests of the peripheral regions - was most acute in Scotland; it was no coincidence that the political stakes on the programme were highest there also, and it is the main focus of this analysis.

The problem of policy implementation which civil service dispersal displayed has become an important area for academic analysis because of the manifest failure of many public policies in recent years to deliver on their objectives. Work like that led by Wildavsky in Oakland has emphasised how confusion over goals is a frequent condition of policy initiatives, and that weaknesses in policy articulation and means-ends specification lie behind implementation problems.[1] Such problems are most prevalent in multi-agency programmes such as

urban renewal, and in Scotland have been evident in the Glasgow East End Renewal project. The danger is that objectives come to be obscured as implementors, in their preoccupation with the complexity of activity, lose sight of the objectives they are supposed to be seeking.

This substitution of goals promoted by the pressures of the implementation process for the original legitimate goals has been described by Amitai Etzioni as 'goal displacement'.[2] Such a concept implies implementation failure through an excessively complicated network of procedural stages and organisational actors. Its weakness, perhaps, is that it confuses lack of clarity in goals with lack of resilience in the execution process. If those executing a policy are able to mobilise the authority necessary to push it through, goal displacement maybe ridden out even in the face of considerable departure from original goals. An alternative concept, more applicable to situations where execution is tighter and more directive - still often the case in British central government - is that of goal discrepancy, where a policy comes to be sustained by more than one set of goals, which overlap and share some potency but are fundamentally irreconcilable. Although implementation may proceed successfully for a time, the tensions between discrepant goals eventually intrude, especially at times of policy stress, like changes of government or public expenditure restraint. This is what happened in civil service dispersal.

Dispersal is also significant in terms of regional economic policy, as it is one of the few explicit attempts to shift jobs from one location to another. Policies designed to stimulate employment through relatively superior economic inducements are frequent, but an actual shift of jobs, with occupants moving with them, is an unusually strong policy in an age of deference to existing employment positions. The contention that workers in declining areas should be expected to move to more prosperous areas, commonplace in the 1930s, has been overtaken by the presumption that new employment opportunities should be brought to them - but this has seldom been taken to imply the relocation of existing jobs. The fact that it happened in this case can only be explained in the light of the initial goals of the programme - that it offered a positive-sum benefit to the civil service itself, by both saving money and enhancing job-satisfaction, paralleling the common

justification for office relocation in the private sector. Once this was obscured by the later set of goals - closely aligned with the general perception of regional policy as zero-sum game, penalising some areas and groups of staff in order to favour others - the policy became increasingly divorced from the norms of good employment practice.

An additional theoretical perspective, from organisation theory, is the wish of any organisation to keep control of the most intimate parts of its job environment by domesticating matters like work practices and location. Public bureaucracies, geared to respond to rapid changes in policy direction and operating in an atmosphere of political uncertainty, are especially concerned to protect the circumstances and practices through which the job is performed from 'arbitrary' political interference. In Britain, greater self-confidence by civil service trade unions, boosted by their experience in using selective industrial action, has intensified this tendency in the 1970s. At the individual level, the possibility of involuntary transfer to any part of the country reduces the attractions of a civil service job. At the collective level, this leads to sensitivity to the unwelcome shifting of jobs and to the possibility of using collective pressure to thwart it. Once any major domestic change like dispersal ceases to be positive-sum for an organisation's own interests, implementation problems are unavoidable.

Civil service dispersal has consisted of a number of distinct and overlapping programmes, which are summarised in Table 1 and itemised for Scotland. One point is fundamental. Although the absolute numbers involved are substantial - around 80,000 posts relocated since 1945 - they are small in the context of the aggregate size of the civil service, let alone public employment as a whole: about 10 per cent of the former and 1 per cent of the latter in Great Britain, and 15 per cent and 1½ per cent in Scotland, including posts announced but not yet delivered.[3] The overriding constraint has been that any image of the civil service as an army of Whitehall bureaucrats is a myth. Only a quarter of the civil service works in London, and many of these are in direct client-serving offices (like social security) which must be locally-based. These are paralleled by similar local offices elsewhere; and some policy tasks are deconcentrated to

