

**To:** Mr Charlie McCreevey TD  
Minister for Finance

**Date:** 19<sup>th</sup> February 2004

**From:** The Presidents of:  
The Institution of Engineers of Ireland  
The Royal Institute of the Architects of Ireland  
The Irish Planning Institute  
The Royal Town Planning Institute (Irish Branch, Southern Section)  
The Society of Chartered Surveyors

**Re: Decentralisation**

Dear Minister

The professional bodies party to this submission strongly support the concept of decentralisation and welcome the Government's commitment to decentralisation. It is very desirable, for reasons of balanced regional development and relief of congestion, to locate parts of organisations that do not need to reside in the capital in appropriate regional centres. We are concerned, however, at some of the possible implications of the particular decentralisation programme announced by Government as part of the December 2003 Budget. If implemented in the manner proposed, we believe that the proposals will adversely affect sustainable economic and social development in a number of ways. We therefore urge that the Government's Decentralisation Implementation Committee give full consideration to our various concerns with a view to ensuring that this does not happen, and that the effective functioning of government is not undermined. We would suggest the Implementation Committee give consideration to proceeding with a pilot project, perhaps involving one Department only, in the first instance. The full implementation of the programme would then benefit from the experience gained with the pilot project.

#### **IMPLICATIONS FOR NATIONAL SPATIAL STRATEGY:**

The December 2003 proposal will have serious implications for the Government's National Spatial Strategy (NSS). While decentralisation offers an excellent opportunity to kick start implementation of the NSS, it is questionable whether the decision to disperse staff to the 53 separate locations outlined is compatible with the Strategy.

The NSS is a 20-year planning framework for all parts of Ireland. It aims to achieve a better balance of social, economic and physical development between regions. The prime movers in achieving this balanced development are to be the eight

‘designated’ Gateways outside Dublin – four existing – Cork, Limerick/Shannon, Galway and Waterford and four new Gateways – Dundalk, Sligo, Letterkenny/Derry and Athlone/Tullamore/Mullingar. In respect of the existing gateway cities, the NSS states that they “offered the most immediate prospects of making a strong start to the process...” The Strategy goes on to state that “we (Government) must continue to support and encourage the development of these cities as engines of growth”. It further states that, in respect of the new gateways, they “will require a high standard of infrastructure and services to fulfil their national level role”.

Of the existing four gateway cities, none has been selected as a Departmental headquarters. In point of fact, only one gateway has been chosen as a headquarters location and that is Mullingar, which is part of a linked gateway of three towns.

This sends a confusing message to all other parties with responsibilities for, and interest in, implementing the NSS. Rather than signal a clear and coherent policy in relation to implementation of the NSS, the proposed decentralisation to 53 locations has the potential to ignite competition between every town in the country for investment and development, and competition with Government’s own designated gateways and hubs.

#### **IMPLICATIONS FOR POLICY MAKING FUNCTIONS:**

We are concerned with the proposal to disperse the policy-making functions of key Government Departments around the country. The numbers of key staff involved in policy-making in any one Department is not large compared to the numbers of operational staff. Certainly the decentralisation of significant numbers of operational staff would not cause insurmountable problems and is to be welcomed. However, we believe it is essential that senior policy making staff and Government Ministers remain in close touch in the country’s capital.

The need for close working relationships between Departments is demonstrated by the significant number of Inter-Departmental committees which exist. It is for good reason that national bodies, predictably, tend to locate themselves in the capital to make best use of their resources and time. The cost of running, let alone the expense involved in setting up, a new system with similar effectiveness in those centres outside Dublin where whole Government Departments are to be relocated, would be very considerable for both public and private sector bodies.

We are concerned that collective Inter-Departmental/Government policy-making could become less efficient, and that rather than maintaining the current level of effectiveness, there will be less cooperation and coordination. We urge that this issue be given particular attention by the Decentralisation Implementation Committee.

#### **IMPLICATIONS FOR INFRASTRUCTURE COSTS AND PLANNING:**

Implementation of the National Spatial Strategy will require significant investment in infrastructure and services in the gateways and hubs identified in the Strategy, ranging across water supply, waste water and sewage treatment, waste management,

roads and transportation, education, energy and telecommunications. The NSS envisaged limiting the number of gateways and hubs to those identified in order to ensure achievement of critical mass and to optimise the return on the investment required in infrastructure.

Whatever about the high standard of infrastructure and services required for pump priming of the gateways, there will be much more immediate costs incurred in providing for the needs of the decentralised offices and personnel. We are concerned that provision of these funds for the programme as announced in December 2003 will be at the expense of building up the gateways and hubs envisaged in the NSS.

Furthermore, realisation of the financial benefits of the decentralisation programme only occurs with the rationalisation of the State property portfolio in Dublin. An orderly portfolio rationalisation plan must be developed, which mirrors the decentralisation programme, in order to deliver the financial benefits identified.

The State should also take cognisance of the impact of the decentralisation programme on the commercial property market, property investment performance and, as a consequence, the property component of many pension funds.

Where it is proposed to locate a new facility, there should be full consultation with the Local Authority and community to ensure that the facility and siting will make the maximum contribution to the area with the minimum impact on infrastructure. Resources should be provided to Local Authorities to engage in appropriate planning exercises.

#### **IMPLICATIONS FOR CUSTOMER SERVICE:**

We are conscious of the benefits and opportunities afforded by modern communications technology in relation to delivery of operational services. The effective use of such technology should ensure that the quality of customer service for operational services to the public is not diminished by decentralisation.

However, Government Departments also provide a range of customer services related to an understanding and interpretation of, and compliance with, Government policies. There is a very large number of national bodies and state agencies which are located in the country's capital which need to communicate with the policy making divisions of Government Departments in this regard on an interactive, frequent and face-to-face basis. This cannot readily be replaced or substituted by communications technology such as teleconferencing or email. Moreover, such communications can involve personnel from more than one Government Department, and the difficulties arising when some Government Departments are in Dublin while others are in different provincial locations throughout the country are immediately obvious. Such operational inefficiency will negate some of the perceived benefits of the programme.

**CONCLUSION:**

We support the Government's commitment to decentralisation, and to balanced regional development. Furthermore, we readily acknowledge the important role that decentralisation of government offices can play in realising this goal. We believe, however, that the proposals announced in December need to be modified if they are not to adversely affect sustainable economic and social progress, and the effective functioning of government. We are concerned that they will undermine the objective of Balanced Regional Development enshrined in the NSS, erode the efficient coordination of public and private investment, including infrastructure, and result in a reduction in the quality of policy formulation by government, especially at Inter-Departmental level. Overall, we believe there should be agreed mechanisms to ensure the quality of the delivered project including issues such as sustainability.

Yours sincerely

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All Government Ministers & Ministers of State