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## The Quango Debate

This paper surveys the progression of the public and political debate about quangos, with a particular focus on the period since the 1997 general election. It outlines concerns surrounding their use as a method of public administration and sets out the Government response to these apprehensions. This involves a brief outline of the arrangements for appointments to public bodies, as well as the frameworks in place for ensuring operation. Post-devolution their transparent arrangements regulation of for the quango appointments and operations in Scotland, Wales and Northern Ireland are subsequently discussed and variations in the quango debate in each of these devolved areas noted. This paper concludes by summarising recommendations for reform made in the latest reports of the Committee on Standards in Public Life and the Public Administration Select Committee.

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## Summary of main points

'Quango' is an abbreviation of the phrase 'quasi autonomous non-governmental organisation'. It is used to describe a public body that has responsibility for developing, managing and delivering public policy objectives at an 'arm's length' from Ministers.

In recent years, quangos have been subject to increased public debate. Concerns have been expressed about their accountability, democracy, diversity of members, independence, patronage, levels of scrutiny and public mistrust. A series of reports by the Committee on Standards in Public Life and the Public Administration Select Committee have sought to identify the reasons underlying these concerns. Using their findings, they have recommended a series of reform measures.

In response, the Government, first under the leadership of Conservative Prime Minister John Major and since 1997 under Tony Blair, has introduced a series of measures for ensuring the integrity and good practice of quangos. Most notably, it has devised a Code of Practice for public appointments and established the post of Commissioner for Public Appointments, to ensure adherence of this Code. At the same time, it has continued to pursue an agenda of 'partnership' which has prompted the increased deployment or creation of quangos as a means of instituting new public policy initiatives.

Devolution has led to new configurations of public bodies and local arrangements for ensuring the propriety of appointments and operations in Scotland, Wales and Northern Ireland. This has led to the debate about quangos developing different emphases in each of the constituent parts of the UK.

The latest reports from the Committee on Standards in Public Life and the Public Administration Select Committee maintain a UK-wide focus in their calls for further reform. They recommend:

- Increased standardisation of public appointments procedures through the creation of a new Board of Public Appointments Commissioners;
- Increased regulation of public appointments by extending the remit of the Commissioner for Public Appointments;
- Increased transparency of the quango state through the creation of a comprehensive 'Directory of Government'; and,
- Increased measures to raise the proportions of women, ethnic minorities and people with disabilities on the boards of public bodies.

The response of the Government to these proposed reforms has been cautious. The two main Opposition parties have proposed change but the extent of their suggested reforms has been subject to debate.

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## I Introduction

The term 'quango' is an abbreviation of the phrase 'quasi autonomous non-governmental organisation' and is used in reference to a the wide range of public bodies that have responsibility for developing, managing and delivering public policy objectives under governing boards of a wholly or largely appointed, or self-appointing, nature.<sup>1</sup> Also known as 'Non-Departmental Public Bodies' (NDPBs) – after Sir Leo Pliatsky's Report of January 1980<sup>2</sup> – or 'Extra Governmental Organisations' (EGOs) – after Stuart Weir and Wendy Hall's 1994 Democratic Audit Paper<sup>3</sup> - quangos bring together representatives from one or more voluntary groups, private companies or local interest lobbies in the processes of policy making.

By definition, quangos have a role in the practice of government, but are not government departments or even sub-sections of government departments: they are agencies of government that operate to a greater or lesser extent at arm's-length from Ministers. They vary in size, function and scope, but have been officially classified under four headings:

1) Executive NDPBs – established in statute and carrying out administrative, regulatory and commercial functions. The[se] employ their own staff and are allocated their own budgets. [This group also includes a number of bodies classified as public corporations for public expenditure control and national accounting purposes.]

**2)** Advisory NDPBs – provide independent and expert advice to Ministers on particular topics of interest. They do not usually have staff but are supported by staff from their sponsoring department. They do not usually have their own budget as costs incurred come from within the department's expenditure.

**3) Tribunals** – have jurisdiction in a specialised field of law. They are usually supported by staff from their sponsoring department and do not have their own budgets. [There are two types of tribunals: standing tribunals which have a permanent membership; and, other tribunals that are covered from panels so that the actual number of tribunal members sitting varies].

**4) Boards of Visitors** – 'watchdogs' of the prison system. Their duty is to satisfy themselves as to the state of the prison premises, their administrations and the treatment of prisoners. The sponsoring department meets the costs.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> Chris Skelcher, Stuart Weir and Lynne Wilson, Advance of the Quango State, 2000, p 6

<sup>&</sup>lt;sup>2</sup> Cabinet Office and HM Treasury, *Non Departmental Public Bodies: A Guide for Departments* January 1980, Cm 7797

<sup>&</sup>lt;sup>3</sup> Stuart Weir and Wendy Hall, EGO-TRIP; Extra-Governmental Organisations in the UK and their Accountability, 1994

<sup>&</sup>lt;sup>4</sup> Cabinet Office, *Public Bodies 2003* available at <u>http://www.civilservice.gov.uk/improving services/</u><u>agencies\_and\_public\_bodies/publications/pdf/public-bodies/publicbodies2003.pdf</u> at 3 February 2005. See Parliament and Constitution Centre Research Paper 96/72 *The Quango Debate*, 14 June 1996 for an earlier review

Information about quangos may be found on Cabinet Office website: <u>http://www.civilservice.gov.uk/improving\_services/agencies\_and\_public\_bodies/index.as</u> <u>p</u>

## II The Quango Debate

## A. History

The use of quangos in for the delivery of government policy is not a new phenomenon: as a constitutional monarchy, the UK has long allowed Ministers to delegate government functions through the use of the royal prerogative. Examples of this date from the sixteenth century, when new functions and responsibilities of the state were commonly given to appointed boards (e.g. Commissioners of Bankruptcy, founded in 1570; Bank of England, 1694; British Museum, 1753). Matthew Flinders, Co-Director of the International Research Network on Quasi-Government, notes:

...the British state has always consisted of a vast tier of delegated governance mechanisms...[such] that the Westminster model has to some extent done scholars an injustice by over-emphasising the centrality and dominance of the ministerial department. The role of Parliament has always been passive rather than active in relation to the administration of the state...<sup>5</sup>

Quangos have been established to:

- Place a wide variety of sensitive issues at arm's length from partisan politics and protect institutions like the BBC, the Commission for Racial Equality, or the Health and Safety Executive, from direct political pressures;
- Recruit specialists into public service and achieve a better balance of gender, ethnic and other minorities than more traditional elected bodies have thus far been able to;
- Focus activity in single-issue areas. In theory, at least, they can respond directly to the policy initiatives of ministers and take care of intermediate policy making and local service delivery. This facilitates the development of Whitehall as a largely policy-making domain;
- Enable senior civil servants, who tend to be generalists and untrained in the practicalities of service delivery to offload the practical issues of public service provision to the private sector and public agencies, which provides for reductions in departmental resources; and,
- Allow Ministers and senior bureaucrats to embrace the ideology of the private market, which is believed to be cheaper and inherently more efficient, responsive and innovative than public service provision.<sup>6</sup>

<sup>&</sup>lt;sup>5</sup> Matthew Flinders, "MPs and Icebergs: Parliament and Delegated Governance" *Parliamentary Affairs*, Vol. 57 (4), 2004, p 768

<sup>&</sup>lt;sup>6</sup> Chris Skelcher, Stuart Weir and Lynne Wilson, Advance of the Quango State, 2000

By dividing the functional responsibilities of the state amongst a range of single purpose quangos, the Government has been able to in effect 'de-politicise' service delivery and develop specialist staff and also clarify objectives in multi-faceted policy areas.

However, quangos have often been the subject of criticism for blurring accountability. They are established by ministers and are accountable upwards, but also need to build links and partnerships in their region or local area. Where there are a number of single issue quangos this can lead to a decline in strategic capacity, as the number of potential constriction (or even veto) points through which each formulated programme or initiative must pass has multiplied. Some commentators note that this effect is marked in policy sectors that demand an integrated approach, as well as in areas of governance that do not lend themselves to traditionally recognised functional distinctions.<sup>7</sup>

Another identified problem is the lack of any firm administrative underpinning for the appointment of quango members. Following recommendations from the Committee for Standards in Public Life (CSPL), the Government has sought to address this through a programme of gradual reform. A series of measures have been introduced to improve the accountability and transparency of quangos, as well as the diversity of their members. However, some commentators have questioned whether these reforms have been broad and comprehensive.<sup>8</sup>

The major criticism of the 'quango state' is that a range of unelected officials have responsibility for performing central and local authority functions, and they lack full accountability to elected politicians. This has prompted a series of concerns outlined below.

#### **B.** The Range of Concerns

#### 1. Accountability

The organisation of representative democracy has established a clear chain of accountability in the UK. Civil servants operate within an organisation, traditionally a department, headed by a Minister who is accountable to Parliament between elections and to the public at elections.<sup>9</sup> The growth of the quango state has disrupted this model because quangos are insulated to some degree from direct ministerial involvement and can be said to weaken the scrutiny mechanisms of Parliament in overseeing the structures of the quasi-state.

<sup>&</sup>lt;sup>7</sup> Matthew Flinders, "Distributed Public Governance in Britain", 2003, Mimeograph

<sup>&</sup>lt;sup>8</sup> Ibid.

