

4

The impact on communities

Summary

Dispersal of government jobs is likely to have positive knock on effects for regional economies, with direct spending by departments and their employees creating jobs in addition to those relocated. Experian found that this additional impact ranged from neutral, to one extra new job created for every two moved.

The economic benefit is likely to be maximised where functions are clustered in a limited number of locations, rather than widely dispersed, and where pay is aligned with local rates. Failure to align public sector pay closer to local rates could undermine any positive effect.

Dispersal can have wider economic and social impacts. There is some case study evidence pointing to the benefits of clustering senior level jobs in one city (Sheffield), of the contribution to urban regeneration (Edinburgh, Leeds), and of wider spin-offs for private sector investment, skills and enterprise (Exeter).

The research base needs enriching and the Government would benefit from a clearer evidence-based view of the likely benefits and of the best ways in which public and private agencies can co-operate to lock these benefits in.

The dispersal of public sector jobs is unlikely to have a long-term negative effect on London, and might even be of net benefit, for example in relieving congestion and some of the growing pressure on the labour and housing markets. There ought not to be a net harmful impact on public sector staff who are from ethnic minorities, or who live in deprived areas of London, but employers will need to proceed with care, taking full account of the personal circumstances of their staff.

Where job opportunities are scarce and localised, and government is the principal employer, it is much less clear that relocating those government jobs is justified economically and socially. Such circumstances are typical of certain deprived communities in the South East, for example in Hastings.

Introduction

4.1 In this chapter, I examine the economic and wider social impacts that a new geographical pattern for public sector activity might have on receiving locations, as well as on London and the South East. I retained *Experian Business Strategies* to assess these impacts, and I took account of other evidence, including that submitted in response to my consultation exercise.

Economic analysis

4.2 *Experian* reviewed the existing academic literature in this field and carried out post hoc modelling and evaluation of two further case studies – Leeds and Newport. One early conclusion was that surprisingly little evaluative work of this kind has been done before. *Experian* also examined the multiplier effects of previous relocations. Multiplier assessment is an analytical tool for assessing whether activity transferred to an area has an economic impact that is different to (either larger or smaller than) the number of jobs tied directly to the relocated activity.

Multiplier analysis measures the combined impact of:

- jobs created because the relocated body purchases goods and services in the area (the indirect effect);
- jobs created because employees of the relocated body spend money in the area (the induced effect);
- jobs lost because the incoming employer reduces the number of people working for existing employers (the displacement effect or “crowding out”). This can happen because competition for staff increases and existing employers lose staff to the incomer. If the incomer pays more than local rates (particularly likely in the public sector), such competition is more likely to drive up local wages, reducing the propensity of the private employers to take on staff.

4.3 A multiplier value of ‘one’ implies no impact on the area concerned over and above the number of jobs relocated – the extra economic impact is neutral. This does not rule out impacts not captured by multiplier analysis (e.g. a boosting of skills and productivity) or other social effects discussed below. A multiplier of more than one indicates that increased spending in the area as a result of the relocation has created more jobs than were lost through displacement.

4.4 Sir Henry Hardman in his 1973 report on dispersal asserted that the multiplier was likely to be exactly one. I was eager for *Experian* to revisit his findings, given the changes that British economy and society had experienced in the ensuing thirty years. *Experian* concluded that Hardman’s assumptions no longer held in some important respects:

- Hardman thought that there would be little positive effect derived from a department’s local purchases of goods and services, and from employees’ local spending. *Experian*’s study suggested otherwise.
- Regional disparities in unemployment, and overheating and congestion in localised areas, imply that the UK as a whole will benefit more than Hardman suggested.
- *Experian* were more optimistic than Hardman about the prospects (given the right circumstances) for minimising crowding out effects.

4.5 *Experian's* review of the literature, together with their own case studies (the relocation of the Patent Office from central London to Newport in the early nineties, and of the Department of Health and Social Services from London to Leeds in 1991) revealed multipliers ranging from 1.0 to 1.5. A multiplier of 1.5 is very substantial, indicating that for every two jobs moved, a further job is created. Table 4.1 shows the results. A number of submissions to my public consultation proposed economic multipliers ranging from 1.15 to 2.2 for specified areas as a result of previous relocations.

