



SCOTTISH EXECUTIVE

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RELOCATION OF SNH HEADQUARTERS

1. Thank you for your letter of 31 March conveying a number of points made by your Board on the question of relocation of SNH Headquarters to Inverness.
2. My letter of 21 March was not intended to constitute a formal direction to SNH to carry out the relocation, many of the details of which remain to be worked out. Rather, in line with your request to me at our meeting of 19 March, it constituted a record of the basic decision taken by Ministers on the relocation question. Under Section 11 of the Natural Heritage (Scotland) Act, 1991, however, Ministers have powers to give SNH directions with regard to the discharge of its functions. My officials would be happy to discuss with yours the form and substance of any direction required. I do not however see that a direction is necessarily a prerequisite for the implementation by SNH of the decision Ministers have taken. I should again express my appreciation of the willingness you have expressed to take the relocation forward.
3. The further work referred to in the Scottish Executive Press Release, about which you inquire, consisted of a standard Net Present Value option appraisal, largely but not entirely based on the DTZ Report, testing different assumptions about such matters as levels of redundancy payments, efficiency gains from having a single main headquarters building, costs of travel and so on. These were put into the public domain by being lodged in SPICe, and were made available to your officials when the decision was announced. As I have made clear, however, the decision was not founded solely on this analysis. We are well aware that there were a range of estimates of additional costs associated with the Inverness choice, but we set these costs in the context of the overall operating costs of the organisation and the all-Scotland costs of addressing Edinburgh recruitment and retention problems.