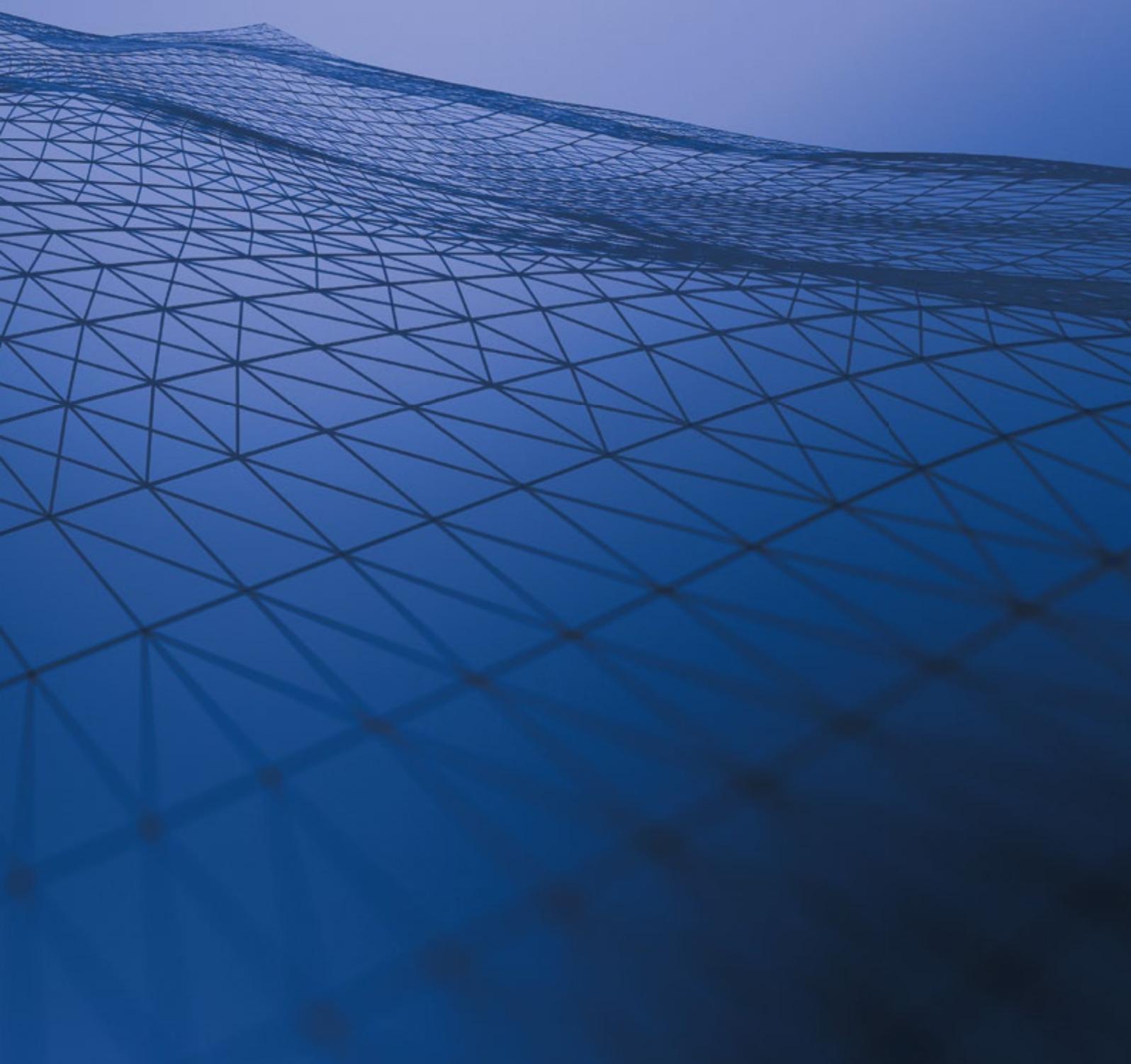




Cabinet Office

Public Bodies 2017





Contents

Ministerial foreword	05
The landscape at a glance	06
Expenditure by public bodies	07
Views of the landscape	08
Strategic overview	11
Our Approach	17
Objective 1: maximising successful outcomes	21
Objective 2: promote good governance and accountability	27
Objective 3: manage and simplify the landscape	31
Forward Look	39
Annex A – summary tables	45
Annex B – methodology	53

Ministerial foreword



Chris Skidmore
Minister for the Constitution

The Government is delivering a plan for Britain where our future place in the world is secure and the United Kingdom is a stronger, fairer and more prosperous society for our citizens. We will enhance our democracy, strengthen the Union, deliver the best deal for the UK as we leave the European Union and create high quality public services for ordinary, hard-working people.

Public bodies will continue to play a vital role in the delivery of public services for all our citizens, covering wide-ranging functions such as regulation, operational delivery and advice to government.

I am pleased that this report provides some examples of the ways public bodies are changing to improve their services. From Public Health England transforming the way cancer data is collected, delivering significant benefits for patients, clinicians and the wider healthcare system, to Her Majesty's Courts and Tribunals Service transforming access to justice systems, public bodies are delivering tangible change that improves people's lives.

The Government's approach to public bodies reform for 2016-20 has been designed to build on the successes of the previous programme. A more flexible programme that helps departments deliver on their responsibility to ensure that their public bodies are fit for purpose, whilst ensuring that all new and existing public bodies undergo a robust review covering the key areas of efficiency, effectiveness and accountability.

I continue to champion openness, diversity and transparency – it is vital that members of the public feel that those running public services are representative of our society and accountable through our democratic system. I am pleased this publication takes steps in this direction – providing details of each arm's length body, including their total expenditure and the remuneration of each Chief Executive.

The Public Bodies Reform team has three objectives until 2020:

1. to provide continuing support and challenge to ensure government maximises outcomes delivered through our public bodies in as cost-effective a way as possible;
2. to promote good governance and accountability; and
3. to promote openness, transparency and coherence across the public bodies landscape.

This report outlines progress and our forward plan to meet our objectives.

I would like to thank officials in the Public Bodies Reform team, their colleagues across government and in public bodies, for their hard work and commitment to delivery of high-quality public services. Working together with departments and public bodies we will build on our success to ensure that this Government continues to provide public services that deliver for everyone.

A handwritten signature in black ink, reading "Chris Skidmore". The signature is written in a cursive style with a horizontal line underneath the name.

The landscape at a glance

As at 31 March 2017:

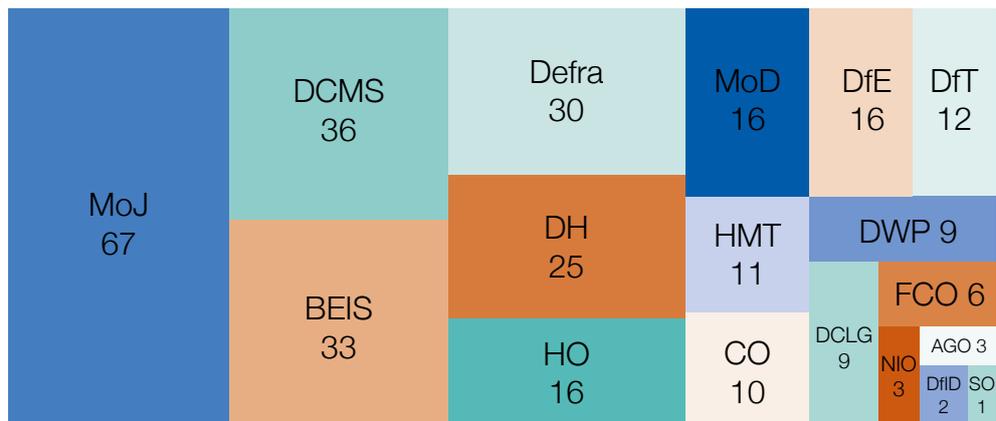
305

public bodies*

38
Executive Agencies

245
non-departmental public bodies

22
non-ministerial departments



273,126

staff employed by public bodies¹



203 billion

gross resource expenditure²

¹ Full time equivalents (FTE)

² Gross Resource Departmental Expenditure Limit taken from the Online System for Central Accounting and Reporting (OSCAR) and Gross Operational Expenditure taken from Annual Report and Accounts where bodies are not disaggregated on OSCAR.

* The scope of this document is Arm's Length Bodies. Please see annex B for full description. This diagram includes Non Ministerial Departments and their bodies within their partner departments, e.g. for the Department of Health, this figure includes the Food Standards Agency (which is a Non Ministerial Department) as well as its five ALBs; and it excludes three special health authorities.

Expenditure by public bodies

Figure 1 shows that at 31 March 2017, two large arm’s-length bodies (ALBs) dominate the landscape in expenditure terms; NHS England and the Education Funding Agency (merged with the Skills Funding Agency to form the Education and Skills Funding Agency from 1 April 2017).

Figure 2 below shows the variation in operational budget across the landscape. Thirteen bodies account for 94% of the expenditure.

Figure 1 Gross Resource Spend of ALBs (shown in £ billion)

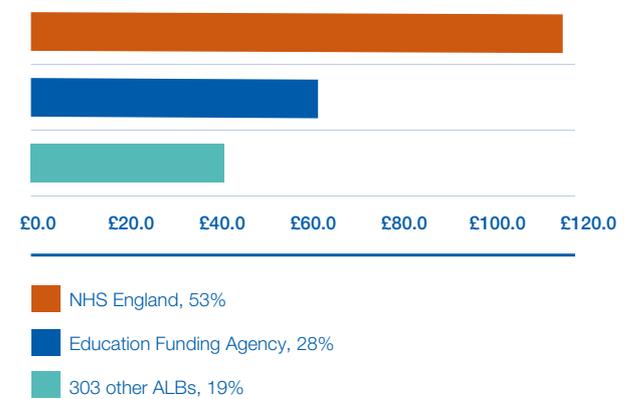
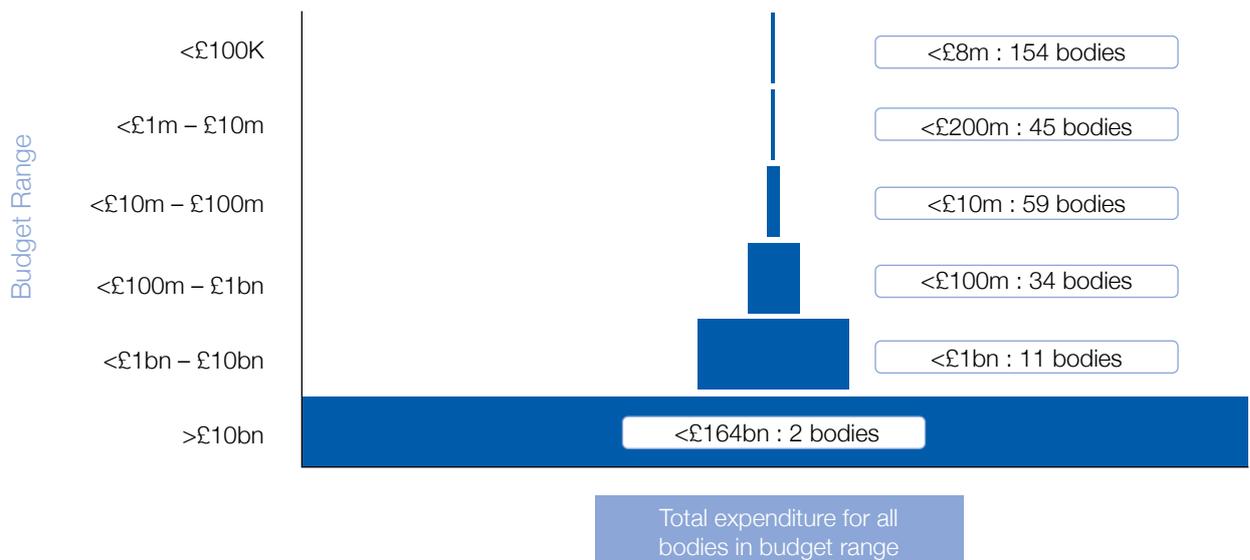