Table 4.1: A Comparison of multiplier estimates in the UK

Relocation	Year of Study	Multiplier Estimate
ONS estimate	1995	1.5
ODA (East Kilbride)	1988	1.25
English Partnerships (major projects)	1994	1.29 1.38-1.56
Enterprise Zones (various)	1995/2000	1.05-1.15 1.3-1.7
Scotland (various)	2001	0.67-1.5
Patent Office (Newport)	2003	1
DHSS (Leeds)	2003	1.3

Source: 'The Impact of Relocation' A Report for the Independent Review of Public Sector Relocation. Experian Business Strategies, January 2004.

4.6 *Experian* found that the benefit to the receiving location depended crucially on the extent to which relocated public sector jobs would drive up local pay, thus making other employers cut back jobs. They found that the extent of such displacement depends on: the available spare capacity in the local labour supply; the number and the type of posts relocating; and the flexibility of public sector pay arrangements. The tighter the local labour market, the more displacement, and the less overall benefit to the local economy.

4.7 The *Experian* verdict on pay is in the box below. They warned that failure to align public sector pay with local market conditions risked undermining any positive economic impact. There are clear implications for departments here, which I pick up in later chapters. The economic arguments for flexible pay are of course consistent with the business case, which is likely to be enhanced by realising the cost savings arising from regional wage differentials.

Experian on public sector pay

“pay rates for junior posts in the public sector (administrative and clerical) are more likely to be out of line with local rates and are therefore likely to lead to the loss of more private sector jobs; more flexible regional pay would counter this effect.”

Experian also found that there were good economic grounds for relocating higher grade posts, and that this worked best by ‘clustering’ relocated functions in or around a single location, or set of locations:

Experian on clustering

“The more senior posts involved, the greater the economic benefit to the receiving location, because higher grade staff tend to be better paid and to have more disposable income to spend locally. In addition they are more likely to move with their post, or be based outside the area and travel longer distances to work, so they will not be exacerbating competition for local labour.”

Experian go on to argue that clustering is likely to be a key factor in encouraging senior staff to relocate.

“Staff may feel there are more options open to them if there is a concentration of public sector work in the area, and senior staff will be attracted if there are more upward career paths outside London. Clustering may also offer more scope for employment of spouses and partners.”

Clustering may also increase the multiplier effect:

“Another positive effect is that clustering can encourage support services, such as IT support or related consultancies, to relocate or develop in the area. And there may be potential for departments to exploit economies by way of shared premises and services.”

4.8 Clustering may have wider impacts, such as helping to develop a strong, effective and joined up public sector at regional level, reducing the perception of “remote” government, boosting skills and improving civic engagement. These are discussed below. The contribution that clustering might make to enticing senior people out of Whitehall, which Experian find significant, is a theme I pursue in later chapters.

4.9 There is a downside to clustering – one can have too much of it, as explained by Experian below:

“Clustering does however suggest a large number of jobs being moved to a single location, which presents a greater risk of driving up wages and tightening the labour market. We found a few overheating regional centres where further relocation would not be welcome by existing large employers, especially if public sector pay rates remained out of line with local rates. Equally, there are examples such as Leeds and Sheffield where public sector clusters have proved a success and have made a positive contribution to local prosperity.”

But they conclude that on balance, *“despite the potential for local ‘overheating’, there were considerable benefits to be derived from this approach.”*

4.10 This is clearly an area that merits further research, given the paucity of previous analysis. I do not claim that *Experian's* analysis is the last word, but their conclusions so far appear to have been supported by others. At my behest *Experian* presented their emerging findings to a gathering of relevant academics who were in broad agreement with their argument. Two substantial responses to my consultation from the Regional Development Agencies, prepared by the Centre for Urban and Regional Studies (CURDS),¹ and from the Core Cities,² supported the *Experian* conclusions on clustering. The Core Cities see clustering as a way of strengthening the economic base of major English cities which can also drive the growth of the wider region. This view is supported by research on European cities produced for the Core Cities.³