<sup>&</sup>lt;sup>9</sup> Matthew Flinders, "Distributed Public Governance in Britain", 2003, Mimeograph p 11

Because there is no one type of quango, different organisations have differing requirements in terms of the level of access they must grant the public in terms of open meetings or published minutes, audits, details regarding the surcharge of members and levels of remuneration. Many quangos have recognised the need for some form of local accountability, such as expressed in the TEC National Council's Framework for local accountability. They also are subject to a range of regulation and monitoring from central government. The interdisciplinary Political Economy Research Centre (PERC) at the University of Sheffield argued that the volume of monitoring required by central government could be counterproductive. In Position Paper 6 of PERC's Quango Project, which ran from September 1995 to February 1996, the following statement is made:

The feeling from inside quangos seems to be that there is a huge number of accountability requirements upwards to central government, leading to a frustration expressed to the Nolan Committee [CSPL] during their inquiry into local spending bodies as "Back me or sack me, but don't keep tripping me up". From my own experience in the probation service the demand for more and more information to be sent up is a characteristic of the insecurity created by devolved working within New Public Management and applies to all bodies with links to central government.<sup>10</sup>

Public concern about accountability has not only been focused on the limited upward accountability of quangos to Ministers, but also on the lack of downward accountability mechanisms, for example through elections. To reconcile conflicting interests and build support for policy strategies within government, politicians are required to obtain the consent of the public at elections. Discussing this lack of electoral legitimacy, PERC noted:

...essential as elections are in giving legitimacy to representatives to govern, they are also limited in the degree to which they reflect people's needs and wishes. A cross every four years does not convey very much information. There is no sign that most people want deep involvement in the way things are run, yet we distrust politicians and quangocrats. Direct elections for a multiplicity of bodies would be unlikely to meet with much enthusiasm. Yet there is energy around for participation on certain topics as shown by protest about road building and live animal export.<sup>11</sup>

<sup>&</sup>lt;sup>10</sup> Political Economy Research Centre, "Consumer Responsive, Citizen Remote", Position Paper 6, available at <u>http://www.shef.ac.uk/uni/academic/N-Q/perc/Quangos/pp6.html</u> at 9 March 2005

<sup>&</sup>lt;sup>11</sup> Political Economy Research Centre, "Consumer Responsive, Citizen Remote", Position Paper 6, available at <u>http://www.shef.ac.uk/uni/academic/N-Q/perc/Quangos/pp6.html</u> at 9 March 2005

Local democracy can also suffer from low turnout and from the general public distrust of politicians<sup>12</sup> and is currently unlikely to be given responsibility for the range of policy areas which are administered by quangos.<sup>13</sup>

#### 2. Democracy

The academic Chris Skelcher has argued that quango members are selected using a system of public appointment which enables Government to exert a degree of influence and/or control.<sup>14</sup> In comparison with the process of public election used to select local councillors, the system of public appointment allows the boards of quangos to be composed to fit the demands of the current orthodoxy, to satisfy particular needs and/or to provide particular expertise. He argues that quango members are not haphazardly chosen by local parties and electorates (a system which may often produce a mismatched group of people that are unable to work together efficiently), rather they are selected on the basis of an individual's expertise, experience, objectivity and professionalism. The merits of board members can be determined and assessed according to official criteria and and members assessed as un-cooperative may not have their appointments extended. In contrast, in some local government areas, one party may be elected for successive terms, with policies which contradict the objectives of central government.<sup>15</sup>

Professor Alasdair Breckinridge, chair of the Committee on the Safety of Medicines, suggests that specialist committees require two types of members to operate efficiently: those who have "technical scientific expertise in very precise areas"; and those who have broad experience but not in the specific area. The existence of both groups allows the expert group to set the direction of action and intervention and the latter group to voice alternative opinions, cultivating some 'grit in the oyster' through their purposeful questioning of the prevailing consensus.<sup>16</sup>

Quangos are also said to be favoured by Government because they enable difficult decisions to be hived off to non-governmental bodies. The academic Matthew Flinders argues that the currently flexible relationship that exists between quangos and the Government means that the Government can re-impose control at times of political controversy, which is useful given the rapidity with which unpredictable issues can become salient.<sup>17</sup> In most policy areas the existence of quangos is largely understood and

<sup>&</sup>lt;sup>12</sup> See Committee on Standards in Public Life, Survey of public attitudes towards conduct in public life, September 2004, available at <u>http://www.public-standards.gov.uk/research/research/researchreport.pdf</u> at 17 March 2005

<sup>&</sup>lt;sup>13</sup> Matthew Flinders, "Distributed Public Governance in Britain", Mimeograph, 2003

<sup>&</sup>lt;sup>14</sup> Chris Skelcher, Stuart Weir and Lynne Wilson, Advance of the Quango State, 2000 p. 48

<sup>&</sup>lt;sup>15</sup> *Ibid*.

<sup>&</sup>lt;sup>16</sup> Quoted in Public Administration Select Committee, Government by Appointment: Opening Up the Patronage State, Fourth Report, 2002-2003, 26 June 2003, HC 165-1 p 127-8

<sup>&</sup>lt;sup>17</sup> Matthew Flinders and Martin Smith, "Realising the Democratic Potential of Quangos" in Matthew Flinders and Martin Smith (eds.) *Quangos, Accountability and Reform: The Politics of Quasi-Government*, 1999 p 204

accepted by the public. However, policy fields remain – most notably education, health care and housing – where supporters of local government oppose the removal of policies, choices and spending decisions from the democratic sphere.<sup>18</sup>

The types of members selected to serve on quangos may also change according to political priorities. Labour was founded on support from members of the working classes and trade unions, yet in recent years in Government it has been concerned to draw in business interests. The shape of new quangos is said to reflect the nature of these new allegiances:

The post-war tripartite alliance between government, business and the unions can be seen in bodies such as the National Economic Development Office. Tripartism broke down in the late 1970s and emphasis since has been on alliances with business. This has shown through supply-side changes and reregulation, as well as though the adoption of private sector techniques in new public management. The shape of training bodies provides an illustration of the way government alliances have changed: from MSC through the Training Agency to TECs. The latter are oriented to big business, who clearly must be brought on board the training wagon, but it is at the expense of a feeling of exclusion of the voluntary sector and small businesses.<sup>19</sup>

#### 3. Diversity

One argument for the use of quangos is their potential to involve all sections of society in the process of policy decision-making. Through selection, rather than election, groups such as women, ethnic minorities and people with disabilities - all of which are currently under-represented in the political arena - may be given the opportunity to become involved in British governance processes at the local, regional and national scale:

Quangos...can be used as tools to reinvigorate politics by offering more opportunities for involvement and participation.<sup>20</sup>

The Public Administration Select Committee (PASC) has drawn attention to the establishment of local quangos or partnerships, creating unprecedented opportunities for involvement.<sup>21</sup> In England, there are almost 5,000 locally appointed bodies involving over 50,000 appointed positions (approximately three times the number of elected local

<sup>&</sup>lt;sup>18</sup> Public Administration Select Committee, Government by Appointment: Opening Up the Patronage State, Fourth Report, 2002-2003, 26 June 2003, HC 165-1 p 6

<sup>&</sup>lt;sup>19</sup> Political Economy Research Centre, "Consumer Responsive, Citizen Remote", Position Paper 3, available at <u>http://www.shef.ac.uk/uni/academic/N-Q/perc/Quangos/pp3.html</u> at 9 March 2005

<sup>&</sup>lt;sup>20</sup> Matthew Flinders and Martin Smith, "Realising the Democratic Potential of Quangos" in Matthew Flinders and Martin Smith (eds.) Quangos, Accountability and Reform: The Politics of Quasi-Government, 1999, p 210

<sup>&</sup>lt;sup>21</sup> HC 165-I 2002-3 26 June 2003paras 44-50

councillors).<sup>22</sup> Posts enable participation in a number of areas: from the high courts to the magistrates' courts; the NHS to local care trusts; in the BBC and independent television networks; in the regulation of utilities; the inspection of prisoners' conditions; in the provision of social housing; post-16 education and skills training; in the organisation of tribunals; the administrative bodies of museums; and, in the coordination of local lottery grants.<sup>23</sup>

Yet participation figures show that there are still difficulties in attracting underrepresented groups. At 31 March 2004, the proportion of women on the boards of public bodies (excluding boards appointed by devolved administration) was 37.5 per cent; ethnic minorities 6.5 per cent and people with a self-identified disability 4.1 per cent.<sup>24</sup> Individual figures for sponsoring departments are available.<sup>25</sup> Although this represents an increase in the number of participants from underrepresented groups since 1997, such figures are still well below the proportional figures of these groups in the general population, given in the 2003 PASC report as 51.3 percent, 8.7 percent and 18.2 per cent respectively.<sup>26</sup>

Government targets for 2005 are for 50 per cent of public appointments to be held by women, about 7-8 per cent by people from ethnic minorities and for a simple increase in the representation of people with disabilities.<sup>27</sup>

Reasons for the under-representation of groups such as women, ethnic minorities and people with disabilities, on the boards of public bodies are not fully understood. PASC notes that there has long been popular involvement across the social spectrum in charitable societies, self-help groups, trade unions and trade associations, as well as campaigning groups of all kinds. It suggests that under-representation may result from low public confidence in the formal political system.<sup>28</sup>

The concept of the active citizen is not new...The millions of people involved in such voluntary groups embody an active civic tradition that shows no evident sign of diminishing, unlike the decline in voting and membership of political parties over the last decade. For example, a recent survey of the top charities

<sup>&</sup>lt;sup>22</sup> Figures from the Joseph Rowntree Foundation's Local and Central Government Relations Research available at <u>http://www.jrf.org.uk/knowledge/findings/government/G35.asp</u> at 9 March 2005

<sup>&</sup>lt;sup>23</sup> Public Administration Select Committee, Government by Appointment: Opening Up the Patronage State, Fourth Report, 2002-2003, 26 June 2003, HC 165-1 p 2

<sup>&</sup>lt;sup>24</sup> Cabinet Office, Agencies and Public Bodies database, available at <u>http://www.knowledgenetwork.gov.uk/ndpb/ndpb.nsf/0/E4231656A6D3C04380256E540049FF88?OpenDocument</u> at 31 March 2005

<sup>&</sup>lt;sup>25</sup> A breakdown of these figures by government department is available at <u>http://www.knowledgenetwork.gov.uk/ndpb/ndpb.nsf/0/E4231656A6D3C04380256E540049FF88?Ope nDocument</u> at 8 April 2005

<sup>&</sup>lt;sup>26</sup> Public Administration Select Committee, Government by Appointment: Opening Up the Patronage State, Fourth Report, 2002-2003, 26 June 2003, HC 165-1 paragraph 115

<sup>&</sup>lt;sup>27</sup> Public Administration Select Committee, Government by Appointment: Opening Up the Patronage State, Fourth Report, 2002-2003, 26 June 2003, HC 165-1 p 2

<sup>&</sup>lt;sup>28</sup> Ibid

found that more than two million volunteers were involved in the work of the 156 charities that replied. The social and political issues addressed by public bodies are scarcely less important than those tackled by charities and pressure groups. In certain obvious respects public bodies are more influential. But the numbers coming forward to join public bodies, especially from under-represented groups are very disappointing in comparison.<sup>29</sup>

The issue of diversity is not simply about the number of different groups that may be quantified within the quango state. It also concerns the subtle variation of members' interests, qualifications and backgrounds:

In the debate about diversity, the Government has been judged largely by its success in raising the proportions of women, people from ethnic minorities and people with a disability on public bodies to the proportions of these groups in the population at large...[but] concerns range even wider, especially in relation to the representation of social class on public bodies...socio-economic background is a significant barrier across the board: that is,...socio-economic background affects not only the representation of women and minorities on public boards, but also leads to an unduly narrow recruitment of white males. Regional differences and age are also diversity issues.<sup>30</sup>