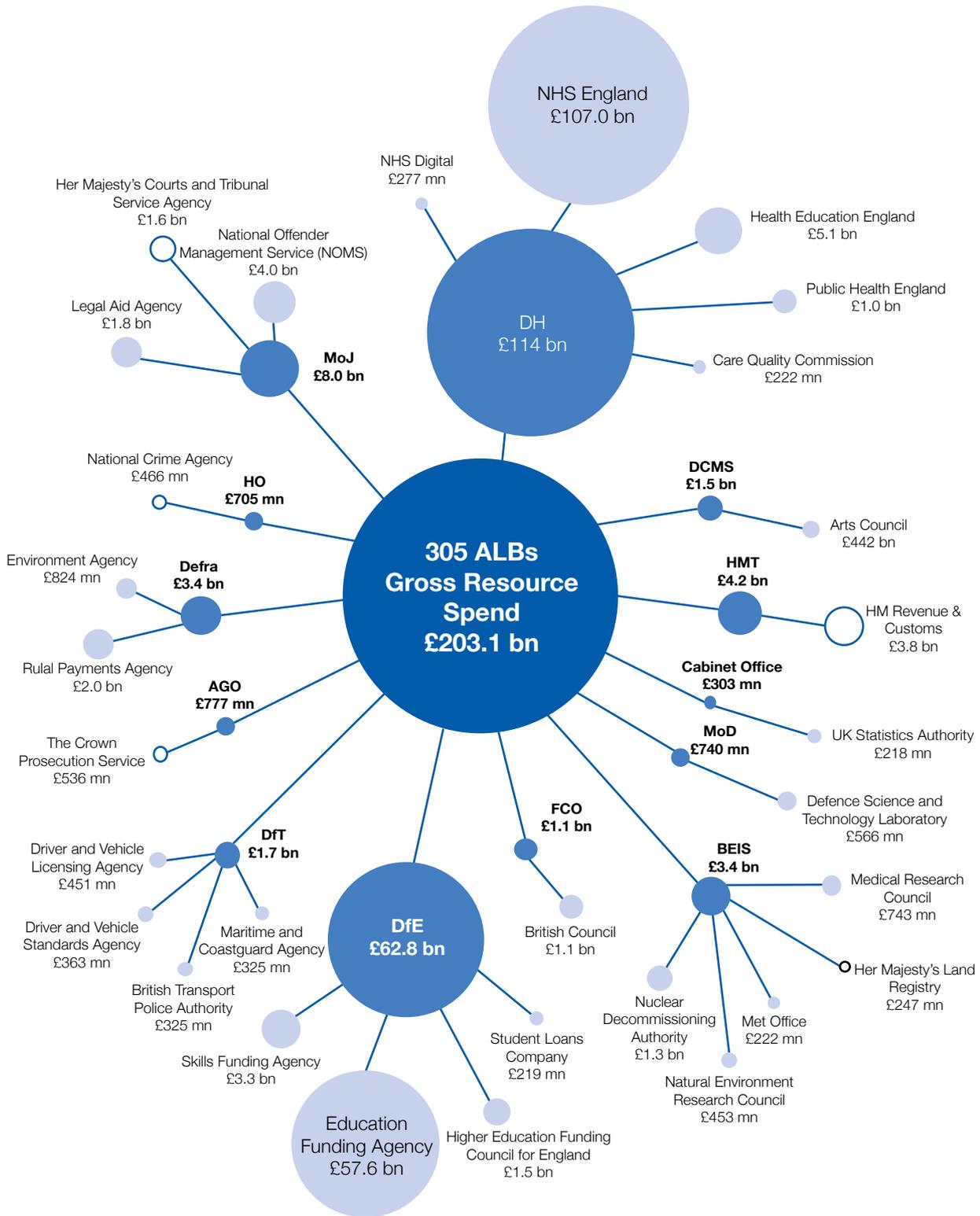
Figure 2. Relative size of operational budgets for public bodies



Views of the landscape

The two diagrams on the pages ahead show two different views of the landscape. Figure 3 shows the top 30 ALBs proportionately by resource spend and Figure 4 shows the top 30 ALBs proportionately by number of staff (FTE). Comparing these diagrams highlights where bodies have high levels of spend and relatively low staff numbers, for example grant giving organisations.

Figure 3. ALB Landscape by Gross Resource Spend



- departmental bubbles show the resource spend for all bodies hosted by that department, including non-ministerial departments (e.g. HMRC);
- the 30 largest spending ALBs are shown here. They capture 97% of the total gross resource spend;
- some of the changes in departmental bubble size are due to changes in the responsibilities of government departments; in particular, the movement of some ALBs from the Department for Business Innovation and Skills to the Department for Education, and from the Department for Energy and Climate into the newly formed Department for Business, Energy and Industrial Strategy.



Strategic Overview

Purpose of this Report

Public Bodies 2017 is an annual directory of all ALBs published to promote transparency of public service delivery. We record a variety of data, including cost and staffing numbers for each executive agency (EA), non-departmental public body (NDPB) and non-ministerial department (NMD) as recorded at 31 March 2017. We also take this opportunity to set out our strategy for public bodies reform until 2020.

The previous programme from 2010 to 2015 made reductions of around one third in the

number of ALBs and saved around £3 billion in administration costs.³

A dynamic environment for the delivery of public services

There are always challenges to the delivery of public services but today's environment is particularly dynamic and challenging. The worldwide political landscape is undergoing significant change and there is a backdrop of security challenges and economic changes that impact the priorities of governments across the world.

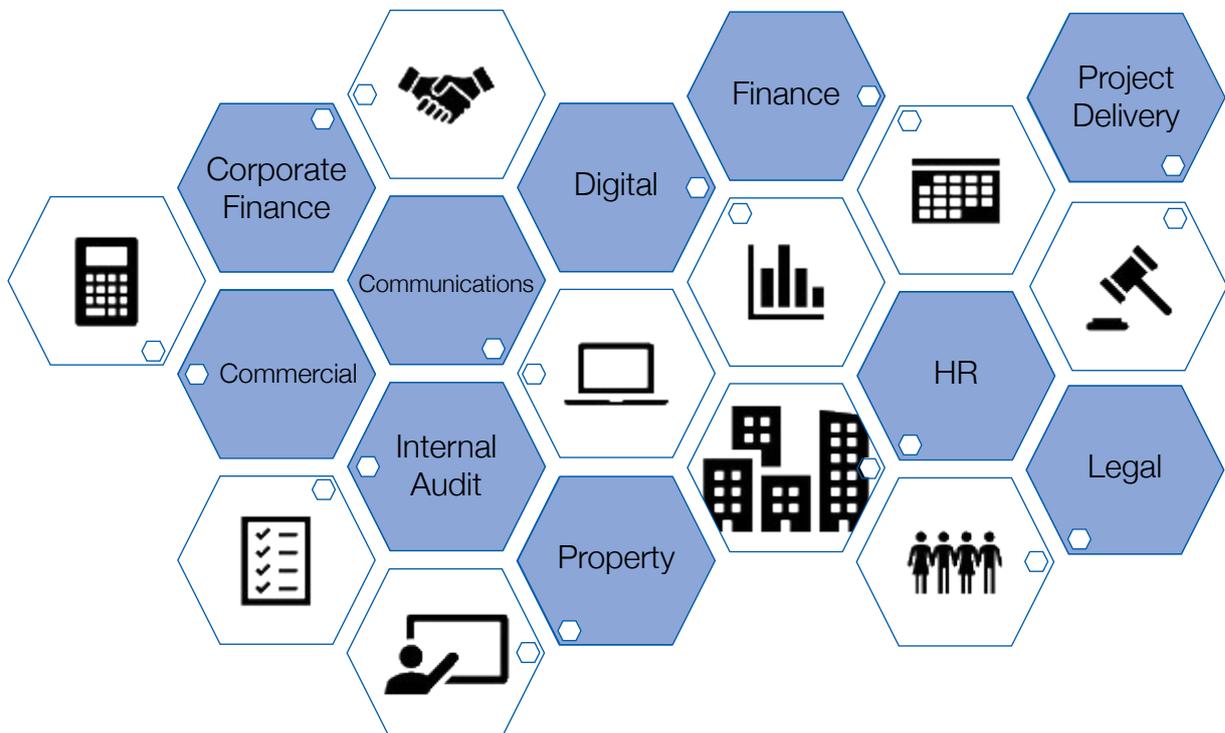


Figure 5. Core Functions

3 Cabinet Office, Tailored Reviews of Public Bodies guidance, March 2016 <https://www.gov.uk/government/publications/tailored-revis-of-public-bodies-guidance>

At the same time the boundaries of our own government are shifting, most notably with leaving the European Union, but there are also matters of devolution that will impact delivery of public services.

There are challenges arising due to the costs of justice, welfare and healthcare with an increasing challenge to provide care and pensions for an ageing population. These challenges affect government collectively but create distinct pressures for different departments dependent on the nature of the public services they deliver.

At the same time public expectation of services continues to grow. Digital technology is driving change in two ways; because of the increased demand from the public for better, more accessible services and because it provides a way to reduce costs of services through digital transformation.

There are already significant change programmes underway in individual departments, introduced in response to growing financial pressures in recent years. The Cabinet Office, together with HM Treasury, has implemented a new functional model to provide strong central leadership of core functions (Figure 5). The goal is to underpin transformational change across government departments and the wider delivery landscape. Each function is developing strategy to meet future challenges and provide a cadre of professional expertise to support change across the Civil Service.

ALBs and the delivery of public service

Most government departments are supported by ALBs. These are separate public bodies with delegated authority and capability to deliver services on behalf of the department.

The number, type and function of these bodies varies for each department. The type of body reflects the degree of freedom from ministerial involvement the body needs to function.

The services individual bodies deliver vary widely in scale and nature, and ALBs may provide:

- services direct to the public, such as the National Health Service, Driver Vehicle and Licencing Authority;
- services at a national level, for example protecting our security or environment;
- services with a scrutiny or regulatory focus, working across government services or across businesses or markets;
- support for departments in an advisory capacity, ensuring that ministers and their policy advisors are drawing on the best possible source of expertise available; or
- services that underpin the function of government, for example revenue collection by HM Revenue and Customs.

This model of delivery of government services is typical of many of the Organisation for Economic Co-operation and Development (OECD) countries, albeit with variations reflecting the countries' wider government arrangements.⁴

“Arm’s-length bodies represent an extension of the department’s delivery, so really, we should think about a department and its arm’s-length bodies as a total delivery system.”

John Manzoni, Chief Executive of the Civil Service and Cabinet Office Permanent Secretary

Delivering through ALBs can improve:

- the focus on delivery of services to segments of the community;
- the efficiency of engagement with stakeholders on the specification and scrutiny of operation of services;
- operational effectiveness, efficiency and responsiveness that stems from smaller, focused operating units;
- the application and concentration of the specialist skills needed in the service area;
- the ability to deliver locally; and
- the co-ordination of multi-agency working that is needed to deliver across different departments' services.

However as with any delivery model, it needs to be implemented well and there can be weaknesses in the model that need to be actively managed to ensure it works effectively over time. Changes in the environment or remit lead to a need to adapt, modernise or become more efficient in delivering services.

The most common concerns about delivery through the ALB model raised by think tanks, academics and stakeholders include:

- a decrease in accountability;
- lack of transparency;
- fragmentation of purpose;
- scale and co-ordination of public sector activity; and
- reduced flexibility and responsiveness.

These concerns are echoed in some of our reviews and while many of these challenges would be equally relevant to a centralised delivery model, we address them here in the context of ALB delivery.

Accountability

Problems can arise if there is insufficient clarity of purpose, expectations, assurance mechanisms and accountability, either when an ALB is created or when changes are implemented. Greater autonomy granted to ALBs requires a corresponding increase in clarity of performance expectations and priorities to mitigate these risks.

Scale And Cost-Effectiveness

Where the transparency and fragmentation problems described above prevail, the risk in relation to scale and cost-effectiveness of public service delivery is increased. It is common for a delivery organisation's remit to grow and change over time and where this happens there should be consequent changes in priorities and/or investment. If there is no concurrent review and agreement where services should change or be terminated, the pressure on public funding grows or the quality of services deteriorate and become less cost-effective.

Transparency

Concerns about transparency arise from two perspectives:

The first relates to the visibility and clarity of who is delivering which services, which if lacking, results in a confusing landscape of service provision. The challenge here can be the sheer variety and scale of services delivered across government, together with the number of ALBs delivering those services. This picture is of course dynamic and the complexity is compounded by changes over time.

The second aspect of transparency is related to the visibility of how ALBs conduct their business, how they are directed and held to account and the level of engagement of stakeholders or governance bodies in the process. This will vary dependent on the type of ALB; for example, some but not all will have a Chair and board holding the Chief Executive to account for delivery.

Co-Ordination Of Delivery

There are many instances where the services of different departments must be brought to bear in the same locality or to address the same or related problems. If these are not co-ordinated (for example in terms of timing, sequencing, information sharing) they can negatively impact citizens or businesses who must navigate the multiplicity of services or demands.

The challenges are not unique and international studies⁵ have concluded that the ‘agency’ model is not inherently good or bad, simply that it requires appropriate focus, control and accountability.

Our aim is to work with departments, ALBs and stakeholders to mitigate these inherent risks in the delivery model through:

- the development of standards and good practice to manage these issues;
- regular review to identify and prioritise change; and
- encouraging smaller public bodies to either work with their department or across departmental boundaries with other ALBs with similar challenges, to share the transformation costs or join with larger initiatives.

Our Mission

Our mission in this Parliament is to drive the collective delivery of a simplified, customer centric and cost-effective system for the arm’s-length provision of public services.

5 OECD (2005), *Journal on Budgeting Vol. 4 No. 4: Agencies: Their Benefits and Risks*; Springer (Feb. 2016), *Government Agencies: Practices and Lessons from 30 countries*.