4.11 One note of dissent is struck by CURDS who argue that aligning public sector pay with local market conditions will tend to depress overall pay levels, thus missing the opportunity to boost regional growth by pushing up wages. The key question of course is whether such a wage-induced growth effect would be more than outweighed by displacement. While the balance of opinion in Government would appear to support the *Experian* position, I noted also that a number of responses to my consultation expressed particular concern about the adverse impact that large scale migration of public sector jobs might have on receiving locations if there were an imbalance in wage levels between local and incoming employers.

Wider impacts on receiving locations

4.12 What other impacts might dispersals have on receiving areas? In particular, I was keen to establish whether dispersal might boost productivity by raising local skill levels and bringing spare capacity into use; whether it could contribute to the regeneration of run-down areas; and whether there were other benefits resulting from an influx of professional, graduate-level people, for example in the quality of services, the level of local civic engagement, and other enhancements of social capital.

4.13 *Experian* were cautiously optimistic that dispersals could have long term impacts of this kind. The evidence submitted to my consultation on these points was surprisingly limited. Many respondents offered a case for their particular areas which went little beyond a "bid", but there were some interesting exceptions.

4.14 That there are a wide range of potential benefits was illustrated by the response from Exeter City Council. They reported a significant range of economic, social, educational and cultural benefits delivered by the relocation of the Meteorological Office (Met Office) in 2003.

¹ Available at www.hm-treasury.gov.uk/lyonsreview

² Available at www.hm-treasury.gov.uk/lyonsreview

³ "Competitive European Cities: Where do the Core Cities Stand?", Office of the Deputy Prime Minister, January 2004.

Relocation of Meteorological Office to Exeter

The relocation of the Met Office from Bracknell to Exeter involved a substantial new building, with many specialist features. 950 posts relocated, and 220 staff were recruited locally. The posts involved were relatively senior/professional. A detailed economic appraisal predicted an overall multiplier of 1.16; and an estimated £65m per annum added to Devon's GDP.

According to Exeter City Council the relocation has:

- Changed perceptions of, and confidence in, Exeter, boosting redevelopment of the city centre; including development on a site which had been derelict for many years;
- Anchored private sector investment, including London Electricity Customer Services (600 staff) and a new headquarters building for Norwich Union;
- Created (with its links to the University) a solid hub for the launch of a science park and a large contribution to the local 'knowledge economy';
- Raised the profile for the city which has helped support the expansion of services from Exeter Airport;
- Provided the impetus for a major modernisation of 5-16 education and a successful £80 million PFI scheme to rebuild all secondary schools from scratch by September 2005, as a result of the concerns of the Met Office about education standards;
- Contributed to local culture through Met Office sponsorship of the Exeter festival.

4.15 Both the CURDS and Core Cities submissions to my review examined wider impacts in considerable detail, echoing some of the points above.

4.16 The CURDS report draws on existing research, case studies, and new analysis. It concludes that dispersing government functions to areas where the regional economy is struggling can help address low demand, reduce unemployment and mobilise under-employed factors of production. It also concludes that dispersing more senior or professional posts will help enhance the 'regional knowledge pool', bolstering local/regional institutional capacity, and, in the long term, contributing to the improvement of educational achievement.

4.17 The Core Cities' analysis reaches broadly similar conclusions. It argues the case for relocating senior posts and higher level functions to create 'clusters' of public sector activity and influence, which can counter the pull of London, and retain valuable experience and knowledge in the regions. It also highlights the scope for dispersing research and development functions to develop regional centres of expertise. Sheffield is a good example of a city where the location of higher level central government functions in the early 1980s helped promote a cluster of public sector activity producing a wide range of benefits.