TABLE 1 JOBS IN CIVIL SERVICE DISPERSAL PROGRAMMES: NUMBERS IN THOUSANDS

	1. Before 1963	2. 1963-78: Dispersed jobs	3. 1963-78: Newly created jobs	4. Announced, July 1979
SCOTLAND	0.6 (Inland Revenue, Edinburgh)	6.2 [Dept. of National Savings Glasgow: 4.6 Inland Revenue, Edinburgh: 1.2 Inland Revenue, Glasgow 0.2 Forestry Commission Edinburgh: 0.1 and smaller moves]	2.5 [Inland Revenue, East Kilbride: 1.5 and six smaller moves]	2.0+ [Overseas Development, East Kilbride: up to 0.6 Defence St. Enoch, Glasgow: 1.4+]
ENGLAND	23.8	21.1	10.8	3.3
WALES	0.8	3.5	6.0	0.8
TOTAL	25.2	30.8[a]	19.3[b]	6.1

Note: [a] between April 1978 and July 1979 some further jobs (fewer than 1,000) were dispersed, none of them to Scotland; see House of Commons Hansard 23 July 1979 Vol 971 col 37 (written answer)

[b] a further 8,500 newly created jobs were planned, 900 of them in Scotland (mainly at Inland Revenue, Cumbernauld)

Sources: 1. The Dispersal of Government Work from London (Hardman Report, Cmnd 5322 January 1973) table 1(5)
2. Regional Statistics 1979 edition table 8.17 (at 1 April 1978)
3. House of Commons Hansard 17 January 1978 Vol 942 Cols 194-207 (written answer; at 1 October 1977)
4. House of Commons Hansard 26 July 1979 Vol 971 col 902 ff and subsequent clarification of dispersal to Bootle.

English regional offices and even move to the Scottish and Welsh Offices. This means that the pool of headquarters jobs in London available for dispersal is small in relation to the total size of the civil service - less than 15 per cent - and has become smaller as the dispersal policy progressed. An associated problem is that some regions claiming dispersal, and Scotland in particular, have never had a fully convincing case that they are severely deprived of civil service jobs. The existence of the Scottish Office in Edinburgh since 1939 with its full range of policy responsibilities brought Scotland to not far short of a fair share on a population basis.(4) The more salient question has been the distribution of jobs within Scotland and especially their concentration in Edinburgh, as a result of which it is difficult to make a Scottish case vis-a-vis the rest of the United Kingdom.

The initial, ad hoc, phase of the dispersal programme, from 1945 to 1963, was sustained by the civil service's own interests. It stemmed from wartime experience, when about 50,000 officials were temporarily evacuated from London. Some never came back. Between 1945 and 1963 25,000 jobs were moved out of London in search of cheaper office accommodation and clerical labour. The largest component was the move of 11,000 social security clerical jobs to Blackpool and Newcastle, but most of the remainder went to agreeable English country towns, establishing presences - like the defence departments' 'London-Bath axis' - that constrained future moves. Scotland did badly, with fewer than 1,000 posts, mainly in the Inland Revenue. Unable to claim jobs in departments dealing only with England, and distant from London, Scotland was bound to lose in such 'spontaneous' dispersal.

The introduction of the second set of goals - those of dispersal as a concerted act of regional policy - came as part of the Conservative Government's concern with unemployment in some regions in 1962/63 - symbolised by Lord Hailsham's 'cloth cap' visits to the North East of England and the new interest in economic planning in Central Scotland. In a wider context, it represented a response to Conservative Party weakness in peripheral areas of Britain, technocratic concern with the disequilibrium of economic activity in favour of London, and faith in planning correctives. Intrinsic civil service concerns - like the position of staff - were overtaken by the bolder economic

themes. In 1962 the Government asked Sir Gilbert Flemming to prepare a report on the potential for further dispersal. His (unpublished) report recommended the dispersal of 24,000 posts - 7,500 by one major move, the Post Office Savings Bank, 6,000 in smaller moves, 4,500 to the London suburbs and 7,000 from existing plans.(5) Significantly, the Ministry of Defence, the largest UK department, was not included in the review because of its concurrent reorganisation.