Two academics working in the field of governance and constitutional change - Adam Tickell and Jamie Peck - expand on this point by noting:

...[whilst] women have made some gains in the transition to local governance... the gendering of governance is a complex process which cannot be reduced to the quantitative dimension of levels of formal representation (measured simply in terms of physical presence). What matters is how these patterns of representation are interpreted, politically and theoretically. It is not only that women are crowded into a particular sector of the quango state, concerned with the delivery of caring services (though it is), it is not only that these figures ignore more autonomous local business organisations which invariably have fewer women on their boards (though they do) but...that, where women are involved, they are consistently marginalised by the male (business/political) elite...the quangoization of local governance, and the associated emergence of powerful business-led agencies and lobby groups, [which] marks not only a political shift (to a form of elite localism) but also represents a critique of traditional approaches to local democracy, local governance practice and local welfarism.<sup>31</sup>

Peck and Tickell claim that the emphasis on the needs and aspirations of business can lead to an emphasis on the needs and aspirations of business*men*:

<sup>&</sup>lt;sup>29</sup> *Ibid.* paragraph 112

<sup>&</sup>lt;sup>30</sup> Public Administration Select Committee, Government by Appointment: Opening Up the Patronage State, Fourth Report, 2002-2003, 26 June 2003, HC 165-1 paragraph 113

<sup>&</sup>lt;sup>31</sup> Adam Tickell and Jamie Peck, "The return of the Manchester Men: Men's words and men's deeds in the remaking of the local state" *Transactions of the Institute of British Geographers* NS 21 p 596-7

Once central government decided that (imperfectly) democratically elected local government was to coexist alongside, and be subordinated to, unelected institutions composed of the economically powerful, it was clear that men would dominate the new institutions of local governance.<sup>32</sup>

#### 4. Independence

The independence of quangos is intended to insulate certain policy-making activities from political influence. Quangos operate as "insulated bodies largely beyond the scope of parliamentary politics" with a 'buffer zone' between the spheres of policy formation and policy delivery.<sup>33</sup> Some quangos operate as direct service delivers for Government. Others, such as the BBC, have an organisational structure designed to protect against political interference. Commentators note that quangos are not independent organisations in the sense that they are objective:

...[Quangos] exist in time and in particular political relationships which are dynamic. Different governments want quangos for different reasons and this dictates the form they take and the mechanisms for control that exist. In the 1970s quangos were a way of opting out of difficult political problems, in the 1980s they were seen as a way of reducing the power of local authorities and of making government more effective and thereby less expensive. Labour in the 1990s seems to want to make them more democratic and open, but we have to examine what the Labour government sees as the purpose of quangos. If the goal is taking government closer to the people, then issues of accountability will be central. But if they exist to divert political flak from government, issues of democracy and openness will fade into the background.<sup>34</sup>

Matthew Flinders and Martin Smith state that in not according quangos complete independence, the Government remains able to interfere with their work, override their decisions or abolish them. Yet when problems arise, there is potential to avoid direct responsibility.<sup>35</sup>

#### 5. Patronage

Quango posts are filled through a system of public appointment. This was traditionally overseen by Ministers, operating under the royal prerogative. In the early 1990s a number of surveys indicated a preponderance of business people on the boards of quangos,

<sup>&</sup>lt;sup>32</sup> *Ibid.* p 612

<sup>&</sup>lt;sup>33</sup> Matthew Flinders, "Distributed Public Governance in Britain", Mimeograph, 2003 p 17

<sup>&</sup>lt;sup>34</sup> Matthew Flinders and Martin Smith, "Realising the Democratic Potential of Quangos", in Matthew Flinders and Martin Smith (eds.) *Quangos, Accountability and Reform: The Politics of Quasi-Government*, 1999 p 209-10

<sup>&</sup>lt;sup>35</sup> *Ibid* p 204

sometimes with links to the then Conservative Government. This led to suspicions of Ministerial bias and the operation of patronage in the public appointments system.

In 1995, the Government established the CSPL with a remit to examine the public appointments system. The first report from CPSL recommended the inclusion of an independent person or body in the public appointment process and the introduction of external regulation in the form of the Commissioner for Public Appointments (CPA). The present Commissioner is Dame Rennie Fritchie. She is charged with monitoring appointments to UK quangos and oversees between 11,000 and 12,000 of approximately 26,000 public appointments a year.<sup>36</sup> Together with her predecessor, Sir Leonard Peach, she has firmly established appointment on the basis of merit as a key principle for the selection of quango members. A series of reforms to improve the transparency of quangos and their operations have been implemented, which are discussed in Library Standard Note no 3368.<sup>37</sup>

However the 2003 PASC report voiced concerns about what was characterised as the local appointed state, where appointments are not regulated by the CPA:

45. Most local quangos are wholly or largely self-appointing; and very few appointments are subject to ministerial or departmental oversight. Most of what is known about the processes of appointment derives from a study, published in 1996, which found that they were 'a word-of-mouth affair, with a consequent lack of transparency'.[17] There is no reason to believe that this judgement is seriously out of date.

46. There are no official statistics on local partnerships, despite their growing significance in local and sub-regional governance. These bodies—New Deal for the Community, regeneration, crime reduction, anti-drug and other schemes, action zones, etc.—bring together representatives of local authorities and public agencies, local voluntary bodies and private enterprises. In 2001, we identified some 2,300 local partnerships. In their paper for this Committee, Professor Chris Skelcher, University of Birmingham, and Dr Helen Sullivan, University of the West of England, calculate that twice as many—some 5,500 partnerships—exist; and even this figure, they say, is a significant under-estimate.[18] For example, it does not include partnerships funded through EU programmes.<sup>38</sup>

#### 6. Scrutiny

The establishment of the CSPL in 1995 brought the scrutiny of quangos by Government into focus. The creation of 'core tasks' for select committees has enabled Parliament to

<sup>&</sup>lt;sup>36</sup> For further details see section III of this paper and Standard Note SN/PC/3368 available at <u>http://hcl1.hclibrary.parliament.uk/notes/pcc/snpc-03368.pdf</u> at 5 April 2005

<sup>&</sup>lt;sup>37</sup> For further details see Standard Note SN/PC/3368 available at <u>http://hcl1.hclibrary.parliament.uk</u> /<u>notes/pcc/snpc-03368.pdf</u> at 5 April 2005

<sup>&</sup>lt;sup>38</sup> HC 165-I 2003-3, paras 44-50

devote more time to scrutinising public bodies associated with government departments.<sup>39</sup>

In 1999, following consultations around the *Modernising Government* White Paper, a system of quinquennial review was also established, building on the process already used for Government executive agencies. The process was outlined in the Executive Non-Departmental Public Bodies 1999 Report :

The new approach has three main aims:

- To ensure that NDPBs are subject to regular and challenging review, taking into full account the views and needs of their customers, staff, and other stakeholders;
- To ensure that the right structures for these bodies are put in place, so that they deliver the Government's agenda effectively, and work in an efficient and integrated way; and,
- To provide a strong focus on improving their future performance, including the scope for more partnership working, and better use of new technology.<sup>40</sup>

It was advised that reviews should be conducted at least every five years and should take into account: (i) the performance of the NDPB in the context of their contribution to wider departmental and government objectives; (ii) the function or service delivered by the NDPB and whether this is the best means of provision; and, (iii) the possibility of future improvements in the NDPBs organisational structure, delivery of services and use of technology. Reviews should take into account the views of both consumers and staff.<sup>41</sup> Current guidance on the creation and review of NDPBs is available on the Cabinet Office website.<sup>42</sup>

David Walker, editor of the *Guardian*'s Public magazine, has argued that a more fundamental review is necessary for the creation of quangos:

Maybe there does need to be a process, open to external inspection, by which public bodies acquire chairs and board members...But there also needs to be someone to ask bigger questions – such as why a particular function is being carried out by a quango rather than a government department.<sup>43</sup>

<sup>&</sup>lt;sup>39</sup> Matthew Flinders, "MPs and Icebergs: Parliament and Delegated Governance", *Parliamentary Affairs*, 2004, Vol 57 (4) p 772

 <sup>&</sup>lt;sup>40</sup> Cabinet Office, *Executive Non-Departmental Public Bodies 1999 Report*, 1999, CM 46/4657 available at <u>http://www.archive.official-documents.co.uk/document/cm46/4657/chap3.pdf</u> at 22 March 2005 p 22
<sup>41</sup> *Ibid*. p 22-23

*<sup>1</sup>bia.* p

http://www.civilservice.gov.uk/improving\_services/agencies\_and\_public\_bodies/guidance\_for\_departm ents/non\_departmental\_public\_body\_guidance/index.asp

 <sup>&</sup>lt;sup>43</sup> David Walker, "View from the top: The watchdogs are barking up the wrong tree", Public magazine, *Guardian*, 2005, 9 March 2005 p 16

He cited the Environment Agency (EA) to raise the following questions in support of this point: If the EA is carrying out agreed public policies then why does it need to be at arm's length from the Department for Environment, Food and Rural Affairs? If it is meant to be independent, why is it so close, financially and managerially, to Whitehall? And, moreover, what is the point of worrying about who gets appointed to the board of a public body, when there is no follow up procedure in place to see whether that board performs well?<sup>44</sup> David Walker claims that there is a need to move beyond fairness in appointments procedures to ask more about succession planning, fitness for purpose and human resources in the round.

The PASC report recommended a fundamental review of the existence of and rationale of quangos:

36. More generally, our inquiry has demonstrated the need for much more clarity about the role, status and activities of public bodies. As we have seen, there is a constant flow of new bodies which start life, change their status and merge with others. Some have ministerial appointments, some do not. Some are designated as NDPBs and are included in official lists, some lurk as 'other bodies' in departmental corners, no doubt doing good and necessary work, but not very transparent or accountable. Most importantly for this inquiry, there is no clarity or consistency about the application of the Nolan rules.