The impact of a public sector cluster: Sheffield

A range of policy and operational functions in employment and education were relocated from London to Sheffield in the early 1980s. A number of organisations and businesses followed, increasing the local 'knowledge pool' and skills, creating new jobs in the area, and supporting economic growth. Core Cities described the impacts as follows:

- The decentralisation prompted significant numbers of senior and aspiring staff to relocate to Sheffield; this pool of qualified staff facilitated the relocation of more education functions, as well as functions in DWP, DTI, and the Home Office;
- the University for Industry, the Sector Skills Agency, and a number of industry skills organisations chose Sheffield for proximity to the related policy functions;
- businesses with contracts from DfES located in Sheffield to maximise their market opportunities eg conference organisers, developers of training materials etc;
- a cluster of small spin out business and consultancies has grown up in the city started by staff leaving DfES;
- the public sector organisations in Sheffield and its region have been able to recruit or take secondees from the civil service, significantly widening the expertise available in the local labour market;
- local residents recruited into DfES have acquired policy skills and national horizons not normally found in the workforce of regional cities, which are fed out into the local economy through natural turnover;
- relocated staff enjoy improved quality of life, including lower property prices than London and shorter travel to work times. They are able to contribute their knowledge and skills to the local community through voluntary activities such as school governorships etc.

4.18 There is evidence that other countries recognise and have sought to capture these wider benefits. I was not able to conduct an exhaustive study of the international experience, but took note of a number of examples.

4.19 In **Ireland** a programme of decentralisation was announced in 1999, with the main aim of achieving more balanced regional development. Some 4,700 posts have been dispersed, with a further 10,000 proposed for relocation from Dublin (though this has aroused some recent controversy). In **France** some 30,000 public sector posts have moved from Paris in the last twelve years, one of the key drivers being to stimulate local economies. The French have also focussed on creating clusters of scientific and research functions which form strong centres of expertise and attract talented staff (eg Toulouse). In **Norway**, balanced regional development, and building regional skills and capacity are two drivers of the proposed relocation of some 900 jobs from Oslo. And in **Germany's** very decentralised structure, the Länder (broadly equivalent to regions) have relocated a number of functions away from regional capitals to help disadvantaged areas.

Urban regeneration

4.20 While there is a wide body of research covering the role of the public sector in leading urban regeneration, there appears to be much less on the contribution made by specific relocations to regenerating run down or deprived areas. Reflecting the central importance of job creation, much of what exists is in the form of multiplier analysis, as discussed above (e.g. the former Overseas Development Administration to East Kilbride, Health and Social Services to Leeds, the Patent Office to Newport). The review did find a good deal of anecdotal material supporting the broad principle that locating stable government employment in, or within reach of, a deprived area can bring wide benefits to the community. There would appear to be scope for more evaluation of the impacts on deprived neighbourhoods, on the wider social fabric, and on the preconditions for successfully using public sector relocation to promote regeneration.

4.21 A number of responses to my review mentioned that relocation had acted as a catalyst to draw in further investment, both private and public. This created further jobs and, in areas where new buildings were commissioned, contributed to improvements in the physical infrastructure. The Met Office move to Exeter was cited as an example of a significant and stable public sector presence providing an ‘anchor’ to help retain private sector employers, creating critical mass which encourages further investment.

4.22 Responses also highlighted the contribution of relocations to regenerating run-down areas. The successful relocation of the Inland Revenue and Capital One sparked a £200 million public and private sector regeneration of Nottingham’s canalside. In Leeds, the commitment to the development of Quarry House for the Department of Health (then DHSS), acted as a catalyst for wider regeneration of a the surrounding area. The relocation of a large number of Scottish Executive staff in Edinburgh from the city centre to Victoria Quay at Leith Docks made a significant contribution to the renewal of Leith.

Leith Docks

Leith Docks has been a poor relation to the historic and commercial heart of Edinburgh city centre and has had its fair share of social problems.

In the 1990s, the emergence of a regeneration strategy for the area – the Leith Project – accompanied by relevant public policy decisions and the availability of resources, provided a catalyst for a decision to relocate a large number of staff in the Scottish Executive to the former dockside at Victoria Quay. A 35,000 square metre building was opened in 1996 and approximately 1,600 jobs were located in the building.