Fragmentation Of Purpose

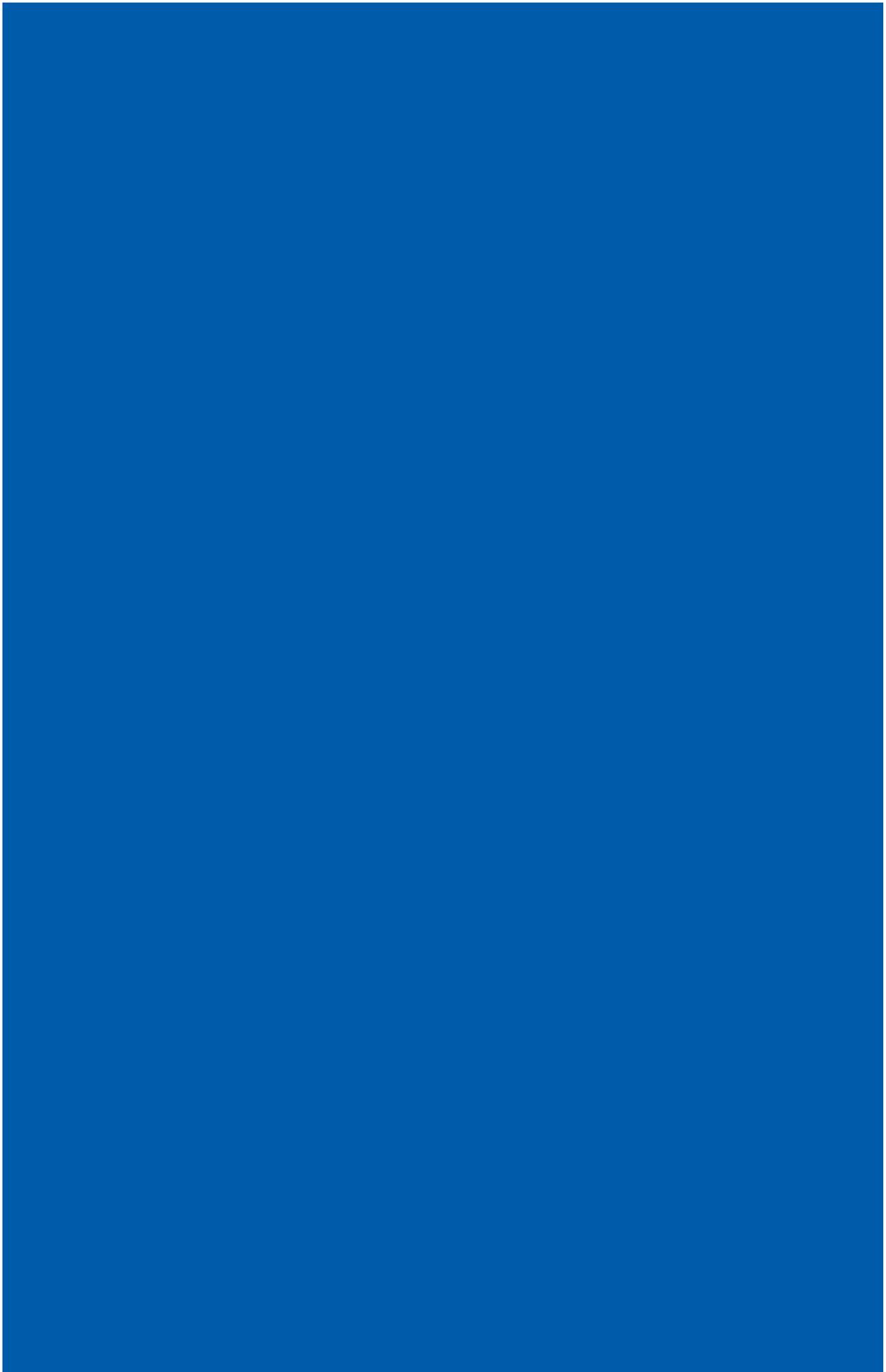
There is a risk over time that when an ALB's remit changes, rather than a complete refresh of the business and operating models, there is an incremental approach to change. Over time this can lead to problems as the focus of the organisation can drift, priorities become unclear and often the operating model becomes unfit for purpose.

Flexibility And Responsiveness

Reduced flexibility or responsiveness can arise either:

- where the constitution of the ALB gives it significant freedom and distances it from current policy priorities (consequently it may be slow or reluctant to adapt); or
- where the organisation is unable to adapt quickly due to its size or the degree of change needed.

Small and medium sized ALBs under significant fiscal pressure may be reluctant or unable to invest in modernisation programmes (change is expensive) and consequently over time will face increasing challenges in meeting their targets as their service delivery models become more redundant. As single small organisations they may not carry the weight needed to remove barriers (for example legal constraints) or put in place enablers to introducing new business or operating models (for example technology solutions).



Our Approach

By tackling common underpinning issues we can positively address any challenges that may exist in the delivery model, maximising the benefits of this delegated approach.

We consider the overarching development and transformation efforts that are going on across government. We work with these initiatives, adding to their value and ensuring opportunities are not missed to strengthen the delivery of public services.

We will work with government departments and ALBs to support and, where necessary, drive change. We will:

- a. provide expert advice through coordination with other central government teams;
- b. support and challenge the set-up, conduct and reporting of reviews (these may be tailored reviews or part of a department's transformation programme);
- c. work with departments and ALBs to understand their practice for monitoring performance and identify options and exemplars;
- d. develop and publish guidance and promote their usage;
- e. lead or commission functional reviews to consider collectively how services may best be delivered;
- f. look across ALBs to determine options and exemplars for operating models;
- g. draw together and publish lessons learned from reviews;
- h. provide challenge and scrutiny to proposals for new ALBs; and
- i. provide challenge and scrutiny on proposed changes to the governance and classification of existing ALBs.

Tracking progress against our high level commitments



We will provide support and challenge to ALBs reviews and the creation of new bodies. We will focus on the successful delivery of outcomes, exploit the unique opportunities arising from cross-departmental reviews of functions, and ensure that only new bodies that need to be created, are created.

Every year, we will measure and report the expenditure and staffing levels for all ALBs.



Every year, we will review Single Departmental Plans, ensuring that the right commitments are included from ALBs.

Every year, we will highlight important findings from our review programme.



We will use a Code of Practice with agreed principles and standards to bring greater coherence to departments' relationships with ALBs, facilitating a cross-departmental assessment of current practice and sharing best practice.

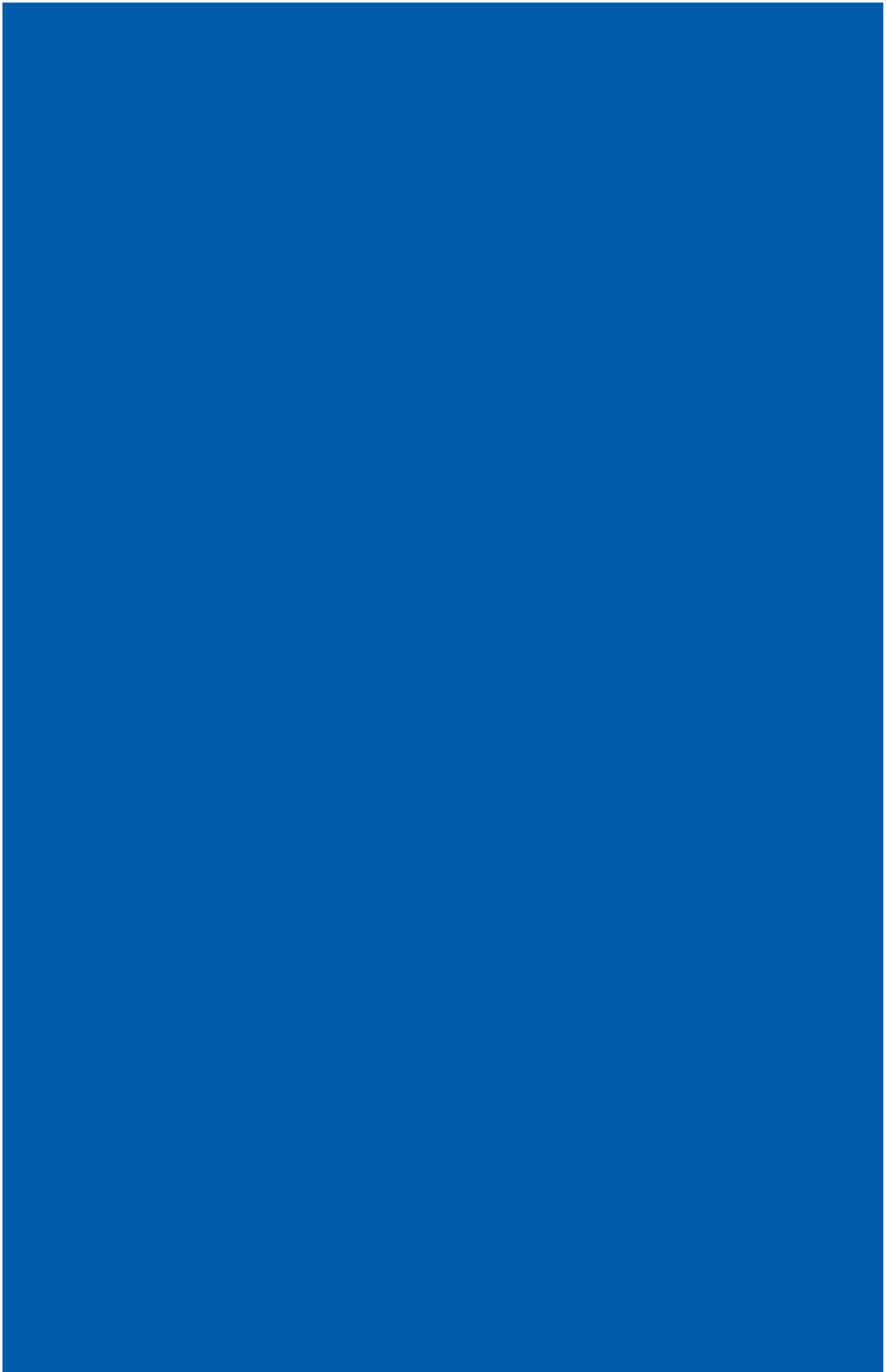
We will harness the expertise and insight of departmental non-executive directors (NEDs), through their role on departmental boards and their involvement in priority ALB reviews, to drive effectiveness, efficiency and embed best practice.



We will bring greater coherence to the ALB landscape through the application of the Classification Guidance to new and existing bodies. We will identify ways to simplify the landscape in relation to the numbers of smaller bodies.

Our high-level commitments

Last year we made several commitments in relation to our work programme – these are summarised in the checklist opposite.



Objective 1: Maximise successful outcomes

The Government's approach to public bodies reform for 2016-20 is designed to build on the successes of the 2010-15 period. The new approach consists of a combination of two types of review, tailored and functional.

Tailored reviews are led by departments with Cabinet Office oversight and challenge. They may be incorporated into wider departmental reviews or clustered with reviews of related bodies. All public bodies must be reviewed this parliament and reviews now include all EAs and NMDs, as well as NDPBs.

Reviews are proportionate depending on a public body's size, spend and sensitivity of its remit, and are carried out according to the published guidance.⁶ They are prioritised by departments and agreed with the Cabinet Office.

This approach ensures we are targeting the areas of most significant expenditure and that the reviews are consistent across the landscape.

2016 Objectives	Maximise	Objective 1: Maximise Successful Outcomes To provide continuing support and challenge to ensure government maximises successful outcomes, delivered through our public bodies in as cost-effective a way as possible.
	Promote	Objective 2: Promote Good Governance To promote good governance and accountability.
	Manage and Simplify	Objective 3: Manage and Simplify To manage and simplify the landscape to improve public understanding and scrutiny of how government delivers services through our public bodies.

6 Cabinet Office, Tailored Reviews of Public Bodies guidance, March 2016 <https://www.gov.uk/government/publications/tailored-revis-of-public-bodies-guidance>

Functional reviews are designed to take a different view of the landscape and identify opportunities for transformation based on common functions or types of service provision, or resolve issues with the delivery model on a cross-departmental basis. They are commissioned or led by the Cabinet Office. The aim is to maximise the opportunity for improvement and efficiency by addressing similar challenges in parallel, across the whole of public service delivery.

Tailored reviews

Establishing and embedding the new approach to reviews required considerable effort across government to ensure the work aligned with existing departmental reviews and transformation programmes and to avoid disruption and additional cost through duplication of effort.

Despite it being a transitional year, steady progress has been made in the 2016-20 programme during 2016-17. Reviews have been completed for three large priority bodies (Arts Council England, Public Health England and the Homes and Communities Agency), as well as several reviews for smaller public bodies. These included two Ministry of Defence cluster reviews for its defence museums and its Veterans Advisory and Pensions Committees.

The flexible and proportionate approach of the new reform programme has allowed us to work with departments to ensure they incorporate tailored review criteria into pre-existing departmental reviews, and good progress is being made with several of the larger public bodies.

The guidance for departments has been updated and published during the year to strengthen the review of efficiency and effectiveness of ALBs. This provides example benefits and possible measures, and determines how benefits should be classified as:

- cash releasing or income generating;
- efficiency or improvements in outcomes (for example greater use of shared services, release of resources to front line activity); or

- wider benefits (for example improved transparency, governance, accountability, staff engagement).

The new approach has resulted in smaller, more senior review teams with NEDs on challenge panels. Recommendations are being aligned with departmental implementation plans and mechanisms are being put in place to monitor delivery.

Although many more reviews are now in flight, we appreciate that the consequences of the decision to leave the European Union may affect the timing of reviews for some departments. It is probable that some reviews will be rescheduled so that they can take place with a fuller understanding of the impact of changing requirements.