37. We believe that there should be a radical new examination of public bodies. Nearly a quarter of a century ago, amid political and public concerns about an unchecked 'spread of patronage' and 'a concealed growth of government',[16] Sir Leo Pliatsky was asked to inquire into quangos. The Pliatsky report adopted the wide-ranging NDPB category specifically to encompass the wide variety of bodies that the survey uncovered. It appears to us that the NDPB category itself may have outlived its usefulness. Considering how rapidly the world of public bodies is changing, it would be very useful to undertake a new review of this world.<sup>45</sup>

#### 7. Trust

Public mistrust in the quango state is well documented.<sup>46</sup> The CSPL research into levels of public trust found that people surveyed routinely expressed higher levels of trust in 'frontline' professionals (such as doctors and head teachers) as well as those whom they perceived to be impartial or independent, than they did in senior managers whether of quangos, local authorities and the civil service and those whom they perceived to be

<sup>&</sup>lt;sup>44</sup> David Walker, "View from the top: The watchdogs are barking up the wrong tree", Public magazine, *Guardian*, 2005, 9 March 2005 p 16

<sup>&</sup>lt;sup>45</sup> HC 165-I 2002-3 26 June 2003

<sup>&</sup>lt;sup>46</sup> For details see Committee on Standards in Public Life, Survey of public attitudes towards conduct in public life, 2004, available at <u>http://www.public-standards.gov.uk/research/research/researchreport.pdf</u> at 22 March 2005

politically motivated (such as Ministers, MPs in general and local councillors).<sup>47</sup> In addition there was widespread belief that appointments to quangos were politically motivated. To combat such a negative impression, the Government has recognised that it needs to make quangos more open, accessible, accountable and independent. The strength of such initial concerns in the first term of the Blair Government can be illustrated in two oral parliamentary questions to the then Chancellor of the Duchy of Lancaster, Dr David Clark:

6. **Kali Mountford:** What representations he has received about changes in the working practices of quangos. [15095]

**Dr. David Clark:** Over the past few years quangos have been roundly criticised for being too secretive, unaccountable and unrepresentative. Last week I published the "Opening Up Quangos" Green Paper, which addresses those criticisms and sets out our plans to make quangos more open, accountable and effective. This is open to widespread consultation and I look forward to receiving the views of people from throughout the country.

**Kali Mountford:** I thank my right hon. Friend for his reply. I welcome the Green Paper, which I am sure will shine light on the secretiveness and unaccountability of the quangos set up by the Conservative Government. Given my right hon. Friend's commitment to freedom of information, may I ask him whether quangos will be covered by a freedom of information Act?

**Dr. Clark:** We shall introduce a number of measures to open up quangos, including open annual meetings, publishing the minutes and annual reports. We are also, keen to encourage a wide cross-section of the community to become involved. The freedom of information legislation, as I said, will have wide coverage, right across Government. I cannot anticipate what the White Paper will contain, but I am pretty sure that my hon. Friend will not be disappointed.

**Mr. Clifton-Brown:** Does the right hon. Gentleman agree that the effectiveness of quangos essentially depends on who is selected to serve on them? When they consider that matter, will quangos refrain from selecting people purely on the basis of political correctness?

**Dr. Clark:** I am delighted that at long last the hon. Gentleman, and I hope his colleagues, have seen the light. We live in a pluralistic society, and it is important that quangos and other bodies that help to advise the Government represent a cross-section of our society. I believe that one of the reasons why quangos got such a bad name over the past 18 years was the manner in which the previous Government stuffed them with their own appointees.

**Mr. William Ross:** Does the Minister recognise that most citizens are not interested in changing the working practices of quangos, but rather in bringing them under direct democratic control, especially at local level? Nowhere do people feel more strongly about that than in Northern Ireland. What steps do the Government intend to take to restore democracy to the Province?

**Dr. Clark:** The hon. Gentleman makes a fair point. The document that I produced last week referred to the 1,000 or so quangos that are national, but in

 <sup>&</sup>lt;sup>47</sup> Committee on Standards in Public Life, *Getting the Balance Right: Implementing Standards of Conduct in Public Life, Tenth Report*, 2005, CM 6407 paragraph 1.21

addition to those, there are thousands that have regional, provincial or local application. I hope that out of the consultation and the on-going debate on democracy and about our devolution proposals, we will find it possible for some of the local and regional quangos to be subsumed by local government.<sup>48</sup>

And:

8. **Mr. Gerrard:** How he intends to ensure the accountability of non-departmental public bodies. [15099]

**Dr. David Clark:** The Government are determined to make quangos more open and more accountable. In our "Opening up Quangos" Green Paper we set out ways to improve the accountability of quangos. I am inviting Select Committees to have greater oversight of quangos, by looking at annual reports and by being involved in the new five-yearly reviews. I also plan to introduce codes of practice and registers of interest to quango boards wherever possible. I believe that these and many other proposals that we put forward will ensure that quangos become much more accountable to the people they serve.

**Mr. Gerrard:** I know that my right hon. Friend appreciates that the quango state that was created by the previous Government removed huge areas of public expenditure from democratic scrutiny, with boards meeting in private with members who were unknown to the general public. Will my right hon. Friend confirm that, as part of his proposals for openness, the name of every member of every quango will be made publicly available, as will their register of interests, in a form that will be easily accessible to the average member of the public?

**Dr. Clark:** My answer is yes. At the same time that we published the Green Paper last week, we ensured that it was available on the internet. I intend to ensure that the internet includes the names of all quangos, their aims and objectives, and overall financial information. In addition, it is my intention to ensure that the names of all individuals on quangos appear on the internet, with the odd exception where one or two specialist committees deal with security or with the security of the individual, which might be at risk from publication.

**Mr. Baker:** Is the Minister able to give an assurance that it is his policy that henceforth all quangos will be subject to scrutiny by the National Audit Office and the Public Accounts Committee? Will he concur that the best way to deal with quangos is to abolish many of them and return their powers to democratically elected local councils? Will the right hon. Gentleman give an assurance that, when he is replacing clapped-out Tory placemen, he will not simply introduce Labour placemen?

**Dr. Clark:** The hon. Gentleman raises some serious points. First, we are trying to examine the raison d'etre of every quango to ensure that there is a reason for that body continuing to exist. Secondly, I have already said that we see a future, when considering regional and local quangos, for discussion to ascertain whether these bodies could be incorporated into the local government structure. That is the sort of issue that will be raised when we introduce our central-local government initiative. We have already discussed that. I assure the hon. Gentleman that we

<sup>&</sup>lt;sup>48</sup> HC Deb 19 November 1997 Vol. 301 c315

recognise that we live in a pluralistic society. It is right and proper that people from all sections and strands of the community are represented on quangos.<sup>49</sup>

In 2005 the Committee on Standards in Public Life published a report which looked at the operation of propriety arrangements for noted public bodies.<sup>50</sup> The report noted the important of trust in retaining public support regardless of any initiatives in place to improve access to information and inclusion:

...trust is a key indicator of the legitimacy of public institutions. Trust is concerned with perceptions of honesty, but is also about confidence and satisfaction with the outcomes of service delivery.<sup>51</sup>

## **III** Government Reforms Prior to May 1997

Expressed public concern about the growth in the number of quasi-autonomous bodies, led the Major Government to establish the Committee on Standards in Public Life. This was a non-statutory body, with the remit to examine standards of public life. One of its first areas of work was to scrutinise the operation of the quango state and make recommendations for its reform.<sup>52</sup> In its first report, published in 1995, it identified three key issues that it believed were underlying the public's unease at the growth of the quango state:

- The role of Ministers in the public appointments process;
- The limited scope of any independent regulation of appointment to public bodies; and,
- The integrity of the system of public appointments.<sup>53</sup>

To combat these concerns, the CSPL recommended:

- The creation of a code of practice for an impartial appointments process;
- The establishment of a post of Commissioner for Public Appointments, whose task it would be to oversee such appointments; and,
- Increased external scrutiny to the conduct of board members.

In response, the Government established the non-statutory post of Commissioner for Public Appointments. Sir Leonard Peach was appointed as the first Commissioner in November 1995. He served until February 1999, after which his post was awarded to Dame Rennie Fritchie, the current Commissioner. Since its inception, the work of the

<sup>&</sup>lt;sup>49</sup> HC Deb 19 November 1997 Vol. 301 c316

<sup>&</sup>lt;sup>50</sup> Cm 6407 January 2005

<sup>&</sup>lt;sup>51</sup> Committee on Standards in Public Life, Getting the Balance Right: Implementing Standards of Conduct in Public Life, Tenth Report, 2005, CM 6407 paragraph 1.20

<sup>&</sup>lt;sup>52</sup> See Standard Note SN/PC/1444 for further details.

<sup>&</sup>lt;sup>53</sup> Committee on Standards in Public Life, Standards in Public Life, First Report, 1995, CM 2850-1

Commissioner has formed the centrepiece of government procedures for ensuring the integrity and good practice of public appointments. The Commissioner's Code of Practice (last revised in 2001) provides the regulatory framework for the process of making public appointments. It covers ministerial appointments to boards of executive and advisory non-departmental public bodies (NDPBs), NHS bodies, public corporations, nationalised industries and some utility regulators.<sup>54</sup> In addition, the Office of the Commissioner for Public Appointment's external auditors are responsible for conducting rolling departmental reviews to ensure that quangos comply with the Commissioner's Code and standards of good practice.<sup>55</sup>

## **IV** Developments Post-May 1997

## A. The Number of Quangos

There are no precise figures for the number of quangos in the UK, as different sets of statistics exist for different types of public bodies, such as NDPBs. The Cabinet Office online database (together with the publication *Public Bodies*, which was produced annually to 2003) gives data on the number of NDPBs in the UK. The database provides information on public bodies sponsored by the UK Government departments, including quangos funded by the Northern Ireland Office, as well as the Scotland Office (which is now part of the Department for Constitutional Affairs and thus included in the DCA entry). The Wales Office has no sponsored public bodies and is not included. In the current absence of devolved government in Northern Ireland, it also includes full details of public bodies sponsored by the Northern Ireland Executive, but these are excluded from the statistical summaries. Information, summary statistics and analysis for bodies in Scotland and Wales are not provided, but can be obtained from those devolved administrations themselves.

Successive *Public Bodies* show a decline in total NDPB numbers from 1,128 in 1997 to 849 in 2003. However, NDPBs which are the responsibility of devolved administrations are not included from 2002. Excluding NDPBs sponsored by the Scottish Office, Welsh Office and Northern Ireland Office in the 1997 total would have given an overall figure of 880 for that year.<sup>56</sup> Commentators such as Matthew Flinders have argued that the reduction should not be taken as evidence of a decline in the number and role of independent public bodies in the UK:

<sup>&</sup>lt;sup>54</sup> It can be found on the website of The Commissioner for Public Appointments at <u>www.ocpa.gov.uk</u> at 23 March 2005

<sup>&</sup>lt;sup>55</sup> A more detailed examination of the work of the Commissioner for Public Appointments may be found in Standard Note SN/PC/3368 available at <u>http://hcl1.hclibrary.parliament.uk/notes/pcc/snpc-03368.pdf</u> at 5 April 2005

<sup>&</sup>lt;sup>56</sup> The 2001 edition of *Pubic Bodies* noted that of the 1,025 NDPBs as of March 2001, 16 per cent were the responsibility of the three devolved administrations.