This provided a clear illustration of Leith’s potential to change and helped to draw in further investment, particularly in retail, leisure, housing and further commercial development to the area.

(Source: Experian: ‘The Impact of Relocation’ January 2004)

Quarry House, Leeds

The establishment of the NHS Management Executive in a new purpose built office at Quarry House in 1992/93 was a significant development for Leeds. The site was a key strategic investment site for the city; representing a high value development opportunity at the edge of the city's core and adjacent to areas of multiple deprivation. The site was owned by the City Council, having previously been the location of a large complex of multi storey flats.

According to the City Council, the development of Quarry House:

- Acted as a catalyst for wider regeneration of the area, accelerating the 'masterplan' proposals for the whole of Quarry Hill, and establishing the credibility of the city with other developers in the early 1990s;
- Provided the lynchpin development for a major cultural quarter, which now includes the West Yorkshire Playhouse, BBC Regional Headquarters, the City of Leeds College of Music and a dance centre for Northern Ballet and the Phoenix Dance Company;
- Stabilised the local economy at a time of house price deflation and higher unemployment, and subsequently produced significant multiplier benefits through direct employment and individual and corporate spending;
- Provided a new breadth to public sector career opportunities, with individuals moving between different parts of the public sector in the city and wider region;
- Led to an increased profile for the city influencing other prominent investments including the Royal Armouries and Harvey Nichols;
- Contributed to Leeds becoming one of the fastest growing economies in the 1990s and beyond.

Source: Leeds City Council

4.23 It was also put to me that relocation will achieve greater impact when it takes place as part of a coordinated regeneration plan involving strategic partnerships in the city and the region. A coordinated approach was seen as necessary to ensure that a public sector presence draws in other tenants and boosts the confidence of investors. The Nottingham and Exeter examples mentioned above seemed to exemplify this approach.

4.24 A coordinated approach will also pick up other factors such as public transport, education and training. Inner city communities cannot benefit from jobs in outlying business parks without transport, nor can they take up posts unless they have a basic set of skills. In Cardiff, I was impressed that the local education establishments were prepared to tailor courses to facilitate the successful location of Legal and General activities.

Impact on London

4.25 London is a global city, with more than 7 million residents and more than 4.5 million people employed. Despite fluctuations in the economic cycle, London's economy is robust. In chapter 3, I examined the overheating effects that lead to skill shortages in essential public services, exacerbated by congestion, problems with public transport and high housing costs. London nevertheless remains a very attractive location for financial services and many other business sectors. The Greater London Authority (GLA) estimates growth of some 600,000 jobs by 2016. Accommodating this growth will be a significant challenge.

4.26 Despite the fact that across most of London there are more than four jobcentre vacancies per head of the population, rising to more than 12 in some boroughs, London has the second highest unemployment rate in the country, after the North East. This is reflected in the concentration of pockets of deprivation side by side with more affluent areas. London has 18 per cent of the 10 per cent most deprived wards in England⁴. London also has the greatest concentration of ethnic minority communities in the country.

4.27 I was eager to examine what impact the relocation of public sector jobs might have on this complex picture.

4.28 Hardman concluded that relocation would mean negative economic impacts on the donor region (ie London and the South East). But his report contains little evaluation of the impacts, and in 1973 London was less overheated and congested than it is today, and regional economic disparities were less pronounced. I asked *Experian* to consider the evidence for impact on London. They concluded that London's economy was so buoyant that (notwithstanding fluctuations in the cycle), public sector jobs lost in London were likely to be replaced by private sector growth, and there was unlikely to be a negative effect:

“Given the tightness in these markets, and the attractiveness of London to private investors due to its transport links, reputation as an international financial and business trading centre, and general economic robustness, at least in the long term, moving jobs out to other parts of the UK is unlikely to have significant negative long term consequences”.

4.29 Authorities in London were similarly optimistic about the impact of dispersal. The GLA noted that in the context of their job growth projections a relocation of some 20,000 public sector posts was likely to have a minimal impact. Indeed, they concluded that if new jobs produced greater economic output than public sector workers, then there could be a net benefit to London's economy. They see the challenge London faces as one of accommodating predicted growth in a sustainable way.

