

# reform scotland

## BRIEFING: Quango spending highlights “accountability deficit”

### FAST FACTS

- In 2010/11 more than £14bn of Scottish Government money was paid to quangos
- FOI requests have identified that quangos spend £113m per year on PR, overseas travel, hospitality & entertainment and external consultancy.
- Reform Scotland believes all quangos, with the exception of tribunals, should either become fully independent of government, or have their functions transferred to existing government departments.

### BACKGROUND

In 2010, Reform Scotland published our report “Democratic Power”. This report argued that although many non-departmental public bodies, or quangos, carry out important work, the way in which they are structured is neither accountable nor transparent.

Since our report was published, legislation has been passed which requires each quango to publish the amount of money it spends on four particular categories – PR, overseas travel, hospitality & entertainment and external consultancy.

Reform Scotland has drawn together the expenditure figures for these categories for all quangos, utilising freedom of information

procedures. Our aim is *not* to make a value judgement about how much money is spent in particular areas, but to highlight the non-transparent and unaccountable way in which the money is spent.

### CONTEXT

A quango is an organisation that has responsibility for developing, managing and delivering public policy objectives at ‘arm’s length’ from government. Such bodies assist in the delivery of public services in Scotland including culture, healthcare, the environment and justice. They have a long history of operation in the UK and have become an established part of public sector delivery. In particular, quangos carry out statutory, regulatory and advisory functions and are managed by a Board whose members are directly appointed by Government Ministers.

However, in Reform Scotland’s opinion they are not sufficiently accountable to the Scottish Parliament or the Scottish people.

Inside government, departments are headed by a minister who is accountable to the Scottish Parliament between elections and to the public at elections. Equally, independent organisations which enter into contractual relationships with government to deliver certain services also offer greater clarity and transparency in the delivery of government objectives.

The growth of quangos has reduced accountability, with less direct ministerial

involvement. Indeed, the growth in quango numbers and budgets has meant significant expenditure streams are largely invisible.

We would also highlight that, despite repeated attempts, it has not been possible to provide a complete picture for all quangos.

## RESEARCH

Reform Scotland carried out a survey of how much was being spent by quangos in the following areas which are specified in the Public Services Reform (Scotland) Act 2010, which places duties on public bodies to provide and publish the information:

- public relations
- overseas travel
- hospitality & entertainment
- external consultancy

## RECOMMENDATION

While Reform Scotland does not necessarily disagree with the functions carried out by Scotland's quangos, or the spending decisions illustrated above, we believe that the way in which they are carried out is neither accountable nor transparent. It is unacceptable for £113m to be spent on such categories by individuals who are not properly accountable.

The current lack of openness and accountability is not conducive to good governance. This needs to change because the power exercised by government in our democracy derives from the consent of the people and should be exercised in their interests. It is difficult for people to judge whether that is the case when the current way in which government carries out its functions blurs accountability.

Many politicians have spoken about the need to reduce the number of quangos. However, until they realise that the problem is not a numbers

game, but rather an inherent problem with the nature of quangos themselves, it is unlikely that the problem will be addressed.

**Reform Scotland believes that, due to this accountability deficit, quangos should cease to exist as arm's-length bodies because they do not deliver accountability (there is one exception to this, as noted below).**

**We believe each quango's functions should be either transferred into existing government departments reporting directly to a minister, or turned into a genuinely autonomous body which could then enter into an open and transparent contractual relationship with government to undertake certain functions.**

**In some cases, the best option will be to devolve their functions to local authorities – delivering the double benefit of accountability and real devolution.**

The aforementioned exception to our recommended approach is tribunals such as the Children's Panel – they are judicial bodies separate from both the formal court system and the Scottish Government and their structure is acceptable for the specific role they perform.

**Our recommendation would introduce greater clarity, openness and transparency into the political process in Scotland and make those responsible for public spending more accountable to the Scottish electorate.<sup>1</sup>**

<sup>1</sup> Please note the following are missing from the table below: Architecture & Design Scotland failed to respond to our FOI and follow-up; Moredun Research Institute is not covered by FOI legislation; The James Hutton Institute, National Records of Scotland, Education Scotland and Healthcare Improvement Scotland are not included in the above figures as they were only formed in 2011; Justices of the Peace Committees are not included as they are administered by Local Authorities; Transport Scotland's response said that it would be publishing the details on its website - it is yet to do so. Quality Meat Scotland has a problem defining PR given the nature of their work, though is not funded by the Scottish Government but by a levy on the meat industry.

