

# Quangos

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## There is tension between reducing the influence of unaccountable 'quangos' and de-politicising controversial decisions

Since it was coined in the 1970s, 'quango' has become a highly emotive term. For many it is a byword for wasteful bureaucracy, patronage and lack of democratic accountability. It is no surprise that politicians from all sides have regularly called for reductions in their number, expenditure and influence. However, achieving this in practice has proved difficult.

### HOW MANY QUANGOS ARE THERE?

Quango is not an official term and establishing how many there are depends on the definition used. The Cabinet Office 2009 report on Non-Departmental Public Bodies (NDPBs) found:

- There are 766 NDPBs sponsored by the UK Government
- The number has been falling: there were 790 in 2008 and 827 in 2007. The number of NDPBs has fallen by over 10% since 1997
- Staffing and expenditure of NDPBs have increased. They employed 111,000 people in 2009 and spent £46.5 billion, of which £38.4 billion was directly funded by the Government.

However, estimates vary based on the definition used. The Government used a different definition of Arm's Length Bodies (ALBs), incorporating Executive Agencies, non-Ministerial Departments and executive and advisory NDPBs, in the December 2009 *Smarter Government* White Paper. It found that 752 ALBs employ over 300,000 people and have annual Government funding of £80 billion.

The Taxpayers' Alliance lists 957 'semi-autonomous public bodies' under the remit of the UK Government which it estimates employ 700,000 staff, receive Government funding of £82 billion and spend over £120 billion.

### THE CASE AGAINST QUANGOS

The fiscal crisis has focused attention on expenditure by quangos and all the major parties have pledged to reduce numbers to combat waste. Of further concern is the lack of democratic accountability in public organisations that do not report to Parliament and are not headed by a Minister. There is clear political value in outsourcing a contentious decision or policy to an impartial body, but this diminishes political or public influence over large areas of public policy. Political imperative has arguably led to the creation of new and overlapping quangos to meet short-term political needs. Perhaps worse still is the suggestion that the growth of quangos reflects a loss of confidence by politicians in their ability to make decisions.

The Conservatives state they intend to abolish quangos "that do not perform a technical function or a function that requires political impartiality, or act independently to establish facts". The other parties have pledged similar extensive streamlining of the sector.

### DIFFICULTIES IN PRACTICE

However, these promises sit alongside proposals for new quangos. Several commentators asserted that the Conservative

### WHAT IS A QUANGO?

**Quango** (Quasi Autonomous Non-Governmental Organisation) is not an official term. The Cabinet Office lists **Non-Departmental Public Bodies** (NDPB) in its annual *Public Bodies* publication.

**NDPB** – "a body which has a role in the processes of national Government, but is not a Government Department or part of one, and which accordingly operates to a greater or lesser extent at arm's length from Ministers". There are four types:

- **Executive NDPBs** – typically established in statute and carrying out executive, administrative, regulatory and/or commercial functions, e.g. Environment Agency
- **Advisory NDPBs** – provide independent, expert advice to Ministers on a wide range of issues, e.g. Low Pay Commission
- **Tribunal NDPBs** – have jurisdiction in a specialised field of law, e.g. Valuation Tribunals
- **Independent Monitoring Boards** – of prisons and immigration centres

plans for a 'bonfire of the quangos' included plans to create 17 new ones, such as the Office of Tax Simplification and the Office of Budget Responsibility. Despite politicians of all persuasions pledging to reduce the numbers of quangos, their growth has been long-term and international.

Why is this so? Quangos can provide specialist expertise and have a longer-term focus than is afforded in a highly politicised

The term 'quango' is, however, sometimes used to cover a much wider range of institutions:

**Executive Agencies**, or **next-step** agencies, are parts of Government Departments but have distinct executive functions and are considered separate in managerial and budgetary terms, e.g. Jobcentre Plus and HM Prisons Service.

**Non-Ministerial Departments** answer directly to Parliament on issues where it has been deemed appropriate to remove executive political interference, e.g. Ofgem and the UK Statistics Authority.

**NHS bodies** such as NHS Trusts and Strategic Health Authorities are not listed as NDPBs.

**Local bodies** - The information in *Public Bodies* lists central government NDPBs. These have equivalents at local level – the Public Administration Committee identified several thousand in 2001.

Others argue the definition should stretch yet further – for example, the **BBC** and **Bank of England** are publically owned and funded bodies established under Royal Charter with considerable independence and limited political accountability. They are not listed under any of the categories above.

environment. They can also benefit from the heightened authority resulting from their relative freedom from political considerations.

**The fiscal deficit has put yet more focus on expenditure by quangos. But given the deficit in public trust in politicians, will the trend towards outsourcing controversial decisions be checked in practice?**