4.30 Growth projections for London are bound to add to the pressures I have set out above. Relocation of posts away from London will not remove these pressures, but might help relieve them at the margin. A number of respondents to my review, including the British Chambers of Commerce, supported the view that relocation would help alleviate pressure on housing, on development, and on transport congestion.

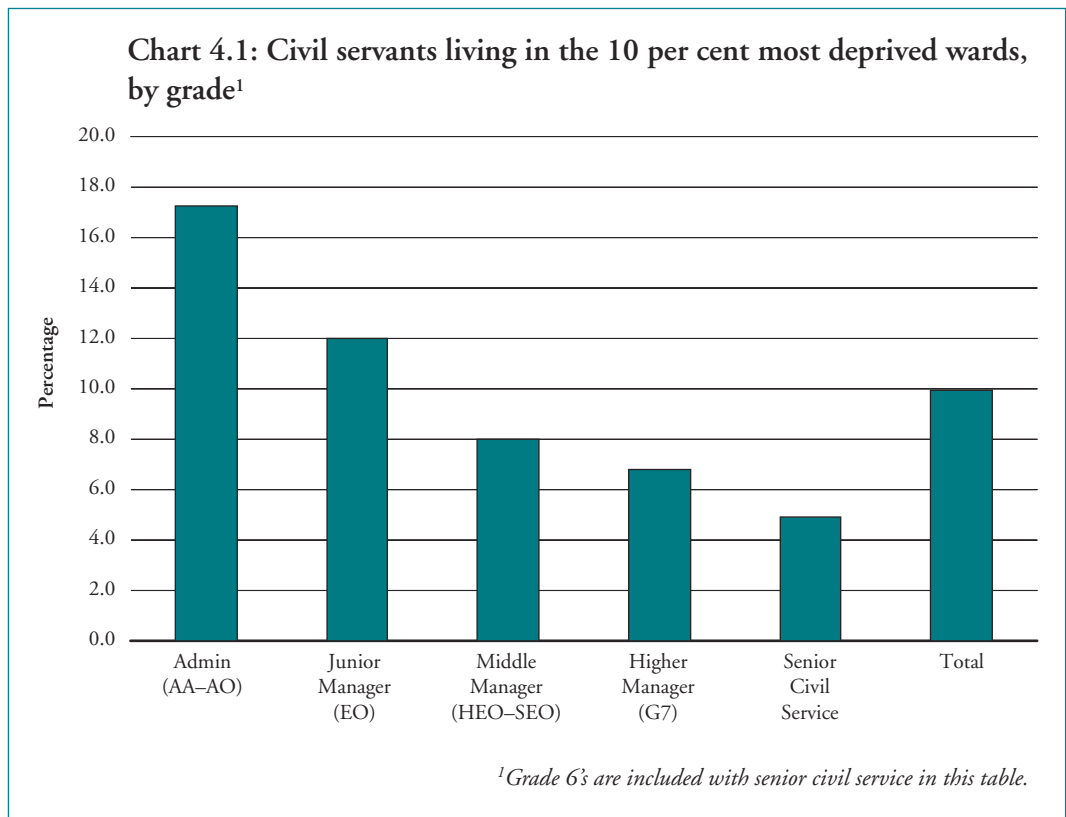
4.31 Accommodating growth also presents a serious challenge for public services in London. As I discussed in chapter 3, recruitment to essential public services is already difficult in London. Not only will there be more people for whom front line services must be provided, but in future I expect even more competition for those with the necessary skills. All the more reason for the public sector to be rigorous about who really needs to be in London.

⁴ According to the Indices of Deprivation for England, published by ONS.

Impact on deprived areas of London and the South East

4.32 In the context of London’s projected growth, and its current overheating, I conclude that relocation is likely to bring more benefits than otherwise. But could there be adverse impacts on deprived neighbourhoods in London? The civil service unions in particular expressed concerns about this issue. There are no centrally compiled data on where London’s civil servants actually live. I commissioned a limited review of the available material, and sixteen departments provided information on the postcodes and grades of some 20,000 staff. This is enough to give a broad indication of a wider pattern.