These jobs were available for regional purposes - 'we shall give special consideration in respect of these moves to the possibilities of moving to areas of relatively high unemployment'.(6) But the policy was still London-orientated. The prime purpose was to 'check the growth of office employment in the central London area, in the interests both of regional policy and the health and welfare of those who live and work in the London area'.(7) Only the Savings Bank and 1,000 posts from the smaller moves were considered suitable to be moved well away from London. The policy was vulnerable to changes in planning parameters and the perception of the need to correct an overheating of London's office economy.

The allocation of the Post Office Savings Bank to Glasgow in March 1964 was an undoubted coup for Scotland, but as a harbinger of future dispersal possibilities it was misleading. Its allocation was described tersely as being 'in the national interest'; in fact,as a self-contained large clerical factory capable of long-distance dispersal, there were political advantages for the Government in an election year of swallowing the inevitable staff protests and going for the location where relief for unemployment and kudos for the Conservative Party would be maximised. In this calculation, Scotland edged out the North East. Neither the availability of such a convenient package of jobs nor the conjunction of political circumstances is likely for Scotland in the future.

The rhetoric of regional policy, and the use of dispersal as an instrument of it, continued under the 1964 Labour Government. The Flemming moves went ahead, and in 1965 it was decided that civil service jobs created by new policy tasks should as far as possible be located in the regions - a recognition of the political advantages of avoiding the movement of existing job-holders, but one which qualified

the concept of dispersal and tended to tie the policy to the degree of expansion in the civil service. Also significant was the introduction of Office Development Permits in London in 1965, which increased the scarcity value of office space in London and so pushed up rents, to the competitive advantage of provincial locations. This maintained the rational initial goal of dispersal policy.

The developing conception of the policy as the delivery of economic relief through one-off political gestures was tailor-made for haggling about the destination of each project, usually around the Cabinet table. Here, arguments about relative need were countered by complex political calculations. In this, Wales was best placed because it was both a nation - with its own cabinet minister demanding its due of UK civil service jobs - and a region,able to match most parts of England on criteria like accessibility to London and relative acceptability to staff opinion. The English regions could not match Wales on channels of advocacy, and Scotland could not meet the 'objective' criteria, having to rely on a cruder pork-barrel case. This interplay comes through well in Richard Crossman's account of the Cabinet meeting on 18 April 1967 which decided to send the Royal Mint and its 1,000 jobs from London to Wales:

> '....the choice has narrowed to Llantrisant at the end of the Rhondda Valley, Washington New Town in the North East, and Cumbernauld near Glasgow. Not unnaturally the Cabinet Committee was completely split. The Chancellor and the Treasury officials said there was no doubt the people in the Mint themselves would prefer South Wales if they had to move at all. But the Chancellor's credibility was somewhat undermined by the fact that he represents a Cardiff constituency. Michael Stewart for the DEA said that on the whole in terms of the dispersal policy the strongest case was for the North East and Willie Ross, as Secretary of State for Scotland, insisted on Cumbernauld.....Willie Ross spoke with great bitterness and sounded like a man who knew he was defeated before the debate began. After an hour and a half the PM counted heads and finally said that Wales had it'.(8)

Through such arguments, Wales also gained under the Labour Government the only other 'clerical factory' able to match the Savings Bank in numbers - the Driver and Vehicle Licensing Centre, planned to

provide 6,500 jobs taken over from local authorities and sent to Swansea, and other useful contingents like the 1,000-job Business Statistics Office for Newport. Scotland, now benefitting from the Savings Bank, did less well: most of its new jobs were at the Inland Revenue Centre 1 at East Kilbride, whose tasks came chiefly from other local offices in Scotland. Within England, 80 per cent of the jobs went to the North West, the North East and the South East, and very few to the Midlands, the South West or East Anglia. This reflects the smaller number of significant dispersals and the consequent difficulty of securing an even distribution; the importance of establishing an identity as 'recipient region' (which most parts of England failed to do); and the residual role of the South East as a 'soft' way of moving jobs out of London. The role of political and operational variables in these decisions is difficult to distinguish.