Functional reviews

The functional review of regulators reported in January 2017⁷ and identified potential savings of £500 million through recommended changes to regulatory approach, cost recovery and information sharing.

The review was led by a steering group of regulators and the objectives of the review, agreed between the steering group and the Cabinet Office, were to:

- identify opportunities to achieve significant improvements in operating efficiency by reviewing functions across the sector, looking particularly at the experience of businesses and consumers affected by regulation;
- identify the sources of burdens on regulators themselves, the opportunities to reduce those burdens and hence to reduce cost, complexity and delays in regulation; and
- develop a taxonomy of effective regulatory delivery models that makes it possible to extend the work of this review across all regulators.

The report recommended changes to the regulatory approach where opportunities arise to build on assurance mechanisms already in place to meet wider business needs, whether those are operated by the business itself or by the market through third parties such as certification bodies. This approach would also reduce the duplication between regulatory and business assurance activity which is consequently cheaper for both regulator and regulated.

The report recommended that a variation of this approach, 'earned recognition', be extended to regulators of key public services or where assurance schemes as such were not available (instead the regulated entity could demonstrate compliance with regulatory standards). In this case the burden of regulatory activity should be proportionate to levels of compliance.

The report also recommended wider use of full cost recovery through charging for services, for example where additional regulatory activity was needed due to failure to meet relevant assurance standards.

We will now commission work to define what would need to be done to implement the recommendations for ALBs, identify assumptions, risks and dependencies and validate the potential savings. This will be followed by scoping and development of an implementation programme, incorporating relevant consultation, impact assessment and business case development.

CASE STUDY

Perspective from an ALB

Her Majesty's Courts and Tribunal Service – Making access to justice quicker, easier and fairer

Digital transformation is not all about computers, coding and web applications. It is about the people that use them and the benefits they bring, they do not sit in isolation. For us, they are part of a modern justice system.

As part of our £1bn transformation of courts and tribunals, we are moving processes out of the court that do not need to be there, minimising the need for people to travel to a physical court room when it is not needed, reducing our use of paper and investing in digital services – with support and guidance available for those who need it.

We have lots more to do, but have already made significant progress, laying the foundations for changes to come:

- we have launched pilots of new online services to help those who need to access justice in civil claims, divorce, probate, and appealing against social security and child support decisions;
- we have developed a new digital system to deal with lower-level criminal cases more quickly and efficiently – and over the last 12 months we have been piloting it with fare evasion cases in London. Around 350 cases are uploaded per week, each taking around a minute to review;
- we have deployed an online plea system allowing someone who has been charged with a minor traffic offence to submit their plea online, and if convicted, to pay any fines quickly via their computer, smartphone or tablet;
- new video technology is enabling vulnerable victims and witnesses to give evidence without having to face defendants in person. In the last 12 months alone, more than 13,000 cases heard evidence this way; and
- we have built and tested the early stages of a new digital system that connects the justice system with the CPS and the Police to cut paperwork and unnecessary bureaucracy.

Throughout our planning and implementation, HMCTS works closely with the Government Digital Service (GDS). This is an important relationship and that allows us to draw on additional technical advice and assurance. The challenge and input provided by GDS supports cross government learning and provides essential connections between different departments.

We are proud of our achievements so far, but appreciate they only tell part of the story. What keeps us focussed is what people say when they get easier access to justice.

CASE STUDY

Perspective from a Non-Ministerial Department

Food Standards Agency – Regulating Our Future Programme

As part of the programme of functional reviews, in early 2017 Cabinet Office published a report – Regulatory Futures – written by a coalition of regulators. Government has accepted its recommendations, notably:

- greater use by regulators of businesses' own systems for assuring factors such as product quality, so long as these are validated by the regulator. (This is known as 'regulatory self-assurance'); and
- recovery from regulated businesses of the costs of regulating them.

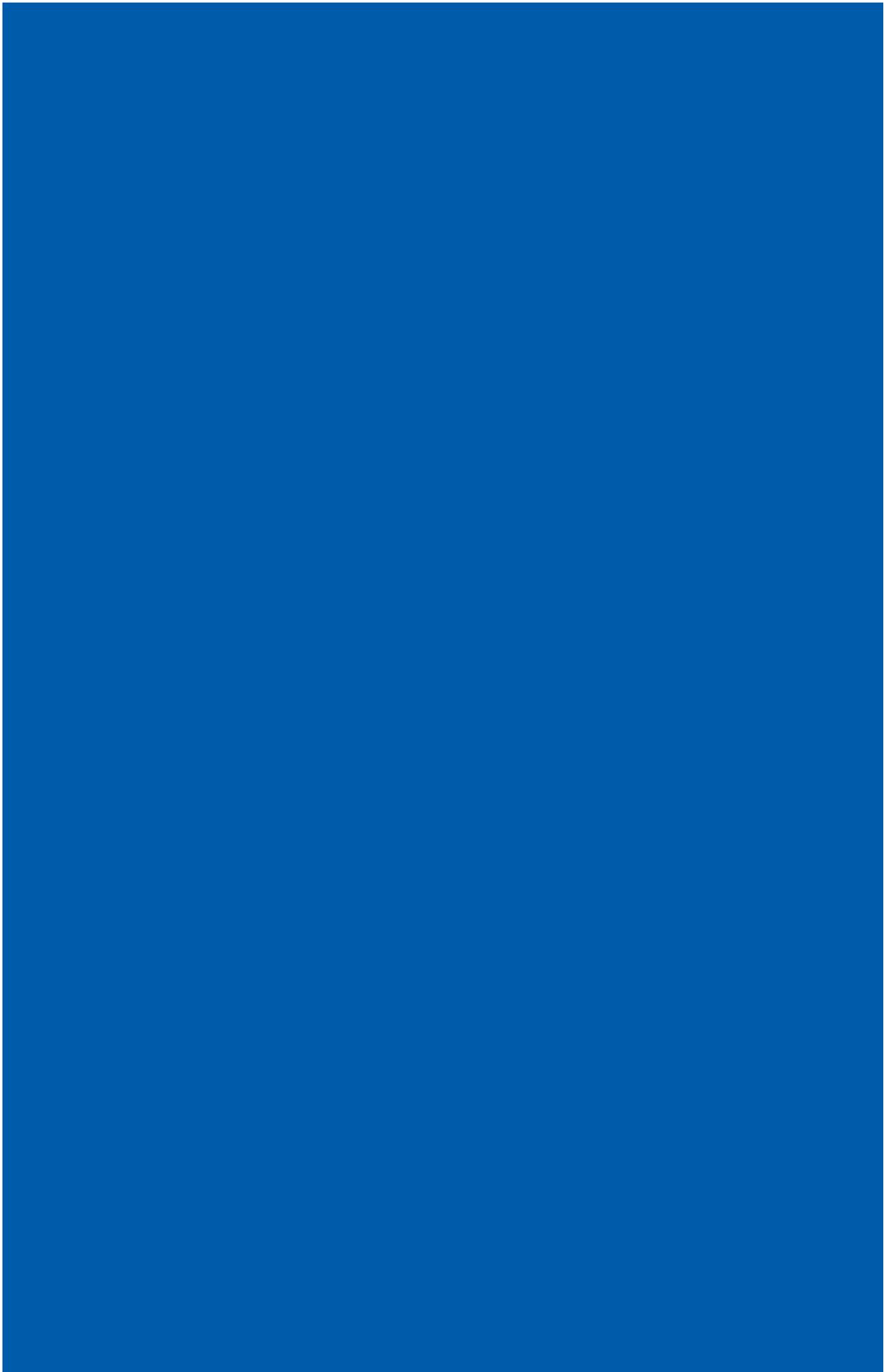
These principles can deliver savings for the taxpayer estimated at £500 million, more effective regulation and a better regulatory experience for businesses.

The Food Standards Agency (FSA) is a Non-Ministerial Department which aims to ensure that people can trust that the food they buy and eat is safe and honest. FSA is showing how the Regulatory Futures principles can be put into action through its Regulating our Future programme, which also makes wider changes to adapt regulation to changes in the food industry, including technological progress, the significant growth of online shopping and the increased use of external auditing and certification schemes.

The FSA's ambition is to deliver a new system of food regulation that is sustainable, flexible and above all protects the consumer by delivering food that is safe and what it says it is. Food businesses of any shape or size will be able to use regulated private assurance to give FSA and the public assurance that they are fully compliant with the robust standards set by FSA.

Much of the front-line regulation of food businesses is done by local authorities, working within the FSA framework. They will play a vital role in the new system, continuing to regulate those businesses which decide not to use regulated private assurance. They will use their extensive experience and expertise to help businesses comply with the law and take timely and effective enforcement action against those that do not.

FSA will introduce a new funding model to ensure the future sustainability of the system. This will involve a transparent charging regime that means that businesses that require the most intervention from government will bear the highest costs and those that decide to make use of regulated private assurance will benefit from a reduced overall regulatory burden. FSA will ensure its costs are no more than they need to be. The Agency is publicly committed to financial fairness and to showing that its regulation works efficiently.



Objective 2: Promote good governance and accountability

The relationship between departments and their ALBs is a critical link in the chain of accountability but is also key to ensuring the on-going health of ALBs with mutually understood expectations, clarity of priorities and appropriate resourcing.

As with other aspects of the ALB delivery arrangements, practice across the landscape has been variable. The National Audit Office (NAO)⁸ and House of Commons Public Accounts Committee⁹ have both published reports during 2016. Both reports recognised the level of inconsistency in oversight of ALBs by departments across the public service.

They expressed concerns that the oversight arrangements are not always proportionate to the relative risks presented by the ALBs and recommended that Cabinet Office should work with departments to develop a proportionate principles-based framework for overseeing ALBs. It also recommended more shared learning across the landscape.

Code of Good Practice

In response to the challenges in this area, we took the opportunity to re-set current approaches to engagement with ALBs. We set up and led a working group to develop a code of good practice. The working group comprised 16 representatives from departments and ALBs. The Code of Good Practice was published in

February 2017.¹⁰ It is centred around four key principles:

1. Purpose;
2. Assurance;
3. Value; and
4. Engagement.

These are underpinned by a set of standards which draw on best practice from across government. The Code represents a move away from the traditional 'oversight' approach to relationships with ALBs, to a more proportionate, risk-based partnership one. The emphasis is on high level strategic engagement rather than on process.

We have asked departments to evaluate their current practice against this Code, identify changes that are needed and put plans in place to deliver the changes.

Our goal is to embed the Code as a set of working principles and several aligned activities, arranged with the co-operation of other government functional areas (such as commercial and digital), which will strengthen the application of the Code in practice. The following actions are being taken to embed the Code:

- the NAO and the Government Internal Audit Agency have agreed to support embedding alignment with the Code within the departmental and ALB assurance processes;

8 National Audit Office, Department's Oversight of arm's length bodies: a comparative study, July 2016 <https://www.nao.org.uk/report/departments-oversight-of-arms-length-bodies-a-comparative-study/>

9 House of Commons Committee of Public Accounts, Departments' oversight of arm's length bodies, October 2016 <https://publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/488/488.pdf>

10 Cabinet Office, Partnerships with arm's length bodies: code of good practice, February 2017 <https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice>

- departmental Non-Executive Directors have been asked to consider ALB relationships as part of board and audit and risk committee discussions; and the new Accounting Officer System Statement guidance requires departments to state if they are applying the Code's principles and standards and to explain any variations.

The Four Principles of the Code of Good Practice

PURPOSE

Partnerships work well when the purpose, objectives and roles of ALBs are mutually understood; reviewed on a regular basis; and clearly set out in relevant documents. There is absolute clarity about lines of accountability between departments and ALBs. In exercising statutory functions ALBs have clarity about how their purpose and objectives align with those of departments.