4.33 The survey indicated that *overall* civil servants were under-represented in deprived wards, with 10 per cent in the sample living in a deprived ward, compared to 18 per cent of the broader population. As might be expected, the higher the grade, the lower the likelihood of living in a deprived ward, but even the most junior staff were no more likely than the population overall to live in deprived wards. The chart at 4.1 shows the results.



4.34 These results suggest to me that relocation should not have a disproportionate impact on deprived areas. I recognise that any loss of jobs or opportunities for those in deprived areas is serious. But this has to be seen in the context of the overall growth predictions for London, which suggest that new opportunities will more than fill the gap left by relocation. I also take careful note of the evidence that worklessness in deprived neighbourhoods in London is related more to the barriers to work (such as skills mismatch, lack of public transport, and perceptions and behaviour of jobseekers themselves⁵) than to the availability of work.

⁵ This is covered in more detail in the report by the Prime Minister’s Strategy Unit, “The London Analytical Report” July 2003.

4.35 I have focussed most of the discussion so far on London. I know that there are also areas of significant deprivation in the rest of the South East and I received representations from East Sussex County Council, Hastings Borough Council, Locate in Kent, and Croydon Council on this point. In some of these areas, government is a dominant employer and job opportunities are otherwise scarce. That is a rather different set of circumstances to those prevailing in parts of London – and suggests that there is not a strong social and economic case for departments to relocate activities from these areas. There might of course be a compelling business case and that would need to be weighed accordingly. The case is less likely than in London to rest on cost, since labour and accommodation are likely to be more in line with national rates than London rates. But the availability of suitable staff might be an issue.

Impact on ethnic minority staff in London and the South East

4.36 London is home to a large proportion of the country's ethnic minority populations. 29 per cent of London's population comes from an ethnic minority, and nearly 48 per cent of all ethnic minorities in the UK live in London. For some groups, this figure is even higher – for example 80 per cent of Black Africans in the UK are in London, and 60 per cent of the Bangladeshi population.

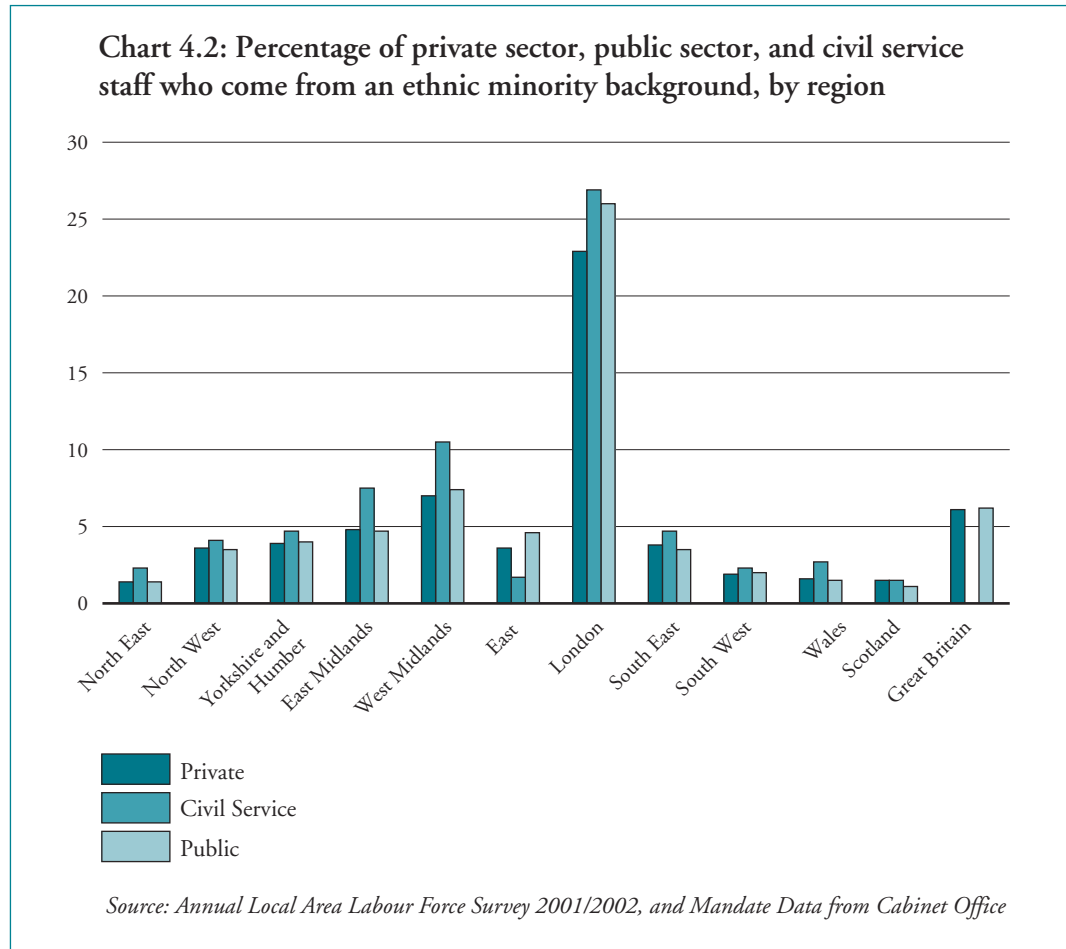
4.37 The civil service unions have expressed concern about the possible impact of relocation on ethnic minority staff. The unions noted a high concentration of ethnic minority civil service staff in London, disproportionately in lower grades. They were concerned that such staff were particularly likely to be affected by relocation, either by being asked to relocate (possibly to areas in which their communities are not strongly represented), or by facing redundancy if they did not move with the post. I have set out some of the key facts below.