By 1970 dispersal policy was not yet impeded by its discrepant goals and still enjoying consensual political support; but it called for fresh analysis and justification. The new Conservative Government asked a retires civil servant, Sir Henry Hardman, to prepare a one-man report on the possibilities of further dispersal, which was published in 1973. The report gained considerably in trenchancy from not being a committee product. Hardman looked at 86,000 civil service jobs in London (a further 11,000 not being under review), and recommended 31,000 as being suitable for dispersal because of an acceptable tradeoff between 'communications loss' to the dispersing department (the loss of proximity between staff, causing necessary meetings either to be abandoned or have staff travel to them) and 'resource gain' (in the form of increased employment and cheaper office accommodation).(9) A computer model was used to calibrate the tradeoff for each move and the effect of more or less distant locations. A target tradeoff involving an acceptable ratio of gain to damage 'emerged' in discussions with departments and the recommendations were geared to it; but nowhere in the report is there an explicit justification of why, on the continuum of cost and benefit, 31,000 was the right number of jobs to disperse.

In the distribution of recommended locations, Scotland could not avoid doing badly from the objective nature of the Hardman criteria,

as it was inescapably more distant from London than any other region in Britain. Only 4 per cent of the jobs were recommended for Scotland (1,200 Overseas Development for Glasgow, at the least favourable tradeoff of any recommended move), but 18 per cent for Wales and 20 per cent for the North West. An alternative 'efficient' solution did not include any Scottish dispersal at all; and the Overseas Development move was presented as something of a sop:

> 'I recommend it as a solution only with serious misgivings and because otherwise there is no work from London which could go to Scotland at all. Indeed, ministers may well feel that this is the right solution, given that Glasgow has done well out of dispersal so far.....if no work is to go to Glasgow from London, the most sensible course would be to consider the dispersal to Glasgow of parts of the Scottish Office from Edinburgh'.(10)

With 40 per cent of the jobs recommended to stay within the South East, Hardman recognised that his pursuit of efficiency for the civil service was subverting the new regionalist orthodoxy of dispersal. An alternative 'regional' solution was offered to take account of this, at a much less favourable overall tradeoff, in which 'departments are allocated to the distant locations because, in terms of the measures used, they could go there with relatively less damage than other departments. But this does not mean that such allocations are anywhere near making the best locational sense for the departments concerned'.(11) But even this yielded only a further 600 jobs for Scotland by the transfer of the Export Credit Guarantee Department.

The Hardman report - unlike many Whitehall exercises - was confident, personalised and difficult to challenge. The evidence deployed and the criteria implied progressed to the conclusions in a way that impeded the formulation of alternative proposals on different assumptions. Bilateral discussions between Hardman and the Departments had guided the definition of packages of jobs, and tradeoffs for other packages and rejected locations were not published. The report promoted the cause of dispersal by setting up 31,000 jobs as a target; but in general it reinforced the initial civil service-orientated conception by exposing the inefficiency of regional-policy-inspired moves now that the core of headquarter policy functions was under consideration. Scottish aspirations for further dispersal jobs could

only be satisfied if explicit political choice asserted regional goals and justifications.

It was fortunate for Scotland that the Hardman recommendations were translated into policy by the 1974 Labour Government, sensitive to nationalist advances, seeking a rapid between-elections policy announcement, and prepared to use Hardman's data while not following his arguments. The announcement on 30 July 1974 said of Hardman's recommendations that 'the Government regard such a distribution as unacceptable, because it undervalues the importance of the opportunities for administrative work that dispersal can provide where they are most needed'.[12] The same 31,000 jobs were to be moved, but the locations were switched so that Scotland received 25 per cent, Wales even more, and the North and North West largely crowded out other English regions (see table 2). This was achieved chiefly by dispersing about half of the Ministry of Defence's London headquarters staff, recommended by Hardman for Milton Keynes new town in the South East, to the 'Glasgow area' (6,000) and Cardiff (5,000) - subject to the Government's defence review, a proviso later exploited by the Ministry. The Glasgow area was also to receive the 1,000 Overseas Development jobs recommended by Hardman. A ten-year timescale was set for the move.

