

WRITTEN MINISTERIAL STATEMENT

CABINET OFFICE

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Minister for the Cabinet Office:

Public Bodies Reform

Rt Hon Francis Maude

The Coalition Government made a commitment to review public bodies, with the aim of increasing accountability for actions carried out on behalf of the state. Royal Assent of the Public Bodies Act 2011 marks an important milestone in this process which will allow departments to get on with the important task of delivering the reforms I announced on 14th October 2010. Today I am placing, in the Library of the House, an updated list of proposals for the reform of public bodies and guidance to support the programme of orders that will follow Royal Assent of the Public Bodies Act 2011. Copies will also be available in the Vote Office.

This government made a presumption that state activity, if needed at all, should be undertaken by bodies that are democratically accountable at either national or local level. A body should only exist as a quango if it meets one of three tests, to which all existing public bodies have been subjected. These tests are:

Does it perform a technical function?

Do its activities require political impartiality?

Does it need to act independently to establish facts?

14 months on from my original announcement, we have made strong progress. We now have a legislative mechanism in place to implement current and future proposals for reform. We have announced that cumulative reductions in administrative spending of £2.6 billion will flow from public bodies over the spending review period. Where legislation was not required we have already completed more than half of the abolitions proposed by the 2010 review, and we have already started the process of conducting regular, triennial reviews of all Non-Departmental Public Bodies. These triennial reviews will ensure that never again will the quango state be allowed to spiral out of control.

Today I am able to confirm the 31 Non-Departmental Public Bodies that departments have identified for reviews in the first year of the three year review cycle:

- Advisory Committee on Business Appointments, Cabinet Office;
- Committee for Standards in Public Life, Cabinet Office;
- Advisory, Conciliation and Arbitration Service, Department for Business, Innovation and Skills;
- Industrial Development Advisory Board, Department for Business, Innovation and Skills;

- Treasure Valuation Committee, Department for Culture, Media and Sport;
- Reviewing Committee on the Export of Works of Art, Department for Culture, Media and Sport;
- Independent Agricultural Appeals Panel, Department for the Environment, Food and Rural Affairs;
- High Speed 2, Department for Transport;
- Industrial Injuries Advisory Council, Department for Work and Pensions;
- Fuel Poverty Advisory Group, Department of Energy and Climate Change;
- Committee on Radioactive Waste Management, Department of Energy and Climate Change;
- Foreign Compensation Commission, Foreign and Commonwealth Office;
- Advisory Committee on the Design of Coins, Medals and Decorations, HM Treasury;
- Migration Advisory Committee, Home Office;
- Technical Advisory Board, Home Office;
- Veterans Advisory and Pensions Committees¹, Ministry of Defence;

¹ There are thirteen committees covered by this review.

- Central Advisory Committee on Pensions and Compensation, Ministry of Defence;
- National Employer Advisory Board, Ministry of Defence; and
- Legal Services Board, Ministry of Justice;

Triennial reviews will be based on the success of the methodology applied during the 2010 review of public bodies which looked at whether a function was required and, if it was, whether it should exist at arm's length from Government. Quangos will be required to meet one or more of the three tests listed above.

Triennial reviews will build on this methodology by including a further stage to examine whether the body's control and governance arrangements continue to meet the recognised principles of good corporate governance. As well as an opportunity for continuous improvement the reviews will help departments consider new and more innovative models for delivering services through public bodies.

Once the first tranche of reforms have been delivered, and the process of ongoing triennial reviews is firmly established, the UK public bodies landscape will look radically different and be substantially smaller. We will ultimately have reformed more than half of the 904 public bodies in scope of the 2010 review and the landscape will contain more than 250 fewer public bodies. The landscape will be more accountable, with Ministers taking strategic policy decisions and controlling core costs and releasing the front line to deliver services. Public bodies will no longer be seen as confusing, distant and impenetrable to the public, and

ministers will be clearly and transparently accountable for decisions that should be taken by elected representatives.

The landscape will be smaller, more efficient and will cost less, offering better value for money to the public. Our reforms will also help to realise a power shift away from Whitehall, placing control of the delivery of public services in the hands of people who use them, and contributing to important reforms in health, education and economic growth. Unlike previous attempts to reform the public bodies landscape, our reforms will ensure that public bodies will no longer operate long after their job is complete or continue in a form that is outdated or inefficient. I believe that these reforms will lead to a permanent, and long-overdue, shift in the role of public bodies and much clearer lines of accountability.