ASSURANCE

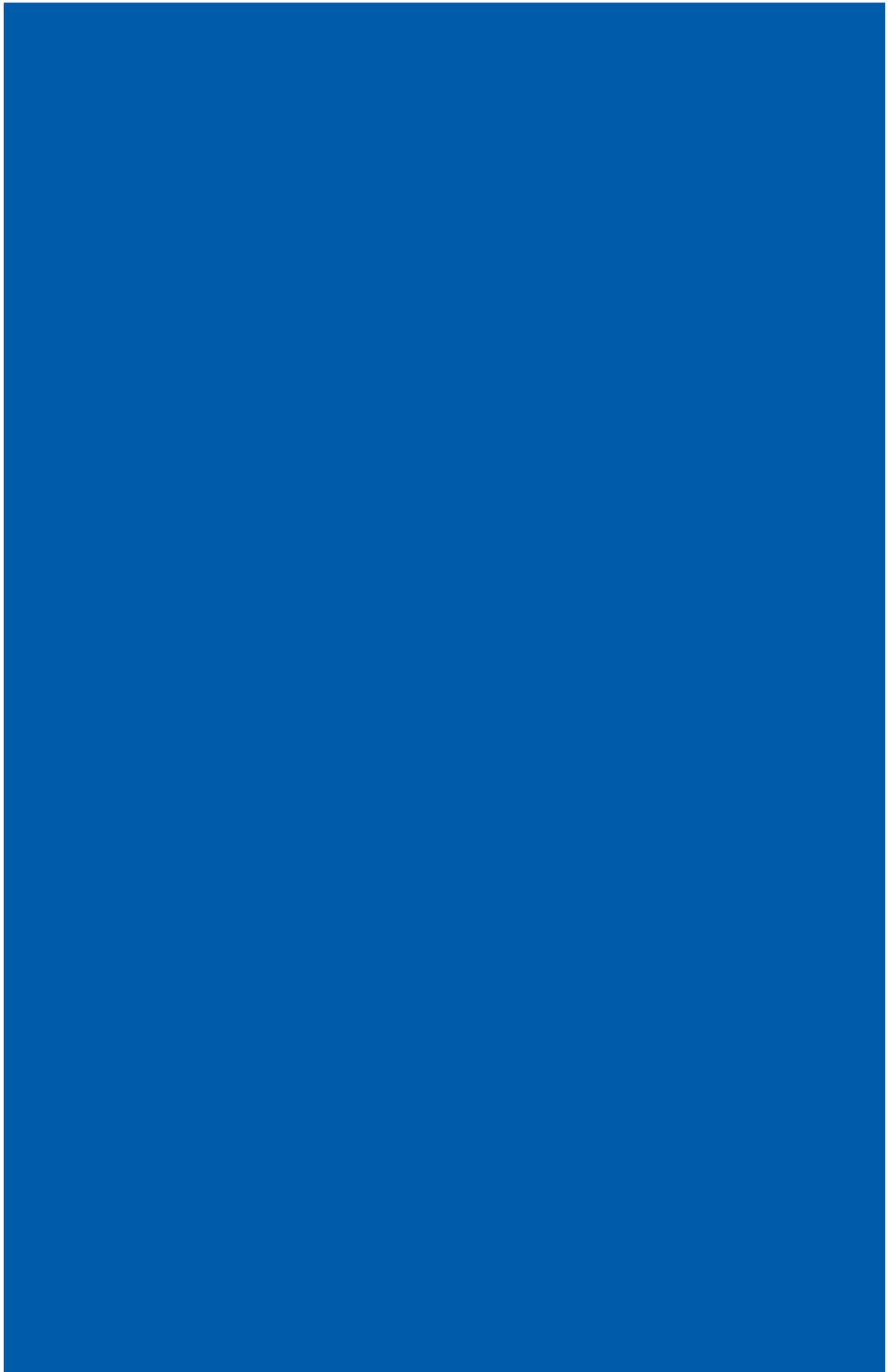
Partnerships work well when departments adopt a proportionate approach to assurance, based on ALBs' purpose and a mutual understanding of risk. ALBs have robust governance arrangements in place; departments give ALBs the autonomy to deliver effectively. Management information exists to enable departments and arm's-length bodies to assess performance.

VALUE

Partnerships work well when departments and ALBs share skills and experience in order to enhance their impact and deliver more effectively. ALBs are able to contribute to policy making and broader departmental priorities. There is a focus on innovation, and on how departments and arm's-length bodies work together to deliver value for money.

ENGAGEMENT

Partnerships work well when relationships between departments and ALBs are open, honest, constructive and based on trust. There is mutual understanding about each other's objectives and clear expectations about the terms of engagement.



Objective 3: manage and simplify the landscape

A great deal has been done in recent years to reduce the scale of public bodies and rationalise the remainder to ensure there is consistency of the constitutional model. The landscape is necessarily complex (reflecting the variety and scale of services ALBs deliver) but where possible, government is working to make the landscape simpler to navigate.

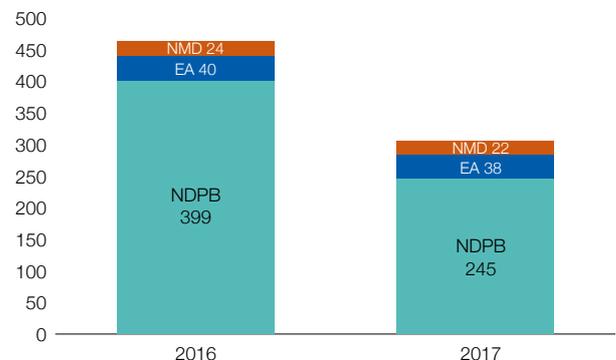
We provide central expertise on the set-up and governance of ALBs. We approve new ALBs where there is a strong business case for change. We will continue to support and challenge departments, promoting early engagement, so that the most appropriate delivery model is chosen to enable greater consistency in the ALB landscape.

We continue to report annually on the numbers and types of ALB for each department and provide a variety of information to facilitate democratic scrutiny.

Figure 6 shows the comparative number of ALBs in each of the three classifications at March 31 for 2016 and 2017. The most significant change in number is due to multiple Ministry of Justice monitoring boards being reclassified. The classification of these boards was reassessed in light of the recommendations of the Classification Review Guidance published in 2016¹¹.

We do not anticipate major changes in the number of bodies as a result of leaving the European Union.

Figure 6. Change in ALB landscape from 2016. The total number of NMDs, NDPB and EAs has reduced from 463 in 2016 to 305 in 2017. The most significant changes are due to the 132 Independent Monitoring Boards (2016) being reclassified in 2017, and the 12 Veterans Advisory and Pensions Committee being listed under one NDPB in 2017.



11 Cabinet Office, Classification of Public Bodies: Guidance for Departments, April 2016
<https://www.gov.uk/government/publications/classification-of-public-bodies-information-and-guidance>

Using tailored and departmental reviews we support and challenge departments to review the need for services delivered by their ALBs. As part of this process a review may identify bodies that either need to be reclassified, reconfigured or retired. We will support this process to ensure that the change programmes put in place deliver the projected benefits over time.

There is also an opportunity to look across departmental boundaries at clusters of ALBs that provide similar services. These can begin to set standards for the best way to deliver types of service and identify opportunities to transform these in concert.

This will bring a coherence and commonality to operating our service delivery models across government, counter the fragmentation that has occurred as the services have evolved in isolation over time and provide opportunities to transform smaller scale services cost-effectively.

Case studies

We are incorporating case studies into this report of public bodies where there is change happening in line with the principles and practices we promote. For example, the Food Standards Agency has responded to the functional review of regulators and has begun to refresh its strategy for regulation in line with the recommendations of the review and HM Land Registry has embarked on a digital transformation programme, working closely with GDS and consequently developing a more efficient route to transforming their services.

Non-Departmental Bodies with Advisory Functions

Of the 463 public bodies operational in 2016, nearly one third of all classified public bodies, some 141, were 'Non-Departmental Bodies with Advisory Functions'. Departments have traditionally set up these bodies to provide independent expert advice, guidance and scrutiny.

Most are very small bodies, typically comprising a committee of experts led by a chair and supported by a small secretariat (provided by their partner department).

We are conducting a review of the arrangements for provision of advice, with the following objectives:

- to establish a framework that optimises the creation, provision, dissemination and use of independent expert advice within the walls of government;
- to identify appropriate classification and operation of advisory bodies in government, drawing on lessons from such bodies and departmental Expert Committees; and
- to make practical recommendations on the management, organisation and impact of expert advice and the bodies that provide it.

The key outcome we are seeking to achieve through implementation of this review is a consistent and effective approach to expert advisory bodies across the landscape.

CASE STUDY

Perspective from an ALB

Arts Council England – Continuous Improvement

Arts Council England supports a range of activities across the arts, museums and libraries – from theatre to digital art; reading to dance; music to literature; and crafts to collections. Between 2015 and 2018, we plan to invest £1.1 billion of public money from government and an estimated £700 million from the National Lottery across the country.

In 2012, given pressures on public finances, there was a need for the public sector to save money. As part of that we were asked by government to reduce overheads by 50%. We had to find ways to continue to serve the cultural sector well, while making efficiencies in our administration and processes.

We launched our new grant management system – Grantium – in January 2016. Behind the scenes, we had already replaced our finance system; the introduction of Grantium resulted in a £700,000 saving in the first year, and a projected £1.2m saving for 2017/18. We are introducing Grantium in a phased approach. In the first instance, we have only used it for 2 of our funding programmes but by April 2018 we will be using it for all our funding.

But it is not just about saving money it is about making the way we work more user-friendly for our sector and our commitment to continuous improvement. We are all familiar now with registering for online services – from managing your bank account, to getting a new tax disc and ordering your groceries. With Grantium once an individual or organisation has created an account all their activities can be managed online. They can make a funding application, receive our decision, accept their offer and upload any required documentation for their payment request. We are cutting out the cost of producing, processing and posting paper letters.

Like any software, the system is upgraded on a regular basis to ensure it is secure from cyber-attacks. Changes have been made to Grantium since it launched to improve the user experience. We are currently considering further changes to Grantium, which are likely to be rolled out over the coming year.

Making efficiency savings in our administration cost frees up money for services that benefit the public. Grantium has helped us to reduce our overheads and save money that we can put back into arts and culture.

CASE STUDY

Perspective from an ALB

HM Land Registry – Digital transformation

HM Land Registry registers ownership, interests, mortgages and other secured loans against land and property in England and Wales. We safeguard ownership of more than £4 trillion worth of property and provide security for more than £1 trillion of mortgage lending. We are committed to becoming the world's leading land registry for speed, simplicity and an open approach to data.

Digital transformation will be at the heart of delivering these commitments. Our focus for the next five years will be to digitise more of our existing services and deliver an increasingly broad range of digital services, helping to make the conveyancing process, simpler, faster and cheaper. We have already made significant progress over the last year and are shaping the future of our digital services through focusing on user needs and using agile delivery, modern technology and software engineering practices.

We are getting closer to the day when a customer will complete the first fully digital mortgage deed. Our digital mortgage service, Sign Your Mortgage Deed, is initially aimed at people applying for a new mortgage on their existing home. The service allows the new mortgage deeds to be signed online and, where possible, automatically registered, making the process quicker and easier to complete.

We have been supported throughout the development of this innovative service by the Government Digital Service (GDS). The GDS teams have provided us with advice and a welcome sounding-board, identifying early improvements which reduced the number of issues we faced during user research. We have also integrated their identity assurance service, GOV. UK Verify, which will confirm the identity of the person signing the mortgage deed.

Taking part in a GDS workshop proved to be invaluable in the run up to our formal Beta assessment. GDS praised our frank and open approach to the workshop, and we could make meaningful improvements to the service as a result of their advice. Since achieving the Beta standard, GDS has continued to help with further constructive recommendations and a supportive critique of the design. Later in the year we should be able to test the service more widely.

We are continuing our collaboration with GDS as we deliver our digital transformation based on user needs. We intend to release more value from the register by launching new services and enhancing our existing services with increasing regularity over the next few years. This will ensure we are using the latest technologies to keep property and related financial rights guaranteed and protected.

CASE STUDY

Perspective from an ALB

High Speed 2 Ltd (HS2) – Relocation

HS2 Ltd is living its values by basing its major operations and headquarters in Birmingham. HS2's vision is to be a catalyst for growth across the country. The new high-speed backbone of Britain's rail network will help re-balance the economy and provide regions in the North and Midlands with the kind of connectivity that London takes for granted. By connecting 8 out of 10 of the country's largest cities and their regions with fast and reliable rail services, HS2 is designed to have a transformational effect, not just on domestic transport, but on regional productivity and growth too.

As the Bill for the construction of Phase One of HS2 between London and the West Midlands began its passage through Parliament in 2014, HS2 Ltd, the company charged with design and construction, considered the case for basing its HQ outside the capital.

Birmingham was the natural choice for relocation. Birmingham and the West Midlands will be at the heart of the HS2 network and the geographical and logistical centre of the construction effort, over the 16 years of the full HS2 build. The HQ in Birmingham will minimise employee and supplier travel distances, while allowing for efficient communication with all site offices as required along the line of route. The majority of the HS2 workforce will be located outside the capital. The West Midlands has the necessary workforce and skills to provide HS2 Ltd with the people it needs to support operations.

The move to Birmingham therefore:

- supports our vision to be a catalyst for growth across the UK;
- supports business delivery by locating our people closer to where they will be required;
- delivers value for money by moving to a more cost-effective estate; and
- strengthens our partnership with the city of Birmingham to promote growth locally.

HS2 successfully relocated its headquarters between February 2016 and April 2017 from London's Canary Wharf to Birmingham's Snow Hill. Two Snowhill has been acquired with a 15 year lease with rental charges 46% cheaper per square foot than the previous London office. This move has accommodated the expansion of HS2 Ltd with space for over 1,000 staff, and a new workforce recruited from within the local economy. In addition, Birmingham pay scales are approximately 15% lower than London pay scales and, over time, the savings impact of this will be significant. The move has increased the ability of HS2 Ltd to work more closely with its suppliers based outside London, and provided a centre of gravity for the collaborative working and innovation required to make the project a success.

By taking on a property with a Birmingham City Council freehold, the relocation has also produced revenue for the public sector. This is relevant in both complying with GPU controls and in meeting the Accounting Officer responsibility to consider the implications of decisions for the wider public sector.

CASE STUDY

Perspective from an ALB

Public Health England – National Cancer Registration and Analysis Service

Cancer is a major public health and healthcare challenge. Half of all those born in 1960 will develop cancer in their lifetime; the NHS spends over £6.7bn each year on cancer care. New cancer treatments are at the forefront of personalised medicine and the Government's Industrial Life Sciences Strategy. For these to succeed we need high-quality data.