In the choice of Defence for Glasgow, the Government were constrained by the need to move a department with functions covering Scotland and capable of delivering a large contingent of jobs: in the Hardman package this was the only candidate. But by so crudely switching locations they were storing up trouble for the future. Now that the Government was giving more weight to regional criteria it might have been possible to return to the Hardman methodology and consider new packages and locations to take account of the poorer benefit-damage tradeoff now contemplated. It is possible that new packages - perhaps large ones involving whole departments, which on Hardman criteria frequently involved less damage than smaller ones - would have emerged as more attractive propositions. Defence was a department facing contraction, now being dispersed to two sites, and losing the advantage of Milton Keynes as a convenient 'company town'. Glasgow's prospects were further compromised when the Ministry decided to send

TABLE 2

THE TERRITORIAL ALLOCATION OF DISPERSAL JOBS

		1. Dispersed and newly-created jobs 1963–78 as % of civil servants in region January 1979	2. % of total package for region under: Hardman proposals (recommended solution) 1973	3. Labour Government proposals 1974
1.	Wales	23	18	27
2.	North	15	7	14
3.	Scotland	12	4	25
4.	North West	8	20	16
5.	East Anglia	8	2	3
6.	Yorkshire and Humberside	5	0	5
7.	South East	4	39	3
8.	South West	4	11	7
9.	East Midlands	3	0	0
10.	West Midlands	1	0	0

Sources: 1. dispersal numbers as table 1; total civil servants Civil Service Statistics 1979 table 3a/3b

2. Hardman Report p.12

3. Civil Service Statistics 1977 p.11

the most homogeneous group of staff - the Procurement Executive - to Cardiff, the more attractive location. Glasgow was left with an uncertain residue, the timescale slowed, and justification for the move had come to be based purely on Scottish considerations.

Three tensions ran through the slow progress of Scottish dispersal from 1974 to 1979. The first was that imposed by Glasgow politics. The jobs had been allocated to the Glasgow area, not necessarily to the city itself - giving a choice between an inner-city site or a greenfield one on the outskirts, as with the Savings Bank at Cowglen. Considerations of cost, timescale and practicality suggested the latter solution, but Glasgow, wishing to use the move as a vehicle for urban renewal, pushed for the former. The resultant discussions and preparation of options took a year and a half. Overseas Development was allowed its preference of a greenfield site at Hairmyres, East Kilbride, for 650 of its staff, but it was announced in February 1976 that the 5,000 Defence staff would all be housed in a massive office block in the centre of Glasgow at St Enoch Station, which would be demolished to make way for it. Choosing such a difficult and expensive site was bound to increase design and construction time and so retard the movement of the jobs. Part of the cashflow problem - and the fact that not all of the station site would be needed - was met by having the Scottish Development Agency purchase and hold the site in 1977. But by mid-1977 the 1984 target completion date was in jeopardy.

Parallel difficulties in other projects, and deteriorating economic justification as London office rents weakened, led to a general reappraisal of the programme, and in July 1977 both numbers and timescale were relaxed. The Defence contingent for Glasgow was scaled down and split into two parts. In order to try to meet the 1984 deadline, a second urban site in Glasgow - at Anderston Cross - was to be acquired and a block for 1,500 built. A further group of 'up to 4,000' would then follow at St Enoch by the late 1980s. This announcement saw the divergence between the two sets of goals and between political rhetoric and administrative reality widening further as a second tension - between government departments - became clearer.

The interests of the various departments were clear and contrast-

ing. The Scottish Office, assailed by Glasgow politicians, notably Conservative spokesman Teddy Taylor, was bullish about the project and anxious to use it to promote urban renewal: it wanted to maximise the net gain of jobs for Scotland. The Property Services Agency, who were designing the buildings, wanted clear guidelines and a straightforward construction job and were the most sensitive to the feasibility of deadlines. The Civil Service Department, the managers of the dispersal programme, wanted to preserve their credibility without conceding too much ground to the dispersing departments who were hostile to their moves.

The Ministry of Defence's position was the most interesting and the most difficult. In one perspective, it was straightforwardly obstructionist, opposed to the move and seeking to delay it in the hope that the policy would collapse. But it also faced well-grounded opposition from staff and real difficulty in formulating its package, defined in numbers rather than blocks of work. Its response was to declare that it could not identify an operationally acceptable pool of staff to move from London to Glasgow: the groups suggested by Hardman for Milton Keynes (principally personnel management) were now too small. Instead - as emerged during 1978 - the bulk of the package (3,880 jobs) was to come from its staff outside London, principally in the form of service pay offices. The locations of these read like an itinerary of English country towns - Harrogate, Bath, Winchester, Didcot - and ironically most of them had previously been moved as part of the first phase of dispersal.[13] When their offering-up for Glasgow became known to staff at these locations, their hostility - taken up by their (Conservative) MPs - was understandable.