The statistical reduction in numbers has been achieved through amalgamations, organisational reclassification and devolution of responsibility for many bodies to the Scottish Executive and Welsh Assembly (see HC 367, 2001, para. 8). Moreover, the expenditure of executive NDPBs has not been significantly reduced...[it] remains at around 25 billion pounds per year – around a third of central government expenditure. In addition, a number of new organisations have been established without any formal classification and are therefore not accounted for in any of the Government's documents or statistics.

The process of devolution has complicated the Cabinet Office picture as it has resulted in a number of quangos becoming answerable to one of the devolved administrations rather than a government department.

Further details of the changing number of NDPBs may be gleaned from responses to a 'campaign' of parliamentary questions from Stephen O'Brien in July 2004. In this, departments were asked how many NDPBs for which they were responsible had been established, and how many abolished, since 1997. These questions are included in Appendix 1. Again, it is noted that there may be difficulties in using such information as one department may not be using the same criteria as the others when calculating its figures.

As noted above, the 2003 PASC report has drawn attention to other types of quangos which do not feature in the Cabinet Office data:

22. Our inquiries into how many 'other' public bodies exist within Whitehall are not yet complete. Departments had difficulties in identifying 'other' public bodies in reply to the Committee questionnaire. However, one department seems to have compiled a full census of these bodies—the Department of Health. Its response listed 43 bodies which are not NDPBs and do not appear in *Public Bodies*—37 'other' bodies, including six sub-groups, plus six medical councils like the General Medical Council, which the department classes as 'external bodies'. We have also noted a variety of bodies that were not listed in departmental returns to the questionnaire and do not appear in *Public Bodies*. The following bodies, for example, are not classified as NDPBs for a variety of reasons: BTI, the Civil Service Commissioners, the Electoral Commission, the Financial Services Authority, the Parades Commission in Northern Ireland and Partnerships UK, an advisory body attached to the Treasury. Appointments to these and similar bodies are not regulated or monitored by OCPA and are not necessarily bound by 'Nolan' rules.

23. Other appointments which can currently escape the Nolan process include those for a number of formal and ad-hoc advisory bodies, and many Prime Ministerial Appointments. <sup>57</sup>

<sup>&</sup>lt;sup>57</sup> HC 165-I 2002-3 26 June 2003

#### B. Partnership Agenda

Since taking office in May 1997, the Labour Government has embraced the "agentification"<sup>58</sup> process as a necessary part of its partnership agenda. Four examples in which the Government has deployed or created quangos to introduce or implement significant policy initiatives are listed in a publication from Chris Skelcher:

#### The NHS

Reform of the NHS was led by ministers using a clutch of new national quangos, including NICE [National Institute of Chartered Excellence] and CHI [Commission for Health Improvement] the Independent Reconfiguration Panel; and others. The National Plan for the NHS was formulated with the aid of six new Task Forces. At local level, new primary care groups are growing up rapidly to become primary care trusts and new care trusts are even being spawned.

#### Training

The restructured job training, and further education service will be run by a new major quango, the Learning and Skills Council, and 47 sub-regional learning and skills councils...The national LSC will be advised by two advisory quangos and will develop national partnerships with RDAs, the University for Industry and a new Small Business Service. Alongside this apparatus, a new Connexions service, under a national unit, will seek to "reconnect" 16-18 year olds with education and training, employing Connexions partnerships at local LSC level.

#### Regional development

Regional development with a widening set of responsibilities in England has been placed in the hands of eight appointed Regional Development Agencies in liaison with the government's regional offices and Regional Chambers, also appointed bodies, but with a majority of indirectly-elected local councillors. The RDAs and Government Offices for the Regions make the running; the chambers so far have been given only a consultative role and they receive no national funding. In London, however, the ninth RDA – the London Development Agency – is directly accountable to the major.

#### Social housing

Primarily run under the auspices of the Housing Corporation. Under the Corporation's guidance, both national and regional, voluntary housing associations are now responsible for most new-build social housing and rehabilitation. The government is now using its financial elbow to encourage local authorities to hand over the management of council housing estates and properties to social landlords or private managing agents. There are signs that social landlords are pursuing a regeneration and environmental brief as well.<sup>59</sup>

<sup>&</sup>lt;sup>58</sup> Chris Skelcher, Stuart Weir and Lynne Wilson, Advance of the Quango State, 2000 p 18

<sup>&</sup>lt;sup>59</sup> Chris Skelcher, Stuart Weir and Lynne Wilson, Advance of the Quango State, 2000 p 18-19; See Section XI in Parliament and Constitution Centre Research Paper 00/42, Advisers to Ministers, 5 April 2000, for further details of the 'Task Force revolution'.

Recalling an article published in *The Times* newspaper in 1969 in which Michael Shanks observed that the Labour Government of the period appeared to be suffering from what he coined "institutionalitis" (the tendency to respond to every problem with the setting up of a new organisation), Chris Skelcher, Stuart Weir and Lynne Wilson use a brief review of institutional change and development since 1997 to suggest that the current Government is suffering from a similar malaise:

After 1997, Labour ministers took advantage of "flexible" government to create more than 300 new quangos, most of them temporary, known as Task Forces, Working Parties, Action Teams etc.<sup>60</sup>

The creation of Task Forces is seen to be particularly problematic because their short duration means they are exempt from the public appointments procedures administered by the OPAC:

These were all advisory bodies to whom ministers appointed external members outside the rules for public appointments laid down by the Nolan Committee [the CSPL]. This revolution in public policy making was entirely ad-hoc; was not officially monitored.<sup>61</sup>

Since 2001, the Government have recognised the need to coordinate at a local level, described in its response to the 2003 PASC report:

7. We recommend that the Government should consult with local authorities to determine the most effective and proportionate means of achieving public oversight of the boards of local public bodies and partnerships. (Paragraph 50)

The Government accepts this recommendation. It recognises the importance of accountability in local partnerships. Guidance on Local Strategic Partnerships (LSPs) — the partnership at the apex of local partnership arrangements — explains that individual partners remain responsible and accountable for decisions on their services and resources. The guidance also says that they need to operate within a transparent and robust framework of local accountability. Most of the organisations participating in LSPs already have their own lines of accountability to customers and the wider community.

The Office of the Deputy Prime Minister is currently discussing with relevant parties, including the Local Government Association and the Commissioner for Public Appointments, how the accountability of these partnerships and the partnerships that come under their umbrella can be improved. The National LSP evaluation programme is also looking at some of these issues and will provide good practice, information and support to all LSPs.

<sup>&</sup>lt;sup>60</sup> Chris Skelcher, Stuart Weir and Lynne Wilson, Advance of the Quango State, 2000 p 21

<sup>&</sup>lt;sup>61</sup> Chris Skelcher, Stuart Weir and Lynne Wilson, Advance of the Quango State, 2000 p 21

## C. Government Reforms

In 1995, the then leader of the opposition, Tony Blair pledged to "sweep away the quango state" should Labour be elected to power at the following election. This appeared to suggest an intended strategy of central reform with practical measures to increase the accountability of quasi-state institutions. Following election, the Labour Government then published a document, which was considered less radical than its pre-election comments. The consultation paper *Opening Up Quangos*, published in June 1997, suggested some minor reforms, which included:

- Increasing the upwards accountability of quangos to Ministers through the doctrine of ministerial responsibility to Parliament, as well as to higher-level bodies, such as government departments, regulators and larger quangos;
- Reinforcing this upwards accountability through fair and accessible complaints mechanisms, plus tightened relations with Ministers, higher-level bodies and, in more cases, the Ombudsman service; and,
- Increasing quangos' "responsiveness" to the needs of local communities through increased "openness", enforced largely through voluntary codes based on the government's code on access to official information.<sup>62</sup>

Following responses to this consultation paper, in June 1998, the Government published *Quangos: Opening the Doors*,<sup>63</sup> which set out its proposals for a non-statutory guidance framework for quangos. This fell short of the statute-based system that some commentators had pressed the Government to institute. The paper advised that:

- NDPBs should hold annual open public meetings, where practicable and appropriate.
- Where practicable, NDPBs should release summary reports of meetings.
- NDPBs should invite evidence from members of the public to discuss matters of public concern.
- NDPBs should aim to consult their users on a wide range of issues by means of questionnaires, public meetings or other forms of consultation.
- Executive NDPBs and Advisory NDPBs that have direct dealings with members of the public should be brought within the jurisdiction of the Parliamentary Ombudsman.
- Parliamentary select committees should be invited to take a more active role in scrutinising the work of NDPBs.
- The close cooporation between local authorities and NDPBs with local offices should be encouraged.

<sup>&</sup>lt;sup>62</sup> Summarised in Chris Skelcher, Stuart Weir and Lynne Wilson, *Advance of the Quango State*, 2000 p 13

<sup>&</sup>lt;sup>63</sup> Cabinet Office (Office of Public Service) July 1998. This document had no command number.

- Board members' codes and registers of interest, which were already mandatory for executive NDPBs, will be extended to all advisory NDPBs.
- All advisory and executive NDPBs should produce and make publicly available annual reports.<sup>64</sup>

The document was subsequently criticised for the limited range of organisations to which the guidance applied and the discretion given to the included bodies in terms of whether or not they chose to follow the guidance. Three main issues were raised in the ensuing debate:

- Accountability Is upwards accountability to Ministers sufficient, or should further steps be taken to increase the downwards accountability of quangos to the general public?
- Scrutiny Is the existing scrutiny framework (forged around the Commissioner for Public Appointments) enough, or should the remit be extended to include the regulation of the financial and administrative systems of public bodies and government departments also?
- Openness and Transparency What effect does the variety of legal forms of quangos have in terms of their differing public access to meetings, as well as details of audits, surcharge of members and levels of remuneration?