The last seven years has seen Public Health England's (PHE) National Cancer Registration and Analysis Service transform itself and the way cancer data is collected to help meet this need. A factor that helped us win the 'Best Use of Evidence and Data' Category of the Civil Service Awards in 2016.

England now has the largest, most complex and sophisticated cancer registration service in the World, collecting data on all 500,000 cancer patients each year. For example, we get record-level data from over 600 different clinical systems across the NHS, including the 2000 multi-disciplinary team meetings; the cancer screening programmes; and every chemotherapy and radiotherapy treatment.

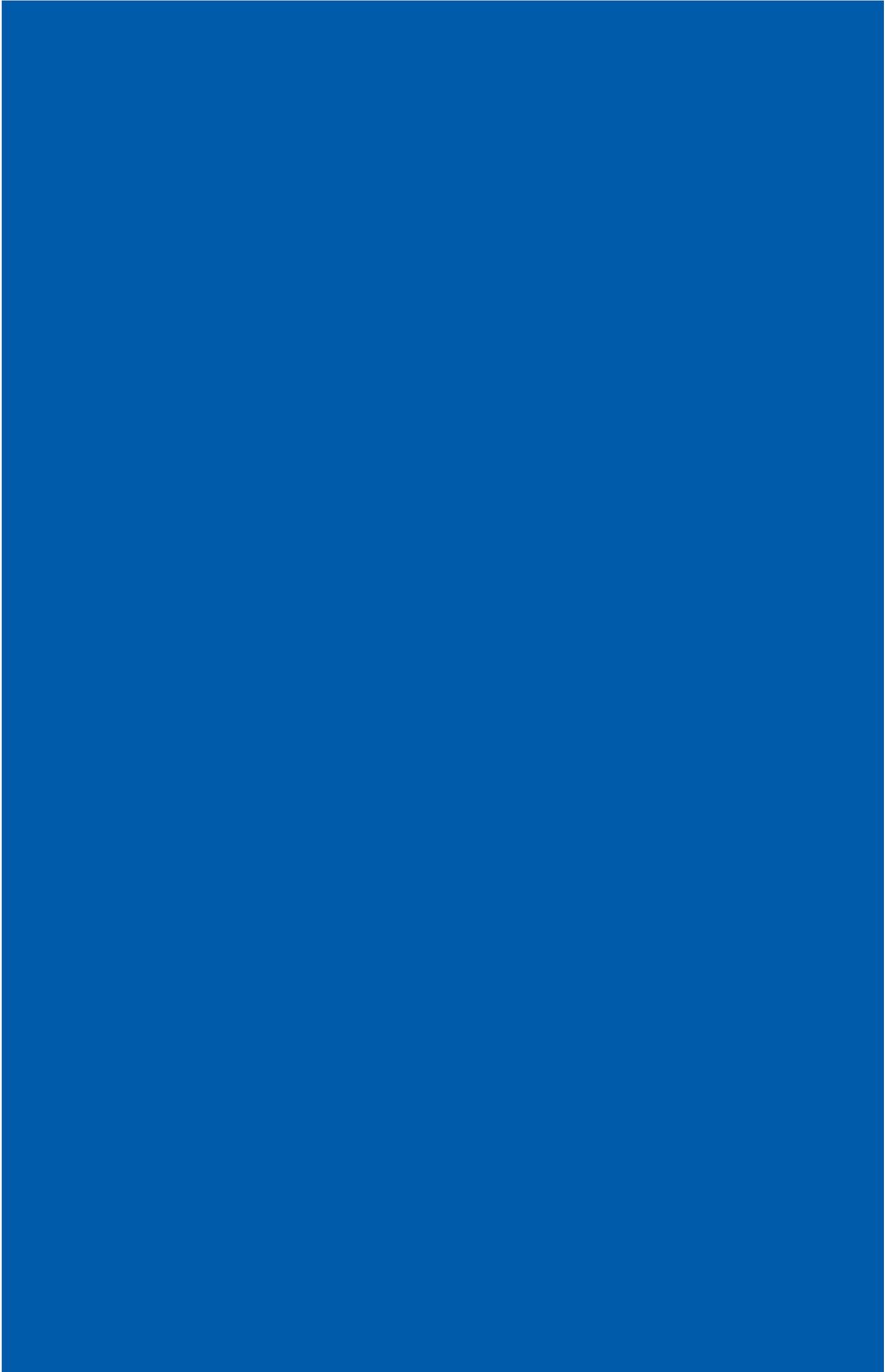
None of this could have been achieved without embracing the philosophy of the Government Digital Service. User-centric design, Agile project management and open-source software, are core to the way we work.

The increase in efficiency has been staggering. The number of clinical records processed has gone from half a million in 2011 to 32 million last year and will be quarter of a billion next year. We work faster than ever before, completing a year of data in 11 months rather than 18; the number of potential data items has gone from around 25 on each tumour to over 1000.

Better still, this entire 7-year change programme has been achieved with no additional investment, rather through an ambitious change-management programme of new technologies, streamlining process and retraining our 250 dedicated staff.

The impact has been transformational – benefiting patients, clinicians and the wider healthcare system. Patients can see their own data through a secure portal; clinicians can compare their own performance with others; NHS England monitors care with the Quality Premium; National Institute for Health and Care Excellence uses the data for the Cancer Drugs Fund; the Office for National Statistics and PHE produce national cancer statistics; while cancer researchers worldwide all use our data to find new cures.

One data service transforming cancer outcomes for every patient.



Forward Look



While autonomous in respect of their day-to-day functions, ALBs are part of a much wider and larger organisation of national public services delivery. It is right that the public should be able to scrutinise who does what and that there should be transparency of both costs and conduct of business in relation to these public services.

There are benefits to all concerned in delivering services that the same standards and expectations should apply across government departments and their ALBs. There are also

benefits to the public in having standardised approaches, making it easier to navigate the necessarily complex landscape.

The next few years will bring change as we leave the European Union and change in turn brings opportunity to improve. Adopting coherent, consistent approaches to change, ensuring that the risks in the delivery model are managed and changing in clusters rather than multiple small changes will all help to improve the current delivery landscape.

Objective 1: Maximise successful outcomes

1

Tailored Reviews

We will provide support and challenge to ALB reviews, focusing our efforts to identify recommendations which will improve efficiency and effectiveness, taking a proportionate approach to reviews in partnership with departments.

2

Regulatory Futures Functional Review

We will work with regulators and their host departments to implement the recommendations of the Regulatory Futures Review, to embed regulated self-assurance and full cost recovery more fully into UK regulator practice.

We will continue to develop our functional review programme, looking for opportunities to maximise our impact through themed, cross-cutting reviews.

3

Property, Shared services and Commercial Capability

We will work with the Government Property Unit and departments to assess the scale of opportunities for public bodies to be located outside London and the South East; support the design of a transactional shared service suitable for smaller ALBs; and collaborate with Crown Commercial Function to ensure that commercial capability in ALBs is increased.

We know that technological advancement will drive change over time, it is part of today's challenge for all organisations across the world. The power of digital technology and mobile technology is changing how we lead our lives and conduct our business. To get the most from the opportunities this presents we need to ensure that changes align to central strategies, particularly in digital transformation where the benefits of standardisation and information sharing can be maximised looking across departmental or individual ALB boundaries.

While there are clear opportunities for improvements in digital services for the public use (including the examples provided by HM Land Registry and HM Courts and Tribunals Service), there are also opportunities to improve the efficiency of operations that underpin, manage or control these services such as logistics, monitoring, legal or financial operations. Many ALBs will have common challenges in these areas and changing collectively may be more cost-effective than changing individually.

Objective 1: Maximise successful outcomes

Where appropriate we will work with departments to align their existing transformation programmes to meet the requirements of the tailored review process to avoid duplication.

We will encourage departments to 'cluster' several, similar ALBs to allow strategic or cross-cutting issues to be addressed collectively (an example of this is the Strategic Review of Museums).

We will continue to look for opportunities to drive collective change across departmental and ALB boundaries and to maximise the central initiatives such as shared services, strengthening commercial capability and look for opportunities to collaborate with the Government Property Unit.¹²

We will work with the Government Property Unit and departments to assess the scale of opportunities for public bodies to be located outside London and the South East and how we can support the Industrial Strategy.

¹² Department for Business, Energy & Industrial Strategy, Building our Industrial Strategy: green paper, January 2017 https://beis.gov.uk/citizenspace.com/strategy/industrial-strategy/supporting_documents/buildingourindustrialstrategygreenpaper.pdf

Objective 2: Promote good governance and accountability

4

Guidance

We will develop and publish guidance for the design and governance for each type of ALB within the classification system (NDPB, EA and NMD) and guidance on setting up new ALBs.

5

Embed and track

We will work with departments to ensure that the principles and standards of the Partnership between departments and ALBs outlined in the Code of Good Practice are embedded, and are bringing about change in partnership relationships. We will track the implementation for one year after the launch of the Code.

6

Reinforce

Together with HM Treasury we will update Managing Public Money to include a requirement that departments align their relationships with the Code and codify it within the framework documents.

We will make full use of the flexibility in the tailored review process to ensure the reviews are delivered efficiently and deliver meaningful outcomes.

Several departments are aligning their own existing transformation activities to meet the requirements of the tailored review process and avoid duplication. Department for Education's review of the Construction Industry Training Board and Engineering Construction Industry Training Board is an example of this approach. Building on the success of this approach, we will look to work in a similar way with the ALBs of other departments.

We will continue to challenge departments as they progress their review programmes. We will ensure that the requirement to look for efficiencies is built into the terms of reference for all reviews, adopting a proportionate approach in relation to the size of the body under consideration.¹³

We will ensure there are mechanisms in place to implement recommendations and to track progress.

Objective 2: Promote good governance and accountability

We will work with departments to ensure that the principles and standards of the Code of Good Practice are embedded and are bringing about change in partnership relationships.

We will provide advice and support to departments to help them become more closely aligned with the Code. We will ask departments to assess their practices to understand how the Code has improved their relationships, continuing to understand how departments view their engagement with their ALBs.

We will revive and relaunch a cross-government peer network to promote sharing of good practice and cross-government working.

We will work with HM Treasury to update the Managing Public Money (MPM) Framework to include a requirement that departments should ensure their relationships with ALBs align with the Code and the MPM Framework Agreement template will be updated to reflect the principles of the Code. This work will complete the alignment of cross-government control frameworks and ensure that the principles of the Code are deeply embedded.

¹³ To note Defence Equipment and Support is currently undergoing a classification exercise. It will be including in Public Bodies 2018. This will increase reported spend.

Objective 3: Promote Openness, Transparency and Coherence

7

Exiting the European Union

We will work with the Department for Exiting the European Union to understand the impacts of leaving the European Union on the ALB landscape.

We will look for opportunities arising from the inevitable changes due to European Union exit, to align with the recommendations of the Functional Review of Regulators as we implement those recommendations.

8

Openness and Transparency

We will commission an openness and transparency review, to establish a set of principles and standards for public bodies to use. These should be based on best practice from across the landscape and recognise the different context in which organisations operate.

9

Classification

We will work with departments to implement the recommendations of the review on the provision of expert advice in government, driving a more consistent and coherent approach for this important function.

We will work across government to look for opportunities to classify organisations that do not have a formal ALB classification, increasing transparency by bringing those organisations within our reporting processes.

We will continue to work with others to monitor the effectiveness of the Code and amend if required.

We are developing guidance to support the process for approval of new ALBs and for the design and governance of ALBs. There will be separate guidance for:

- design and governance specific to each of the types of ALB within the classification system (NDPB, EA and NMD); and
- approvals of new ALBs.

The guidance will be developed and published in stages. The guidance for design and governance of executive agencies and the guidance on the approval of new ALBs will be published in late 2017. Guidance on the design and governance of NDPBs and NMDs will be published in early 2018.

We will promote this guidance across government, ensuring that key stakeholders are aware of best practice and any changes in approach.

We also recognise the importance of diversity on the boards of public bodies in ensuring good, representative governance. The Centre for Public Appointments in the Cabinet Office works with departments to ensure the boards of ALBs are increasingly diverse and representative

of the nation which they serve. They are raising awareness of public appointments among under-represented groups and are that ensuring the recruitment process is not a bar to increased diversity – moving to a focus on ability rather than experience. The Cabinet Office are also improving the way they collect and report on diversity data and will provide an update on diversity of public bodies in the coming months.

Objective 3: Promote Openness, Transparency and Coherence

The Public Bodies Reform team will work across government to understand the post European Union exit landscape requirements. While there are a number of agencies whose functions will transfer over to the UK, almost all of these will be absorbed into existing government organisations. We will continue to work closely with colleagues across government to maximise any opportunities that arise from leaving the European Union.

We will work closely with the regulatory bodies and stakeholders to implement the findings of the review of Regulatory Futures, ensuring that the opportunities from regulated self-assurance and cost recovery are exploited to drive best practice and reduce costs where feasible for both the Government and the business sector.