This has to be regarded as a smart bureaucratic ploy by the Ministry of Defence - setting up a package whose absurdity would drag the move down with it. The difficulty in evaluating it is that the rules of the game within Whitehall - respected by Hardman and implicit in the initial goals of dispersal - leave each department as the guardian of its own operational performance; a professed inability to meet a dispersal commitment in any other than the declared way was not readily open to rebuttal. The Civil Service Department might have performed this task, but it is a low-powered department in White-

hall terms and on dispersal behaved cautiously in an effort to hold the ring. The common perception of the moves among senior civil servants was that they were politicians' ploy, to be implemented not necessarily disloyally but with a detachment and scepticism that tainted the programme. But the ability of civil servants to subvert the policy should not be overestimated. While the Labour Government was in office they were to be compelled to deliver, as the outcome of the 1977 reappraisal showed. The execution mechanism could only be broken by an explicit policy reversal, for which a change of government offered the best opportunity.

A third tension - that within Scotland caused by different views on the purpose of dispersal - was also never resolved, and contributed to the confusion and lack of realism about the programme. The traditional result of dispersal had been to deliver large slices of mobile clerical jobs, which tended to be filled largely by women, many of whom had not previously been at work. This was less than fully desirable in job-creation terms. And so a new, and somewhat incompatible, purpose was suggested in the 1974 announcement: to bring higher-level jobs to Scotland and so provide career opportunities for civil servants. But this implied that rather more of the jobs would be filled initially by staff moving from London: Hardman had estimated about half in his package (a figure constantly quoted but never subsequently substantiated). This both reduced the employment benefit to the 'indigenous' population and increased the stakes for staff opposition. Glasgow was slow to recognise this ambivalence; and it also failed to appreciate fully that the commitment of the Labour Government to the move was a transient political conjuncture on which it was imperative to capitalise by starting building work. The push for a city centre site - wildly inappropriate for a computer pay office - was an expensive diversion; 'strategic' objections to moving Defence jobs to a potentially self-governing Scotland were not recognised; and the claim of entitlement to jobs in UK departments was prejudiced by the failure of the Scottish Office to take any initiative on Hardman's suggestion that it move some of its own jobs from Edinburgh to Glasgow.

The Scottish Office's argument against this proposition was that

jobs should not be moved to Glasgow by penalising other parts of Scotland. They were reluctant to concede the point for fear of jeopardising the total size of the jobs package from England. Intra-Scotland dispersal might have been a helpful gesture to the managerial problems of English departments, and would have been justified in itself in view of economic disparities within Scotland and the geographical imbalance of civil service job opportunities. But in Whitehall politics, bargaining positions and a wish to preserve the consistency and credibility of arguments may be more potent than the merits of a case. In the case of dispersal, the responsible central department - the Civil Service Department - lacked the weight to impose meritorious arguments on the rest of Whitehall.

Another large issue which played a part on both sides of the argument was the economic appraisal of the policy. Once again, discrepant goals are evident. Hardman's approach was not a full cost-benefit analysis for each location, for his tradeoffs used incommensurate units - damage in terms of civil servants' time and benefits in terms of money. Hardman was dismissive of potential resource gains to receiving localities, suggesting that most of the jobs would be filled by married women not on the unemployment register and that most of the increased income would 'leak' to suppliers outside the localities. He was more concerned to isolate the costs and savings of the moves to the Exchequer and present the results in terms of annual cash flows. This showed that at the end of the ten year programme there would be a net annual saving of £24 million (in early 1970s prices) continuing in perpetuity; the peak net annual cost was £8 million in the third year of the programme.[14] Such a saving was made possible by the then wide differential in office rents between London and the provinces (over 5:1). The savings accrued whatever dispersal location was chosen, since rent differences between possible locations were insignificant compared with the general differential with London. The penalty of more distant locations - expressed in the average tradeoffs - was borne by the dispersing departments in the form of reduced efficiency. Given Hardman's approach, he was more concerned with these penalties than with wider economic benefits to the regions.