Matthew Flinders noted:

Phrases such as 'where practicable and appropriate' did little to foster confidence in relation to a tier of governance that had been subject to concerns about a lack of transparency and clarity for decades. Moreover, the document in which these proposals were made had no practical weight or legal force and was nothing more than a Cabinet Office 'best practice' guidance paper.<sup>65</sup>

PASC produced a report on quangos in 1998-99 which recommended further action in increasing the transparency of local public spending bodies, while acknowledging that progress had been made:

47. Many NDPBs now **publish a wide range of information** about themselves either on paper or on the internet. The evidence we requested from each department which sponsors NDPBs shows how far most quangos have implemented the recommendations in *Quangos: Opening the doors.* It is now common for NDPBs to issue Annual Reports, minutes or summary reports of meetings.<sup>66</sup>

<sup>&</sup>lt;sup>64</sup> Matthew Flinders, "MPs and Icebergs: Parliament and Delegated Governance", *Parliamentary Affairs*, 2004, Vol 57 (4) p 776

<sup>&</sup>lt;sup>65</sup> *Ibid.* p 776-7

<sup>&</sup>lt;sup>66</sup> *Quangos* Public Administration Select Committee HC 209-I 1998-99

The Government response in 1999 indicated that further reforms were limited, rejecting a follow-up to the 1997 CPSL report on local public spending bodies. It noted that accountability arrangements were in place, citing the education sector:

# 13. We recommend that the Cabinet Office consider ways of spreading accountability best practice throughout local quangos (perhaps by an extension of the functions of the Modernising Government Unit) (paragraph 60).

In respect of the remaining local public spending bodies, the Higher Education Governing Bodies are accountable to the Higher Education Funding Council for England (HEFCE) for the public funds which they receive; and similarly the Further Education Governing Bodies are accountable to the Further Education Funding Council for England (FEFCE). There is a panoply of requirements and conditions of grant which the HEFCE and FEFCE lay down in their Financial Memoranda with the Higher Education Institutions and Further Education Institutions respectively, amongst which are directions about audit and remuneration committees, internal and external auditors (including regular audit by the HEFCE's and FEFCE's Audit Services) and annual accounts. These are the main planks in a chain of accountability by which funds are voted in Parliament, made available by the Secretary of State and accounted for by Higher Education and Further Education Institutions to HEFCE and FEFCE respectively, and by HEFCE and FEFCE to DfEE and ultimately to Parliament.<sup>67</sup>

Through a series of reforms documented in reports from the Public Accounts Committee, the National Audit Office was successful in extending its responsibility for auditing all executive NDPBS. The *Government Resources and Accounts Act 2000* enables the government to make Orders to provide the Comptroller and Auditor General with statutory rights of access and to enable his appointment as auditor on behalf of Parliament to those non-departmental public bodies currently audited by auditors appointed by Ministers or the bodies themselves.<sup>68</sup>

In July 1998, the government published *Quangos: Opening Up Appointments* which included a commitment to the equal representation of women in public appointments, and a proportionate representation of ethnic minority groups. Of particular significance was the extension of the Commissioner for Public Appointments' remit to include ministerial appointments to the boards of public corporations, nationalised industries, utility regulators and advisory NDPBs from 1 October 1998.<sup>69</sup>

<sup>&</sup>lt;sup>67</sup> First Special Report, Public Administration Select Committee 1999-2000

<sup>&</sup>lt;sup>68</sup> For background see 6<sup>th</sup> report of the PAC HC 260 2000-2001 The legislation implemented recommendations in the Sharman Report (*Review of Audit and Accountability Arrangements in Central Government* HM Treasury February 2000)

<sup>&</sup>lt;sup>69</sup> This is covered in further detail in Standard Note SN/PC/3368 available at <u>http://hcl1.hclibrary.</u> parliament.uk/notes/pcc/snpc-03368.pdf at 17 March 2005

The key government documents on the regulation of quangos since 1997 are listed in the table below:

Government documents on quangos	Publication date
1) Opening Up Quangos	11 November 1997
2) Responses to the Consultation Paper: Opening Up Quangos	May 1998
3) Quangos: Opening the Doors	29 June 1998
4) Quangos: Opening Up Appointments	5 July 1998

Since the 1997 election, therefore, the Labour Government brought more bodies under the jurisdiction of the Commissioner for Public Appointments, but has resisted more broad-ranging changes to local public spending bodies. There have been occasional suggestions of elections for local bodies, such as police boards, but no general policy to introduce electoral principles.<sup>70</sup>Statutory rights to inspect agendas and minutes of local government meetings, and to attend such meetings, were not extended to quangos until the implementation of the *Freedom of Information Act 2000* in January 2005. This offers a new opportunity for the public to gain more information on quangos, particularly with regard to publication schemes, but a series of exemptions mean that public bodies may resist disclosure in certain instances.<sup>71</sup>

Parliamentary debates on the subject of quangos also indicate that political interest and the previous-felt urgency for widespread reform are in decline.<sup>72</sup> Tony Wright, the Chairman of the PASC, noted at the start of a Westminster Hall debate:

One would have thought that with all the attention focused on quangos in recent years, there would have been queues at the door for our debate this afternoon with people wanting to weigh in with their views on something that has been a running theme in our political life for a long time. It is distressing and revealing that this is not the case.<sup>73</sup>

#### D. The Quango Debate in Scotland, Wales and Northern Ireland

The pattern of public administration in the UK was changed decisively during 1998 and 1999 with the introduction of a devolved Parliament and Executive in Scotland, an Assembly in Wales and an Assembly for Northern Ireland (although this was later suspended). Together these changes led to the creation of separate posts of

<sup>&</sup>lt;sup>70</sup> Chris Skelcher, Stuart Weir and Lynne Wilson, Advance of the Quango State, 2000 p 13

<sup>&</sup>lt;sup>71</sup> See: Parliament and Constitution Centre Research Paper 04/84, *Freedom of Information Implementation*, 24 November 2004; and, Standard Note SN/PC/2950 for details.

<sup>&</sup>lt;sup>72</sup> See, for example, adjournment debates: HC Deb 16 March 2000 Vol. 346 c115WH-146WH; and, HC Deb 16 November 2001 Vol. 413 c1077-1128

<sup>&</sup>lt;sup>73</sup> HC Deb 16 March 2000 Vol. 346 c115WH

Commissioners for Public Appointments in Scotland and Northern Ireland, and a team of independent assessors in Wales, reporting directly to the Welsh Assembly. These arrangements varied primarily on the basis of the differing constitutional bases of devolution in each of the regions.<sup>74</sup> The quango debate has also developed differently in constituent parts of the United Kingdom.

#### 1. Scotland

Members of the boards of Scottish quangos are appointed by the Scottish Executive, in a process overseen by the Scottish Commissioner for Public Appointments, Ms Karen Carlton. This followed the *Public Appointments and Public Bodies etc (Scotland) Act 2003*, passed by the Scottish Parliament. There is no dedicated parliamentary committee at Holyrood overseeing appointments, despite initial demand for one from MSPs. The SNP MSP, Alex Neil, introduced a private member's bill in 2001 which would have required appointments to public bodies to be approved by the Scottish Parliament. This was not successful.<sup>75</sup> At present there are at least 3,500 places to be filled, some of them carrying significant salaries, but many of which are unpaid.<sup>76</sup>

For at least two decades, quangos in Scotland have attracted strong criticism. The Scottish Council for Voluntary Organisations argued that pre-devolution quangos were sometimes condemned as agents of an unsympathetic London government, or denounced as extensions of Scottish corporatism. As a result, devolution campaigners for a Scottish Parliament targeted them as early candidates for radical reform, if not abolition, by the Scottish Parliament. Despite this, quangos have persisted in most policy areas and in some cases assumed further responsibilities post-devolution.<sup>77</sup> A review by the Executive in 2001 resulted in proposals to review the need for quangos and to plans for outright abolition of 52 bodies. <sup>78</sup> Current details of public bodies in Scotland are available at the Scottish Executive website.<sup>79</sup>

#### 2. Wales

In Wales, there are currently 15 executive Assembly Sponsored Public Bodies (ASPBs), 14 Advisory ASPBs and five tribunals – which receive direct funding from the

<sup>&</sup>lt;sup>74</sup> For further details see Standard Note SN/PC/3368 available at <u>http://hcl1.hclibrary.parliament.uk/notes/pcc/snpc-03368.pdf</u> at 5 April 2005

<sup>&</sup>lt;sup>75</sup> Public Appointments (Parliamentary Approval) Scotland Bill SP Bill 23 Session 1 2001

<sup>&</sup>lt;sup>76</sup> For further details see Scottish Parliament SPICe briefing 02/89 *The Public Appointments and Public Bodies etc Bill* at <u>http://www.scottish.parliament.uk/business/research/pdf\_res\_brief/sb02-89.pdf</u>

<sup>&</sup>lt;sup>77</sup> Scottish Council for Voluntary Organisations, "New Politics: Democratising Structures of Government" available at <u>http://www.scvo.org.uk/new\_politics/structures\_of\_government/app5\_quangos.htm</u> at 14 March 2005

<sup>&</sup>lt;sup>78</sup> *Public Bodies: Proposals for Change* Scottish Executive 2001

<sup>&</sup>lt;sup>79</sup> <u>http://www.scotland.gov.uk/government/publicbodies/</u>

Assembly.<sup>80</sup> These employ more than 4,500 people and are responsible for £1.22bn of public spending in financial year 2003-4.<sup>81</sup>. The Assembly Government has made a number of promises to cut ASPB numbers: in 1999, the First Minister, Rhodri Morgan, promised a "bonfire of the quangos" to reduce delegated responsibility, levels of external spending and the number of Welsh quangos to "fewer than half a dozen".<sup>82</sup>

Publicised incidences of financial corruption in quangos in Wales have caused concern since the 1990s and strengthened calls for more democratic structures of accountability. The academic Kevin Morgan noted that the Welsh Development Agency (WDA) faced a series of scandals that caused its relationship with the Welsh Government to deteriorate. This may have further prompted the Assembly's policy of widespread quango reform.<sup>83</sup>

Rhodri Morgan announced major restructuring plans on 14 July 2004 to bring a number of quangos within the Assembly Government, including: the amalgamated WDA and Development Board for Rural Wales, the Wales Tourist Board, and ELWa (Education and Learning Wales). The absorption of further organisations such as the Welsh Language Board, the Curriculum Authority for Wales (ACCAC) and Heath Professionals Wales is currently underway. Additionally, operations of a number of other bodies – such as the Arts, Sports and Countryside Councils for Wales – are to be curtailed and their functions, including strategic policy, transferred to Welsh Assembly Government. By 2007, it is anticipated that approximately 240 staff will become civil servants as a result of these changes.<sup>84</sup>