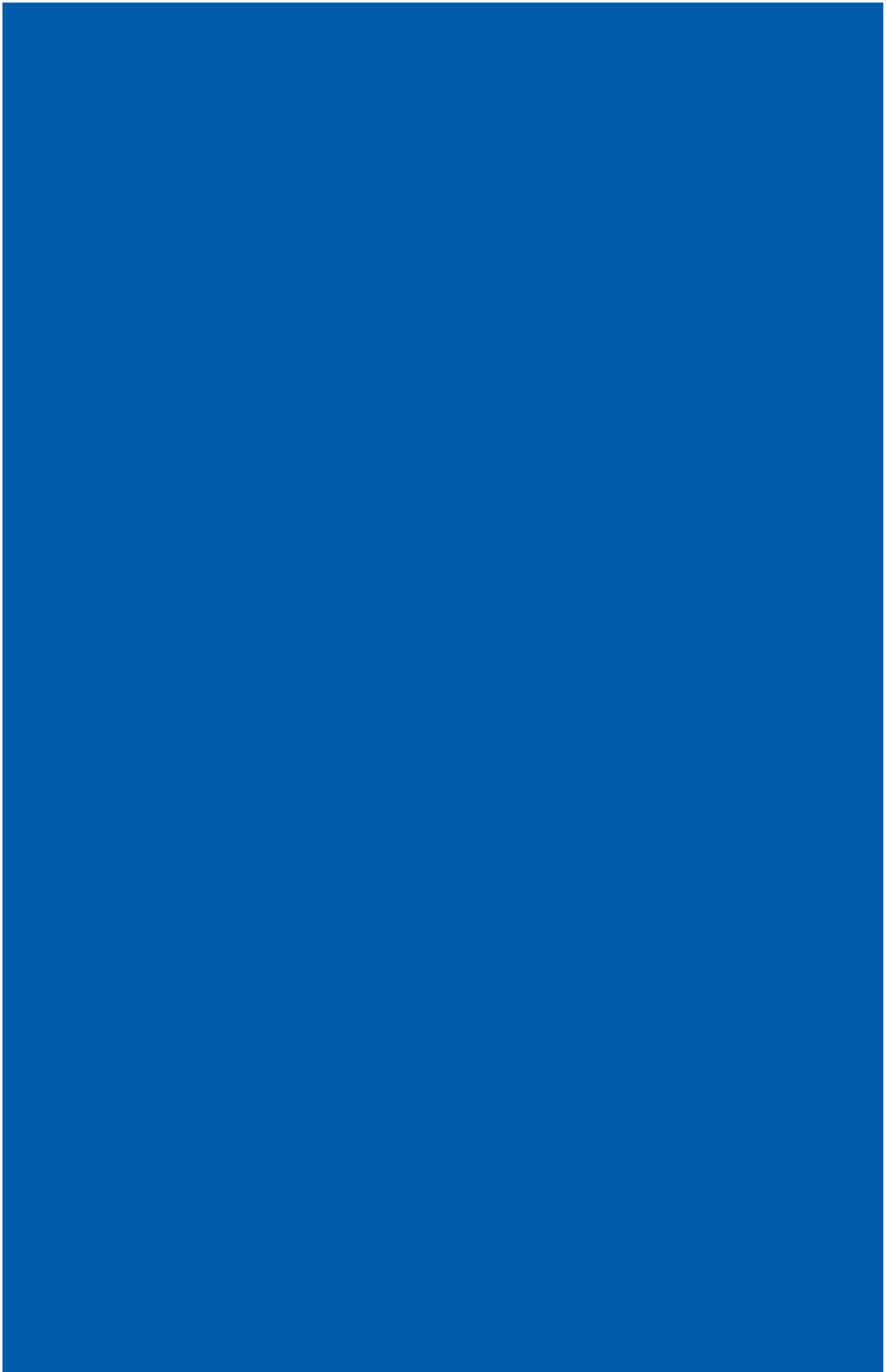
To improve public oversight of public service delivery, and to drive consistency and coherence in the practice of ALBs, we will commission an openness and transparency review. The objective will be to establish a set of principles and standards for public bodies to use, based on best practice from across the landscape and recognising the different context in which these organisations operate.

We will continue to gather and publish information to support the transparency of delivery through the ALB model and we will continue to drive consistent standards across the ALB delivery model, particularly where mechanisms are needed to mitigate risks in the model.

The report of the review of expert advice will be published and we will work with departments to implement the findings, driving a more consistent and coherent approach to provision of expert advice across government.

We will continue to work with departments as they progress their tailored review programmes to ensure that opportunities to simplify the landscape are not missed. This includes examining legacy multi-classified and unclassified ALBs in accordance with Cabinet Office's guidance on classification of public bodies.¹⁴

14 Cabinet Office, Classification of Public Bodies: Guidance for Departments, April 2016
<https://www.gov.uk/government/publications/classification-of-public-bodies-information-and-guidance>



Annex A – summary data tables

Table 1 – Number of arm’s-length bodies, ALB expenditure and ALB staff employed by Department

Department	No. bodies	Total Gross Resource Spend (£000)	Total Staff employed (FTE)
Attorney General's Office	3	£776,575	7,724
Non Ministerial Department	3	£776,575	7,724
Cabinet Office	10	£302,604	4,295
Executive Agency	1	£79,809	780
Non Ministerial Department	1	£218,141	3,448
Non-Departmental Public Body	8	£4,654	67
Department for Business, Energy and Industrial Strategy	33	£3,398,177	23,501
Executive Agency	5	£309,479	5,512
Non Ministerial Department	3	£398,361	5,708
Non-Departmental Public Body	25	£2,690,337	12,281
Department for Communities and Local Government	9	£102,414	1,611
Executive Agency	2	£58,966	690
Non-Departmental Public Body	7	£43,448	921
Department for Culture, Media and Sport*	36	£1,500,937	13,612
Non Ministerial Department	2	£61,672	856
Non-Departmental Public Body	34	£1,439,265	12,756
Department for Education	16	£62,836,250	9,291
Executive Agency	4	£60,937,529	3,205
Non Ministerial Department	2	£176,675	1,721
Non-Departmental Public Body	10	£1,722,046	4,365
Department for Environment, Food and Rural Affairs	30	£3,430,866	19,658
Executive Agency	6	£2,295,549	5,869
Non Ministerial Department	2	£97,651	555
Non-Departmental Public Body	22	£1,037,666	13,234
Department for International Development	2	£3,145	10
Non-Departmental Public Body	2	£3,145	10
Department for Transport	12	£1,662,486	13,298
Executive Agency	4	£1,139,509	11,190
Non Ministerial Department	1	£30,124	299
Non-Departmental Public Body	7	£492,853	1,809
Department for Work and Pensions	9	£315,842	3,595
Non-Departmental Public Body	9	£315,842	3,595
Department of Health	25	£114,037,237	22,347
Executive Agency	2	£1,193,669	6,192
Non Ministerial Department	1	£108,431	981
Non-Departmental Public Body	22	£112,735,137	15,174

Table 1 – continued

Department	No. bodies	Total Gross Resource Spend (£000)	Total Staff employed (FTE)
Foreign and Commonwealth Office	6	£1,147,696	11,551
Executive Agency	2	£47,620	911
Non-Departmental Public Body	4	£1,100,076	10,640
Her Majesty's Treasury	11	£4,191,069	66,044
Executive Agency	4	£250,458	3,879
Non Ministerial Department	5	£3,937,862	62,140
Non-Departmental Public Body	2	£2,749	25
Home Office	16	£705,580	6,935
Non Ministerial Department	1	£465,725	4,659
Non-Departmental Public Body	15	£239,855	2,276
Ministry of Defence	16	£740,384	5,372
Executive Agency	3	£697,674	5,069
Non-Departmental Public Body	13	£42,710	303
Ministry of Justice	67	£7,967,995	64,248
Executive Agency	5	£7,659,648	61,739
Non Ministerial Department	1	£11,529	48
Non-Departmental Public Body	61	£296,818	2,461
Northern Ireland Office	3	£1,814	28
Non-Departmental Public Body	3	£1,814	28
Scotland Office	1	£484	6
Non-Departmental Public Body	1	£484	6
Grand Total	305	£203,121,556	273,126

Notes

This table captures total gross resource spend; fuller spend, including net figures on OSCAR, can be found in the expenditure data set on gov.uk.

*As of July the Department for Culture, Media and Sport was renamed the Department for Digital, Culture, Media and Sport, to reflect the Department's evolving remit.

Table 2a – Non- Ministerial Departments and relevant host departments

Non Ministerial Departments	Host Department
Crown Prosecution Service	Attorney General's Office
Government Legal Department	Attorney General's Office
Serious Fraud Office	Attorney General's Office
UK Statistics Authority	Cabinet Office
Competition and Markets Authority	Department for Business, Energy and Industrial Strategy
Her Majesty's Land Registry	Department for Business, Energy and Industrial Strategy
Office of Gas and Electricity Markets	Department for Business, Energy and Industrial Strategy
Charity Commission for England and Wales	Department for Culture, Media and Sport
The National Archives	Department for Culture, Media and Sport
Office for Standards in Education, Children's Services and Skills	Department for Education
Office of Qualifications and Examinations Regulation	Department for Education
Forestry Commission	Department for Environment, Food and Rural Affairs
Office of Water Services	Department for Environment, Food and Rural Affairs
Office of Rail and Road	Department for Transport
Food Standards Agency	Department of Health
Commissioners for the Reduction of the National Debt	Her Majesty's Treasury
Government Actuary's Department	Her Majesty's Treasury
Her Majesty's Revenue and Customs	Her Majesty's Treasury
National Savings and Investments	Her Majesty's Treasury
Public Works Loan Board	Her Majesty's Treasury
National Crime Agency	Home Office
UK Supreme Court	Ministry of Justice

Table 2b – ALBs hosted by Non- Ministerial Departments

Organisation	Classification	NMD Sponsor	Host Department
Forest Enterprise England	EA	Forestry Commission	Department for Environment, Food and Rural Affairs
Forest Research	EA		
Regional Advisory Committees / Forestry and Woodlands Advisory Committees (x9)	NDPB		
Advisory Committee on Animal Feeding stuffs	NDPB	Food Standards Agency	Department of Health
Advisory Committee on Novel Foods and Processes	NDPB		
Advisory Committee on the Microbiological Safety of Food	NDPB		
Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment	NDPB		
The Social Science Research Committee	NDPB		
Valuation Office Agency	EA	Her Majesty's Revenue and Customs	Her Majesty's Treasury

Table 3a – Chair diversity data

Department	Total No. of Chairs	Chair No. Male	Chair No. Female	Chair No. Gender Unknown/undeclared	Chair No. BAME	Chair No. Members not BAME	Chair No. BAME Unknown/undeclared	Chair No. Disabled	Chair No. Not Disabled	Chair No. Disabled Unknown/undeclared
Cabinet Office	10	8	1	1	0	1	9	0	1	9
Department for Business, Energy and Industrial Strategy	30	20	2	8	0	15	15	0	15	15
Department for Communities and Local Government	6	5	1	0	0	6	0	1	2	3
Department for Culture, Media and Sport	32	26	5	1	1	25	6	1	18	13
Department for Education	10	7	2	1	0	4	6	0	3	7
Department for Environment, Food and Rural Affairs	14	10	4	0	0	11	3	0	11	3
Department for Transport	8	5	3	0	0	0	8	0	0	8
Department for Work and Pensions	9	8	1	0	0	9	0	0	9	0
Department of Health	19	15	2	2	2	16	1	0	18	1
Food Standards Agency	6	4	2	0	0	4	2	0	3	3
Foreign and Commonwealth Office	6	5	0	1	0	4	2	0	4	2
Forestry Commission	10	6	4	0		1	9			10
Her Majesty's Treasury	4	4	0	0	0	1	3	0	0	4
Home Office	33	20	13	0	0	10	23	0	7	26
Ministry of Defence	28	26	2	0	0	27	1	1	25	2
Ministry of Justice	65	44	21	0	0	12	53	0	7	58
Other*	21	16	4	1	0	14	7	0	13	8
Total	311	229	67	15	3	160	148	3	136	172

*Not all bodies have a chair, and some bodies have multiple chairs.