Although the potential savings looked encouraging, they were in fact extremely vulnerable to developments in the property market and managerial weaknesses in the civil service. They assumed that after dispersal the Government could reshuffle staff in London and give up accommodation rented at current market levels. This was too optimistic. Many civil service buildings in London were held on older, cheaper leases; regrouping of staff, vacating property and disposing of leases took longer than Hardman had assumed, and so the realisation of benefit lagged behind the incurring of cost. Moreover, the London-provincial rent differential narrowed to something under 3:1 as the early 1970s property boom ended and London office control policy eroded; and construction costs of the new dispersal buildings increased, especially in urban sites. The result was that, from the civil service perspective, the cost-benefit relationship was steadily deteriorating and savings were being postponed into the distant future. By 1979, arguments based on the benefits to the civil service - the initial rationale for dispersal - were collapsing.

This narrow concentration on public expenditure considerations was frequently criticised by proponents of dispersal for devaluing the wider economic benefit to the receiving localities. Such criticisms were made in a report from Strathclyde University in mid-1979 to the civil service trade unions - ironically most of which were by then opposed to dispersal because of pressure from their London members. This did not specifically examine the Scottish projects, but the two that it did evaluate - Defence to Cardiff and Property Services Agency to Middlesbrough - were typical large moves. The Strathclyde team used a much more ambitious economic model than Hardman, assessing the overall change in output in terms of gains to the receiving locations and losses to the South East. Even on updated costs a net gain to the economy as a whole was predicted, with an 'overall resource benefit' of £27-28,000 per job at present values, over half of which came from increased net employment rather than civil service cost savings.(15)

Do these findings demonstrate that even in 1979 dispersal was a sound policy, against all the assumptions of the civil service? The Strathclyde team, by looking more carefully at the net impact on the whole economy, correct the over-hasty Hardman conclusion that wider

resource considerations were negligible, and confirm the propriety of the 'regional' set of goals. Reservations about their analysis are political rather than economic. The first is that the authors were able to quantify benefits to dispersing staff (such as cheaper housing and commuting costs) but not intangible costs (like disruption to social networks and childrens' education). Experience of earlier Scottish moves had revealed the salience of fears about the latter and, given the strength of the civil service unions, a one-sided economic evaluation is of little use to politicians. An attitude survey commissioned by Hardman showed that only one-fifth of staff welcomed the possibility of dispersal, and that many would resign rather than move.(16)

Secondly, the net overall benefit projected by the study is crucially dependent on the discount rate chosen (the extent to which benefits arising only in the future are valued less than benefits tenable immediately). In public expenditure terms, where there is heavy short-term pressure to cut avoidable projects and other programmes are constantly competing for funds, benefits promised for the future count for far less than they should in strict economic analysis. The Strathclyde analysis did not promise any net benefit until 1985/86; and at a 10 per cent discount rate the capital cost of the Cardiff project (less than in Glasgow) exceeds rent savings, and the overall resource benefit is reduced by over 70 per cent, when compared with the 5 per cent discount rate preferred by the authors.(17) It was impossible - especially in the late 1970s - to expect long-term whole-economy effects to serve as an effective political counter to direct short-term budgetary demands.

All these tensions and political and economic considerations contributed to the fate of the dispersal programme under the incoming 1979 Conservative Government, which immediately halted dispersal pending review. Their conclusions, announced on 26 July 1979, were received with predictable dismay by many in Scotland; but, in a somewhat unexpected twist, the Scottish pork-barrel case proved remarkably potent, even after the election defeat of Teddy Taylor, the chief Conservative promoter of dispersal. The principle implicit in the review was that moves which had started should proceed while those

still at the planning stage should be halted.[18] This was rough justice, but provided a test of whether any region could mobilise enough influence in the Cabinet to modify the principle. The only one that could was Scotland, which held on to 'at least 2,000' Defence and Overseas Development jobs at Hairmyres and St Enoch; the Anderston building project was abandoned. This was much less than the original 7,000, but the equivalent Defence move to Cardiff, a more homogeneous package at a more advanced stage of planning, was cancelled. In one perspective, Scotland did relatively better than in any previous dispersal package, with 30 per cent of the 6,000-odd jobs (see Table 1). It must be said that delivery of the jobs is not yet guaranteed: although the Defence jobs, all coming from London,were identified in early 1980, further staff resistance may be expected. But in the dynamics of the Conservative cabinet the outcome has to be regarded as a victory for Scotland and an assertion of the residual political resonance of the regionalist goal of dispersal policy, which could still be deployed by Scotland, though not by other peripheral regions.