Although such reform is largely welcomed, some reservations have been expressed regarding the possibility of public bodies becoming politicised, particularly within the cultural sector, and the allocation of resources being reduced, as a result of increased competition for Assembly funds. In addition, Mike German the Liberal Democrat leader, has questioned, firstly, whether the Assembly's scrutiny role is up to the job of managing the incorporated quangos and, secondly, whether the Civil Service Code might have a restrictive effect on the commercial focus of former quango staff.<sup>85</sup>

<sup>&</sup>lt;sup>80</sup> For further information see Welsh Assembly Members's Briefing Service Research Papers 04/20 The Reform of Assembly Sponsored Public Bodies and 04/19 Assembly Sponsored Public Bodies at http://www.wales.gov.uk/keypubmrs/content/papers-e.htm

<sup>&</sup>lt;sup>81</sup> See Table 3 in 04/19 above

<sup>&</sup>lt;sup>82</sup> For an Opposition perspective, see Welsh Conservatives "Labour breaks quango jobs promise" at <u>http://www.conservatives.com/wales/story.cfm?obj\_id=99079</u> 14 March 2005

<sup>&</sup>lt;sup>83</sup> Kevin Morgan, "Bonfire of the Quangos: The Missing Debate" available at <u>http://www.cf.ac.uk/cplan/downloads/kjm-debate1004.pdf</u> at 15 March 2005

<sup>&</sup>lt;sup>84</sup> First Minister's Statement, 30 November 2004 available at <u>http://www.wales.gov.uk/themespublic servicereform/content/statement-301104-e.htm</u> at 23 March 2005; For further detail see Institute of Welsh Affairs, "Quango cull falters but continues", December 2004, available at <u>http://www.iwa.org.uk/publications/pdfs/QuangCullFalt.pdf</u> at 14 March 2005

<sup>&</sup>lt;sup>85</sup> Kevin Morgan, "Bonfire of the Quangos: The Missing Debate" available at <u>http://www.cf.ac.uk/cplan/downloads/kjm-debate1004.pdf</u> at 15 March 2005

Kevin Morgan draws attention to three wider issues to understand the context of the quango debate in Wales. These are the *Treasury Spending Review* which has spelt a much tougher regime of public expenditure in the UK. The Chancellor of the Exchequer, Gordon Brown, has planned reduction in public sector employment numbers and a 'bonfire of the quangos' could help deliver some of these to Wales.<sup>86</sup> Moreover, the *Efficiency Review*, chaired by Peter Gershon, has identified some £20.5bn in 'efficiency savings' by merging and rationalising the back office functions of public sectors bodies. Again, a 'bonfire of the quangos' could contribute to this agenda.<sup>87</sup> Finally the *Richard Commission* report on the powers and electoral system of the Assembly did not achieve full support from Labour MPs and asorption of ASPBs could raise the profile of the Assembly.<sup>88</sup>Although none of these factors led directly to the 'bonfire' being ignited, they helped set the tone of decision-making.

#### 3. Northern Ireland

In Northern Ireland, bodies as diverse as the Police Authority for Northern Ireland, Education and Library Boards, Health and Social Services Boards, the Local Enterprise Development Unit, the Northern Ireland Housing Executive, the Labour Relations Agency and the Transport Holding Company comprise the quango state. As this list indicates, it is a feature in Northern Ireland that some of the larger executive quangos undertake functions performed by local authorities in Great Britain.

Since 1995, the duty of ensuring the proper and efficient operation of quangos has rested with the Commissioner for Public Appointments in Northern Ireland (CPANI). As in Scotland, the post is intended to complement the work of the UK Commissioner, but since its inception has been held by the same appointee. Nevertheless, the Office of the CPANI has implemented a number of procedures to regulate the process by which members are appointed to quango boards in Northern Ireland. It has also looked at: ways of achieving the widest possible political representation on public bodies; means of attracting applications from underrepresented groups (such as community-based applicants, younger people and women); and, methods to give the public appropriate information about public appointments.

In 1997, following the issue of the consultation paper *Opening Up Quangos*, comments were invited by the Northern Ireland Civil Service's Public Service Office on the structures of service delivery in Northern Ireland.<sup>89</sup> These were primarily focused on the composition of boards, their accessibility and the availability of information about their performance and financial management. Such issues were raised in the absence of a tier of regional government in Northern Ireland. More recently, in the 2001-02, the

<sup>&</sup>lt;sup>86</sup> See Standard Notes SN/EP/3131 and SN/EP/3129 for information.

<sup>&</sup>lt;sup>87</sup> See Standard Note SN/PC/2588 for information.

<sup>&</sup>lt;sup>88</sup> See Standard Note SN/PC/3018 for information.

<sup>&</sup>lt;sup>89</sup> See Public Service Office, "Consultation Paper on Quangos", available at <u>http://www.dfpni.gov.uk/pso/</u> at 15 March 2005 for background

Committee of the Centre (a standing committee of the Northern Ireland Assembly) conducted a review of Public Administration in Northern Ireland and published its minutes of evidence in May 2002.<sup>90</sup>

Respondents emphasised the need to modernise and improve the way in which services are delivered to the public, along with the need to live within the public expenditure limits which have been set by UK Government.<sup>91</sup> Quangos formed a very substantial block of public sector activity and were responsible for a large proportion of the annual public expenditure in Northern Ireland. Their range and scope of activities had to be justified and their delivery targeted towards the needs of the public they serve. It was felt that the overall number of quangos and the scope of their improvements in efficiency and financial management should be reviewed, and such questions asked as to whether their functions are necessary, or could be performed differently (and repeated at regular intervals). Since the reaching of these conclusions, however, the Northern Ireland Assembly Government has been suspended and control of administration transferred temporarily back to Westminster.<sup>92</sup>

## **V** Proposals for Future Reform

## A. Recommendations from the Committee on Standards in Public Life

Having been established in October 1994, with a remit to examine current concerns about standards of conduct of all holders of public office (including arrangements relating to financial and commercial activities) and make recommendations as to any changes which might be required to ensure the highest standards of propriety in public life, the CSPL has driven the development and extension of propriety arrangements for public bodies through a series of reports. Most notably, its work has been a major factor in the foundation of:

- The UK Commissioner for Public Appointments (in 1995);
- The Standards Commission in Scotland (created in 2000) and a new separate post of Scottish Commissioner for Public Appointments (appointed in 2004);
- The *Public Services Ombudsman (Wales) Act 2005*, with responsibility for issuing guidance on the requirements of good administrative practice;<sup>93</sup> and,

<sup>&</sup>lt;sup>90</sup> <u>http://www.niassembly.gov.uk/centre/reports/report4-01e.htm</u>

<sup>&</sup>lt;sup>91</sup> See, for example, the Minutes of Evidence and Written Submission from Mr John Stapleton available at <u>http://www.niassembly.gov.uk/centre/ evidence/moe020424.htm</u> at 23 March 2005.

<sup>&</sup>lt;sup>92</sup> For details of a continuing review of public administration in Northern Ireland, see the Monitoring Reports from the Constitution Unit, University College London, at <u>http://www.ucl.ac.uk/constitution-unit/nations/monitoring.php</u>

<sup>&</sup>lt;sup>93</sup> See Parliament and Constitution Centre Research Paper 05/26, *The Public Services Ombudsman* (Wales) Bill [HL], 23 March 2005, for details.

• The National Health Service Commission (which took over responsibility for appointments to NHS public bodies and trusts in 2001);

Together, these measures have improved the regulation of public appointments procedures and established a culture that broadly recognises the importance of appointment on merit. Nevertheless, further improvements are considered necessary. In its Tenth Report (published in January 2005), the CSPL identified several possible areas of improvement. The suggested reforms may be categorised as follows:

- Increased standardisation of public appointments procedures including:
  - The transfer of operational responsibility for public appointments from government departments to a central appointments unit;
  - The adoption of Annual Public Appointments Plans as key strategic documents for departments to set out their policy and practice relating to the public appointments of chairs and board members of the public bodies they sponsor; and,
  - The systematic sharing of good practice in the making of appointments across public administration;
- Increased regulation of public appointments procedures including:
  - The demarcation of appointments with legitimate Ministerial interest as 'starred' appointments;
  - The creation of guidelines for the appointments to 'starred' posts, which details the appropriate level of Ministerial intervention;
  - The extension of the Commissioner for Public Appointments remit and powers;
  - Continued investment in the recruitment and training of independent assessors; and,
  - The creation of a new Board of Public Appointments Commissioners, each member of which linked to a small number of departments.

Further details of the suggested reforms are available in Standard Note SN/PC/3368.

## B. Recommendations from the Public Administration Select Committee

PASC has conducted a series of enquiries into quangos, with particular attention to appointment procedures since 1997:

- 1998-99 Quangos HC 209
- 2000-01 Mapping the Quango State HC 367
- 2002-3 Government by Appointment: Opening Up the Patronage State HC 165

The report published in 2003 was a major examination of the new appointments procedures for public bodies.<sup>94</sup> The following conclusions were drawn:

- There is a basic lack of information about the quango state, including which bodies exist, their roles and powers, and their formal organisational status. Lists currently in circulation (such as the Cabinet Office publication, *Public Bodies*) do not include all bodies and are commonly subject to errors and omissions;<sup>95</sup>
- There is poor public understanding of the process by which department Ministers and officials decide whether a given body should become a NDPB, executive agency, non-ministerial department or another 'unrecognised' form of quango, and the implications of this categorisation in terms of the accountability frameworks that pertain to each type;
- Public mistrust in the quango state remains; and,
- Whilst the proportion of women, people from ethnic minorities and people with disabilities on public bodies has improved, further increases are necessary to ensure the boards of quangos are representative of the public they serve.