Table 3b – Member diversity data

Department	Total No. Members	Members No. Male	Members No. Female	Members No. Gender Unknown/undeclared	Members No. BAME	Members No. not BAME	Members No. BAME Unknown/undeclared	Members No. Disabled	Members No. Not Disabled	Members No. Disabled Unknown/undeclared
Cabinet Office	54	33	21	0	0	0	54	0	0	54
Department for Business, Energy and Industrial Strategy	355	173	105	77	8	215	132	4	197	154
Department for Communities and Local Government	43	29	14	0			43			43
Department for Culture, Media and Sport	322	189	118	15	32	214	76	5	191	126
Department for Education	79	48	25	6	3	44	32	2	35	42
Department for Environment, Food and Rural Affairs	157	99	47	11	1	121	35	8	110	39
Department for Transport	68	37	15	16	0	0	68	0	7	61
Department for Work and Pensions	60	36	24	0	2	56	2	3	57	0
Department of Health	181	102	77	2	22	157	2	5	169	7
Food Standards Agency	79	47	31	1	0	47	32	2	44	33
Foreign and Commonwealth Office	53	35	12	6	3	35	15	1	37	15
Forestry Commission	95	72	23	0	0	9	86			95
Her Majesty's Treasury	26	17	9	0	1	10	15	0	9	17
Home Office	117	75	42	0	8	85	24	1	76	40
Ministry of Defence	298	223	65	10	8	208	82	16	248	34
Ministry of Justice	1255	644	609	2	191	959	105	30	1083	142
Other*	4819	2971	1848	0	338	3181	1300	159	1799	2861
Total	8061	4830	3085	146	617	5341	2103	236	4062	3763

* Data is aggregated in line with the Data Protection Act's guidelines on identifiable personal data, for this reason departments with fewer ALBs have been aggregated into the "Other" line. This data is for the 306 Non Ministerial Departments, Non Departmental Public Bodies and Executive Agencies within scope of the Public Bodies 2017 Directory. Some but not all of these bodies are regulated by the Office for the Commissioner of Public Appointments (OCPA). For this reason this data will not directly align to the data published by the Centre for Public Appointments

Table 4 – Delivery functions of ALBs

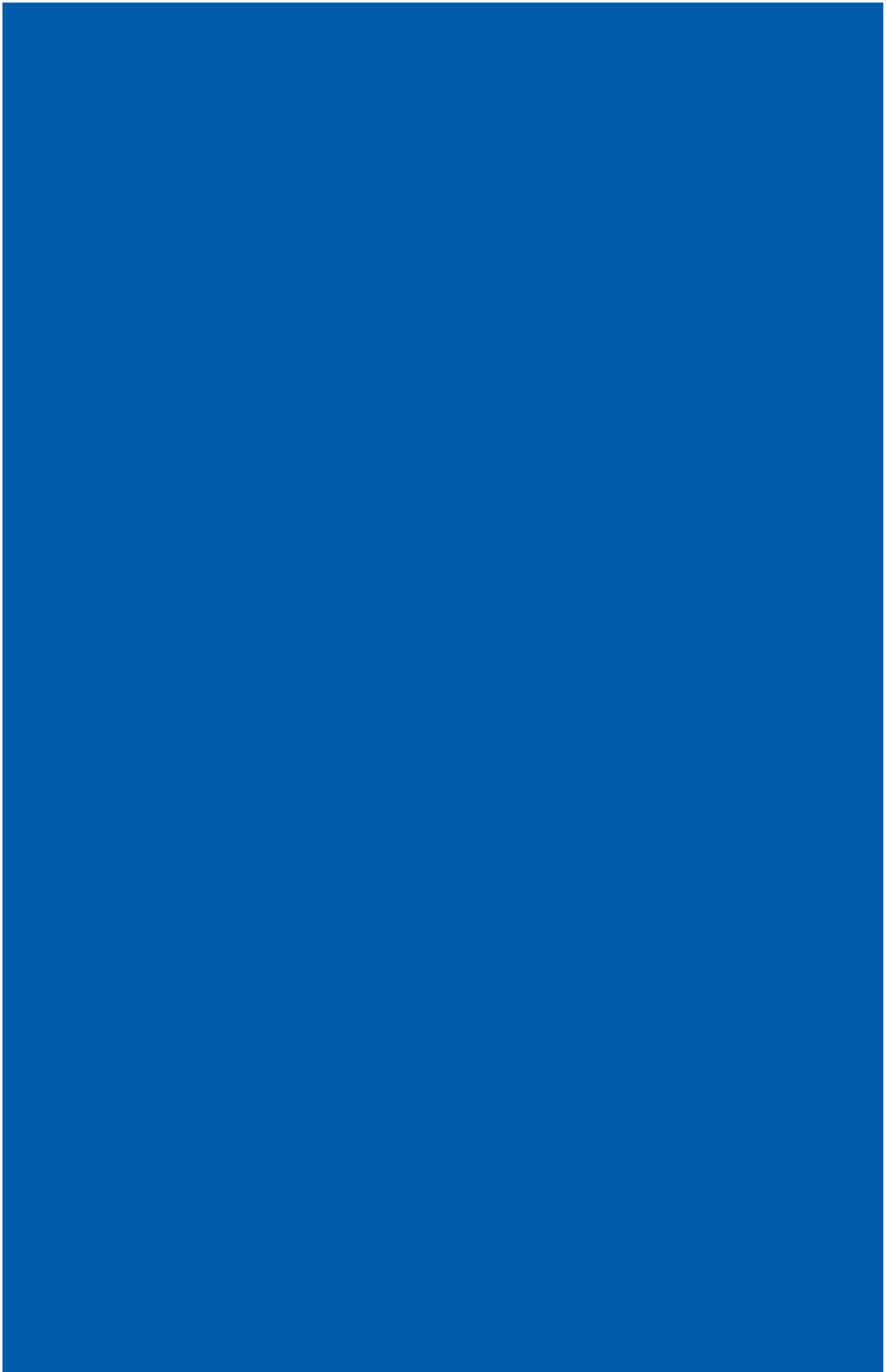
Function	Number of bodies
Advice to government	123
Delivering or commissioning public services	37
Stewardship of national assets	23
Licensing or registration	22
Funding	21
Court / tribunal / ombudsman / adjudicator	15
Other	14
Compliance / enforcement	12
Rules setting	10
Inspection	6
Communication and promotion	6
Advice to businesses or organisations	5
Research	5
Provision and maintenance of infrastructure or assets	3
Support services	2
Collecting information	1
Total	305

In 2016 the Cabinet Office published the Report on the Outcome of the Classification Review of Public Bodies.¹⁵ This report included a number of recommendations. Recommendation 4 (part 1) recommended that the PBR team collect data on the functions of ALBs and included in the public bodies' reporting process.

2017 is the first year this information has been collected, and the categories may be developed in future publications following analysis.

The table above shows the main delivery functions of the public bodies.

15 <https://www.gov.uk/government/publications/classification-review-of-public-bodies-outcome-report>



Annex B – Methodology

The Public Bodies 2017 directory is published in a range of formats, including online spreadsheets, allowing easier searching and re-use of the information.

[Arm's-Length Bodies: Executive Agencies, Non-Departmental Public Bodies and Non-Ministerial Departments](#)

Arm's-length bodies (ALBs) are a specific category of public body that are administratively classified by the Cabinet Office. ALBs include: Executive Agencies, Non Departmental Public Bodies, and Non Ministerial Departments.

Executive agencies (EAs) are clearly designated (and financially viable) business units within departments and are responsible for undertaking the executive functions of that department, as distinct from giving policy advice.

Non-departmental public bodies (NDPBs) have a role in the process of national government but are not part of a government department. They operate at arm's-length from ministers, though a minister will be responsible to Parliament for the NDPBs.

Non-ministerial departments (NMDs) operate similarly to normal government departments in the functions they perform (though usually they are more specialised and not as wide ranging in the policy areas they cover). They generally cover matters for which direct political oversight is judged unnecessary or inappropriate.

We have shown all NMDs and any EAs or NDPBs they sponsor, with their host departments (see Tables 2a and 2b in Annex A).

The bodies within scope of this directory are NMDs, NDPBs and EAs. For a full list of entities, including those beyond the scope of this directory, that are consolidated into the Whole of

Government Accounts please see here:

<https://www.gov.uk/government/collections/whole-of-government-accounts>

Part i – Cost Data

Source of Cost Data

For this report, we have worked with Treasury to use data from the Online System for Central Accounting and Reporting (OSCAR). OSCAR data provides greater granularity and splits operational spend by resource and capital.

Methodology

Each department was provided with a snapshot of the current figures as reflected on OSCAR in mid August 2017 and were asked to confirm the figures. Any major discrepancies were noted and Treasury, Cabinet Office and departments worked together to ensure that all changes aligned with the OSCAR database.

Where OSCAR data was not available, departments were asked to provide a single Total Gross Operational figure as outlined in annual reports and accounts.

For smaller bodies consolidated within departmental figures on OSCAR and where individual annual report and accounts are not produced, the finance data is listed as zero as we are not able to provide this level of detail

Technical Definitions for Cost Data Fields

The information published is as at 31 March 2017 and matches the outturn figures for the same period. Data on OSCAR is subject to change as departments are permitted to reflect accurate outturn adjustments. The data extracted from OSCAR aligns with departments' budgets, as agreed at Spending

Review 2015. Departments' budgets are split into various control totals, as agreed by the Treasury. For more details on understanding public sector spending please see the explanation provided on gov.uk¹⁶.

In summary:

Departments have separate budgets for:

- **Resource:** current expenditure such as pay or procurement and including depreciation; and
- **Capital:** for new investment and net policy lending.

These budgets are divided into:

- **Departmental expenditure limits (DEL):** limits are set in the Spending Review. Departments may not exceed the limits that they have been set. Programmes are presumed to be included in DEL unless agreed by the Chief Secretary; and
- **Annually managed expenditure (AME):** is spent on programmes which are demanded. It is therefore more unpredictable and not easily controlled by departments.
- **Ring-fence:** The budgets for depreciation and impairments (i.e. the loss of value in an asset from wear and tear) scoring in DEL are within a ring-fenced part of the Resource Departmental Expenditure Limits (RDEL) budget.
- **Total gross operational expenditure:** Taken from organisational annual reports and accounts where bodies are not listed separately on OSCAR.

In the majority of cases, gross operating expenditure will be consistent with RDEL for ALBs. However, for a small minority there will be small differences driven primarily by the inclusion of capital grants (treated as Capital Departmental Expenditure Limits in budgets), AME and depreciation.

Part ii – All other data fields

The main directory has been compiled by collecting data from government departments concerning the public bodies they sponsor and, in the case of NMDs, their own activities.

Technical definitions for all other data fields

The information is as at 31 March 2017.

Name: name of the ALB.

Department: name of the sponsoring department.

Classification: whether it is an EA, NDPB or NMD, each of which is described on page 53.

Regulatory Function: indicates where the body performs a regulatory function, which is defined as “exerting powers over, or imposing burdens on, other organisations or individuals; by means of inspection, licensing, referral to another decision-maker (particularly with binding advice), accreditation or enforcement.”

Description/Terms of Reference: a short description of the purpose of the body.

Date Established: the date the body was established.

Notes: other important information or to clarify other information fields.

Address, phone, email, website: preferred contacts details for the body.

Senior Responsible Officer: the name and job title of the person in the role (in the parent department).

Chair: the name of the current Chair.

Chair's Remuneration: actual remuneration for financial year 2016-17 (excluding performance related pay and pension benefits) and is a numerical entry: either an exact figure (rounded to the nearest pound) or within a £5,000 range. An entry of zero denotes that the post is unpaid or that the chair does not claim the remuneration to which he or she is entitled.

¹⁶ <https://www.gov.uk/government/publications/how-to-understand-public-sector-spending/how-to-understand-public-sector-spending>

Accounting Officer (Chief Executive/Secretary): the name of the current Accounting Officer (Chief Executive/secretary). Where there is more than one of a body and there are multiple post holders, the word “Multiple” will appear.

Accounting Officer (Chief Executive/Secretary) Remuneration: shows the actual remuneration for 2016-17 (excluding performance related pay and pension benefits). The entry will reflect the position:

- For Chief Executives employed by NMDs, NDPBs with executive functions and EAs a numerical figure is given, either an exact figure (rounded to the nearest pound), or a £5,000 pound range.
- Salaries are not disclosed for civil servants holding ex officio posts
- For secretaries who support NDPBs with advisory functions but remain an employee of the sponsor department, a text entry of “Civil Servant” or “Military Officer” where appropriate is used.

Public Meetings: indicates whether any of the body’s meetings are open to the public (it does not necessarily relate to public access to the body’s board meetings).

Public Minutes: indicates whether minutes or summary reports of board meetings and other meetings are published. Where minutes are available only on request it should read “no”, but an explanatory note should be included.

Register of Interests: indicates whether a register of interests for board members is maintained.

Ombudsman: the ombudsman, if any, within whose remit the body falls. The most common entry in the directory is “PHSO” indicating the Parliamentary and Health Service Ombudsman, which combines the two statutory roles of Parliamentary Commissioner for Administration (the Parliamentary Ombudsman) and Health Service Commissioner for England (Health Service Ombudsman).

Last Annual Report: the year of the body’s latest published annual report. For smaller bodies, the annual report may be included as part of a departmental annual report.

Last Review: the year in which the body was last reviewed.

Staff Employed: the full-time equivalent (FTE) number of employees (to the nearest whole number) as at 31 March 2017. Does not include staff of the parent department providing a secretariat for bodies with an executive function but does include civil servants temporarily seconded into the body itself, and paid for by the body’s funds. For NDPBs with advisory functions, which generally do not employ their own staff, the figure shown is the number of secretariat staff supplied by the parent department, where identifiable.

Audit Arrangements: the audit arrangements/ external auditor for ALBs. The entry “NAO” refers to the National Audit Office.

Government Funding: represents funds voted by Parliament, funded from central government or grant/grant-in-aid from the parent department. For smaller NDPBs it instead represents the secretariat costs borne by the parent department, where identifiable.

OCA Regulated: indicates whether the Office of the Commissioner for Public Appointments regulates any appointments to the body.

Chair – Ministerial or Non-ministerial: whether ministers appoint the chair overseeing the ALB.

Chair – Paid: pay details;

Board – Ministerial or Non-ministerial: whether ministers appoint the members of the board overseeing the public body.

Board – Paid / Unpaid: pay details