4.38 The London civil service reflects the concentration of ethnic minority communities in the capital. Ethnic minority staff make up 27⁶ per cent of the London based civil service (compared with 29 per cent of London's overall population). This compares with a UK average of 7.6 per cent of civil service staff defining themselves as from an ethnic minority (against 7.9 per cent of the UK's population overall). Ethnic minority staff are disproportionately represented in the junior administrative grades in London, accounting for 10 per cent of staff at this level nationally, but 43⁷ per cent in London.

4.39 Chart 4.2 illustrates that while London leads, there are also significant proportions of ethnic minority staff employed in the civil service in the West Midlands, the East Midlands, and the South East, reflecting ethnic minority populations in these regions. This does not reflect the fact that some minorities are overwhelmingly in London.

⁶ NB – the ethnic origin of all staff in the civil service is not known – percentages in this annex exclude those staff for whom an ethnic origin is not known.

⁷ This is the percentage of known ethnic origin for this grade. The ethnic origin of 40 per cent of administrative grades is not known. This information is correct as at April 2003. Source is mandate and departmental returns to the Cabinet Office



4.40 The chart also illustrates the relative performance of different sectors. While 27 per cent of London civil servants are from an ethnic minority background, the wider public sector is close behind with 26 per cent, and the private sector with 23 per cent. The South East presents a similar picture.

4.41 These data suggest that it would be wrong to regard the civil service as an employer of last resort for ethnic minorities in London, or to ignore the considerable concentrations of ethnic minority populations in other parts of the UK. Relocation offers the prospect of new employment opportunities for ethnic minority workers outside London. And there is likely to be alternative employment in London for ethnic minority staff who do not relocate, particularly in the context of the Greater London Authority’s forecast of a 600,000 increase in job growth by 2016.

4.42 A cautious conclusion, therefore, is that a programme of public sector dispersals should not be expected to have a net negative impact on ethnic minorities. But clearly this is an issue that departments will have to handle with great care and sensitivity to the personal circumstances of their staff. The high participation of ethnic minorities at junior levels of the London civil service is a particular reason for exercising care. The fact that some minorities are not well represented outside London is a factor that must be considered in deciding which staff should be relocated in post.