In response to these findings a series of recommendations were made:

- The Government should create a comprehensive 'Directory of Government' that would set out the topography of the state and be available online for use by members of the public. This would improve the transparency of the quango state and raise the public's perception of its legitimacy;
- The Government should ensure clarity of quangos' status and the process by which this is determined. This ought to improve intelligibility of the overall system and thus raise its strategic capacity within any given policy field;
- The Government should extend the remit of the Commissioner for Public Appointments. This should help increase the public's faith in the appointment process; and,
- The Government should continue with programmes that aim to increase proportions of women, members of ethnic minorities and people with disabilities within the quango state. This will help diminish the view that quangos are the domain of a privileged elite and that members are only appointed as a result of political patronage.<sup>96</sup>

## C. The Government's Response

In its formal response to the 2003 PASC report, the Government noted the recommendation for a 'Directory of Government' and the need for increased

 <sup>&</sup>lt;sup>94</sup> Public Administration Select Committee, *Government by Appointment: Opening Up the Quango State, Fourth Report*, 2002-03, 26 June 2003, HC 165-1

<sup>&</sup>lt;sup>95</sup> See Appendix 1 for an example.

transparency. It promised a review of quangos, to be conducted by the Cabinet Office and proposed initiatives to allow local government some oversight over local public spending bodies. It also pledged to maintain its investment in programmes that aimed to further increase the representation of minority groups on the boards of quangos.<sup>97</sup>

The Government rejected, however, proposals to give the Commissioner for Public Appointments whistle-blowing powers to report suspected breaches of the Code of Practice, while accepting proposals for her to recruit and train a series of external assessors. It also contested the need to reform her administrative arrangements to bolster the appearance of independence but agreed to re-examine these to see if it was possible for the OCPA to be housed and staffed separately from the executive to help increase the public's perception of its impartiality. Further details of the Government's response are available in Standard Note SN/PC/3368.<sup>98</sup> The Government have yet to make a formal response to the report from the CPSL.

## **D.** The View of the Opposition

#### **1.** The Conservatives

The Conservative Party has pledged to abolish 162 quangos should they be elected at the next general election. Amongst the major quangos targeted for abolition are the Strategic Health Authorities, the Office for Fair Access, the Regional Assemblies and other regional bodies. The Conservatives assert that such closures would "curb bureaucracy, and free up billions of pounds for spending on front line public services".<sup>99</sup>

The abolition of the Strategic Health Authorities would "remove an unnecessary tier of bureaucracy and red tape, allowing medical professionals - with the right to local knowledge and expertise - to run hospitals and surgeries, instead of officials". Removing the Office for Fair Access would "give universities independence from government intervention and free students from top-up fees". The abolition of Regional Assemblies and bodies would "ensure that powers are returned to elected local and national government where accountability will rest".<sup>100</sup>

In total, the Conservatives estimate that the radical slimming down of government would save tax payers over  $\pounds 4$  billion, which they claim would be enough to pay for over 200,000 nurses or 150,000 police officers.

<sup>&</sup>lt;sup>97</sup> The Government response to the PASC report was published in December 2003 at Cm 6056 at <u>http://www.official-documents.co.uk/document/cm60/6056/6056.pdf</u>

<sup>&</sup>lt;sup>98</sup> Available at <u>http://hcl1.hclibrary.parliament.uk/notes/pcc/snpc-03368.pdf</u> at 5 April 2005

<sup>&</sup>lt;sup>99</sup> The Conservative Party, "Conservatives to scrap 168 Quangos – Saving over £4.3 billion", News Report, 2005, 24 January, available at <u>http://www.conservatives.com/tile.do?def=news.story.page&obj\_id=118692</u> at 24 March 2005

 <sup>&</sup>lt;sup>100</sup> The Conservative Party, "Conservatives to scrap 168 Quangos – Saving over £4.3 billion", News Report, 2005, 24 January, available at <u>http://www.conservatives.com/tile.do?def=news.story.page&obj\_id=118692</u> at 24 March 2005

John Redwood, the Shadow Secretary of State for Deregulation, stated:

Tony Blair has forgotten the interests of taxpayers, and has broken the pledges he made. Far from improving public services, spending taxpayers' money on quangos has led only to more bureaucrats, more regulation and higher taxes. Rather than just talking about slimming government, the Conservatives will take action within six months. We will abolish dozens of quangos, and transfer functions from others where they are still needed to elected local and national government.

To succeed in the most competitive conditions we have ever faced, Britain must be more efficient than ever - with leaner government and lower taxes. Labour is taking Britain in the wrong direction, with bigger government and 66 tax rises to pay for it.

Under a Conservative Government, taxpayers' money will go on more police, cleaner hospitals, better schools and controlled immigration - creating scope for lower taxes. Accountability will be our watchword, with elected representatives in charge - not unelected quangos.<sup>101</sup>

Commenting on the Conservative Party's proposals, Edward Davey, the Liberal Democrat shadow to the Deputy Prime Minister stated:

[The proposals are] not about reducing waste and returning power to elected representatives, the agenda is clearly about privatisations and cutting services. The Liberal Democrats believe in cutting quangos, but not at the expense of small business, the unemployed and the security of the nation.

The Tories plan to abolish job centres, end government investment in small businesses and privatise huge parts of our national defence.

Their savings are also completely unrealistic. How do the Tories plan to save  $\pounds 565m$  from parts of the Department of Health, such as the Dental Practices Board, that are about to be abolished anyway?

The idea that this would give power to elected representatives is absurd. Only three quangos are being returned to ministerial control. The rest are being privatised or merged, leaving even less power in the hands of elected people.<sup>102</sup>

The think tank Centre for Policy Studies has called for a statutory five year limit on executive NDPBs and a statutory limit on the number of quangos per department.<sup>103</sup>

<sup>&</sup>lt;sup>101</sup> The Conservative Party, "Conservatives to scrap 168 Quangos – Saving over £4.3 billion", News Report, 2005, 24 January, available at <u>http://www.conservatives.com/tile.do?def=news.story.page&obj\_id=118692</u> at 24 March 2005

<sup>&</sup>lt;sup>102</sup> Edward Davey, "Conservative Plans Unrealistic – Ed Davey", Political Response, 2005, 13 January, available at <u>http://www.edwarddavey.co.uk</u> at 24 March 2005

<sup>&</sup>lt;sup>103</sup> Efficiency in Government: The Essential Guide to British Quangos Dan Lewis CPS 2005

#### 2. The Liberal Democrats

The Liberal Democrat Party has described quangos as unaccountable agencies and has expressed concern about the manner in which their number has 'mushroomed' over the past two decades. It pledges to "abolish many, merge others, and make any that remain properly accountable" should be elected to power.<sup>104</sup>

<sup>&</sup>lt;sup>104</sup> Liberal Democrat spokesman, Edward Davey, quoted at <u>http://www.politics.co.uk/issueoftheday/lib-dems-exposure-quango-state-welcome-\$7779337.htm</u> at 24 March 2005

## **Appendix 1 PQs on numbers of Non-Departmental Public Bodies**

**Mr. Stephen O'Brien:** To ask the Secretary of State for Work and Pensions how many non-departmental public bodies for which his Department is responsible have been *(a)* established and *(b)* abolished since 1997. [182946]

Response available at:

http://www.publications.parliament.uk/pa/cm200304/cmhansrd/cm040722/text/40722w1 6.htm#40722w16.html\_spnew3

**Mr. Stephen O'Brien:** To ask the Secretary of State for the Home Department how many non-departmental public bodies for which his Department is responsible have been *(a)* established and *(b)* abolished since 1997. [182948]

Response available at:

http://www.publications.parliament.uk/pa/cm200304/cmhansrd/cm040722/text/40722w5 8.htm#40722w58.html\_spnew0

**Mr. Stephen O'Brien:** To ask the Secretary of State for Health how many nondepartmental public bodies for which his Department is responsible have been (a) established and (b) abolished since 1997. [182940]

Response available at: http://www.publications.parliament.uk/pa/cm200304/cmhansrd/cm040722/text/40722w6 7.htm#40722w67.html\_spnew4

**Mr. Stephen O'Brien:** To ask the Secretary of State for Defence how many nondepartmental public bodies for which his Department is responsible have been (a) established and (b) abolished since 1997. [182941]

Response available at:

http://www.publications.parliament.uk/pa/cm200304/cmhansrd/cm040720/text/40720w3 0.htm#40720w30.html\_spnew7

**Mr. Stephen O'Brien:** To ask the Secretary of State for Environment, Food and Rural Affairs how many non-departmental public bodies for which her Department is responsible have been (a) established and (b) abolished since 1997. [182950]

Response available at:

http://www.publications.parliament.uk/pa/cm200304/cmhansrd/cm040719/text/40719w0 1.htm#40719w01.html\_spnew6 **Mr. Stephen O'Brien:** To ask the Secretary of State for Education and Skills how many non-departmental public bodies for which his Department is responsible have been *(a)* established and *(b)* abolished since 1997. [182942]

Response available at: <u>http://www.publications.parliament.uk/pa/cm200304/cmhansrd/cm040719/text/40719w2</u> 6.htm#40719w26.html\_spnew2

**Mr. Stephen O'Brien:** To ask the Parliamentary Secretary, Department for Constitutional Affairs how many non-departmental public bodies for which his Department is responsible have been (a) established and (b) abolished since 1997. [182947]

Response available at:

http://www.publications.parliament.uk/pa/cm200304/cmhansrd/vo040716/text/40716w05 .htm#40716w05.html\_spnew8

**Mr. Stephen O'Brien:** To ask the Secretary of State for Foreign and Commonwealth Affairs how many non-departmental public bodies for which his Department is responsible have been (a) established and (b) abolished since 1997. [182949]

Response available at:

http://www.publications.parliament.uk/pa/cm200304/cmhansrd/vo040716/text/40716w13 .htm#40716w13.html\_spnew1

**Mr. Stephen O'Brien:** To ask the Minister for the Cabinet Office how many nondepartmental public bodies for which his Department is responsible have been (a) established and (b) abolished since 1997. [182952]

Response available at:

http://www.publications.parliament.uk/pa/cm200304/cmhansrd/vo040715/text/40715w18 .htm#40715w18.html\_spnew8

**Mr. Stephen O'Brien:** To ask the Deputy Prime Minister how many non-departmental public bodies for which his Department is responsible have been (*a*) established and (*b*) abolished since 1997. [182945]

Response available at:

http://www.publications.parliament.uk/pa/cm200304/cmhansrd/vo040712/text/40712w03 .htm#40712w03.html\_spnew6

**Mr. Stephen O'Brien:** To ask the Secretary of State for Culture, Media and Sport how many non-departmental public bodies for which her Department is responsible have been *(a)* established and *(b)* abolished since 1997. [182943]

Response available at:

http://www.publications.parliament.uk/pa/cm200304/cmhansrd/vo040712/text/40712w09 .htm#40712w09.html\_spnew2

**Mr. Stephen O'Brien:** To ask the Chancellor of the Exchequer how many nondepartmental public bodies for which his Department is responsible have been (a) established and (b) abolished since 1997. [182944]

Response available at:

http://www.publications.parliament.uk/pa/cm200304/cmhansrd/vo040712/text/40712w15 .htm#40712w15.html\_spnew0