The various dispersal programmes have not transformed the locational profile of the civil service, but the regional impact has been uneven and some regions have done very much better than others. Scotland has received 12 per cent of the jobs, no more than it could claim on a population basis, and it now has almost exactly the same share of the UK civil service as of the UK population. But, as Table 2 shows, two regions have done better: Wales especially, where the leverage described by Crossman and endorsed by Hardman has had a major effect - nearly a quarter of all civil service jobs in Wales are dispersed or newly created. The North of England has also done well, and as a result it, unlike most English regions, has its fair share of civil service jobs. But the other English regions have all done less well than Scotland, and Northern Ireland has been excluded from the whole exercise, although it is covered by some UK departments.

One important shortcoming in the programme has emerged: the tendency for large clerical operations to fall short of their promised employment levels. The Post Office Savings Bank in Glasgow had an original target of 7,500 jobs, but less than 4,500 have materialised; a similar effect has occurred at the Driver and Vehicle Licensing

Centre at Swansea. These clerical factories are vulnerable to technological developments which reduce their labour requirement and to policy changes that contract their tasks: as peripheral parts of their departments, both geographically and organisationally, they are prime candidates for manpower cuts, and the Savings Bank will suffer from the 1,000 jobs to be lost in the Department of National Savings as part of the civil service staff cuts announced in December 1979. In this respect, Scottish fears about the concentration of low-grade jobs without policy content have proved justified. The location of the UK cabinet and Parliament in London remains a fundamental constraint on dispersal policy which most of the debate has evaded.

Surveyed as a whole, dispersal is a somewhat unfortunate story of changes of policy, bureaucratic prevarication and inadequate policy analysis. Underlying it has been a weakness in policy formulation expressed by discrepant goals - a lack of certainty about who the policy was designed to benefit and how, the resource shifts involved, and how the relation between gainers and losers ought to be calibrated. The goals of minimal disruption to the civil service and maximum benefit to the receiving locations were imperceptibly allowed to merge. The most careful analytical exercise - the Hardman report - was grounded firmly on the former goal, but when its recommendations were attached to the latter goal in 1974 no alternative quantitative rationale was substituted. The new allocations were liable to subversion from a civil service still attached to the previous goal, and there was no mechanism for evaluating whether the deteriorating economics of the moves had passed into unacceptability. Above all, the crisis-management orientation of public expenditure control in the 1970s devalued long-range benefits in comparison with all-too-perceptible short-run costs which in this case were discretionary and avoidable.

In this perspective, it is remarkable that dispersal to Scotland has been as extensive as it has,for it represents the triumph of pork-barrel politics at cabinet level over the inclinations and interests of the civil service and perhaps over the weight of the argument. It is a reminder that explicit political direction can lead to policy implementation, however distastefully, and that bureaucratic interests tend to be fragmented rather than monolithic. It is also a

tribute to the political weight of Scotland in the UK in the 1960s and 1970s and the sensitivity of both main parties to their fortunes there - the 1974 Labour Government especially, but to a surprising extent the present and previous Conservative administrations also. Dispersal was an inviting policy because it allowed the presentation of political payoffs with full political fanfare and was a visible proof of the value of the UK connection to Scotland; as an indicator of political weight, it was a policy that politicians loved to fight over. But to secure a policy, ad hoc debate at a high level needs to be sustained by a consistent structure of goals; otherwise, its implementation will be fitful and its long-term future uncertain. This is what happened to civil service dispersal and is why, despite the achievements of the policy, few can now regard it with full satisfaction.

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16. Hardman, Appendix 8.
17. B. Ashcroft, F. Stephen & K. Swales, tables 10-3
18. House of Commons Hansard 26 July 1979, Vol.971, col.902 ff (Paul Channon.)