Name of Quango	Total Scottish Government funding 2010/11	Expenditure in relation to PR	Expenditure in relation to overseas travel	Expenditure in relation to hospitality & entertainment	Expenditure in relation to external consultancy	Total expenditure in these categories
Accounts Commission for Scotland	0	covered by Audit Scotland	covered by Audit Scotland	covered by Audit Scotland	covered by Audit Scotland	0
Bòrd na Gàidhlig	£5,459,000	£410	£125	£60	£1,525	£2,120
Cairngorms National Park Authority	£4,913,000	£203,189	£1,702	£1,852	£124,446	£331,189
Care Inspectorate	£21,600,000	£204,296	£633	£44,755	£27,201	£276,885
Creative Scotland	£52,900,000	£209,000.90	£49,511.53	£42,141.65	£250,188.34	£550,842
Crofting Commission	£3,477,000	£72,187	£1,197	£11,590	£45,474	£117,661
Highlands and Islands Enterprise (expenditure for 2011/12)	£68,215,000	£847,544	£109,061	£112,000	£2,911,574	£3,980,179
Loch Lomond and The Trossachs National Park Authority	£8,005,000	£270,855	£2,811	£3,292	£160,707	£437,665
National Galleries of Scotland	£18,701,000	£286,694	£30,354	£36,668	£420,492	£774,208
National Library of Scotland (expenditure for oct 11-mar12)	£19,597,000	£176,576	£11,577	£9,674	£116,716	£314,543
National Museums of Scotland	£50,779,000	£36,800	£47,400	£33,000	£34,400	£151,600
Police Complaints Commissioner for Scotland (expenditure for 2011/12)	£1,030,000	£0	£1,240	£206	£14,200	£15,646
Risk Management Authority (expenditure for 2011/12)	£1,100,000	£33,750	£6,000	£0	£3,500	£43,250
Royal Botanic Garden Edinburgh	£12,301,000	£282,105	£89,957	£38,904	£42,008	£452,974
Royal Commission on the Ancient and Historical Monuments of Scotland (expenditure for 2011/12)	£6,010,000	£139,724	£8,745	£10,825	£120,520	£279,814
Scottish Agricultural Wages Board	£0 (SG provide secretariat & meet running costs)	£0	£0	£0	£0	£0
Scottish Children's Reporter Administration	£27,677,000	£22,832	£0	£18,128	£5,985	£46,945
Scottish Criminal Cases Review Commission (expenditure for 2011/12)	£1,163,000	£8,288	£0	£39	£9,654	£17,981
Scottish Enterprise	£228,406,000	£12,379,267	£1,764,692	£521,695	£4,836,125	£19,501,779
Scottish Environment Protection Agency	£44,798,000	£1,226,896	£27,796	£31,951	£978,847	£2,265,490
Scottish Funding Council (expenditure for 2011/12)	£1,778,204,000	£80,286	£0	£28,000	£1,023,000	£1,131,286
Scottish Legal Aid Board	£167,135,000	£186,180	£8,884	£240	£26,690	£221,994
Scottish Legal Complaints Commission	£0 (funded via levy from the legal profession)	£32,491	£0	£3,470	£87,233	£123,194
Scottish Natural Heritage	£66,863,000	£4,744,599	£28,469	£96,978	£2,783,152	£7,653,197
Scottish Police Services Authority (expenditure for 2011/12)	£99,006,000	£5,000	£34,000	£6,000	£370,000	£415,000
Scottish Qualifications Authority	£17,378,000	£1,510,000	£300,000	£6,000	£150,000	£1,966,000
Scottish Social Services Council	£13,724,000	£401,275	£916	£31,475	£475,047	£908,712
Skills Development Scotland	£202,101,000	£1,495,508.89	£0	£2435.88	£1,041,834.11	£2,537,343
SportScotland	£41,500,000	£293,598	314516	0	£47,006	£655,120
VisitScotland	£44,330,000	£33,225,000	£125,000	£33,000	£43,000	£33,426,000
Water Industry Commission for Scotland	£0	£10,519	£0	£0	£196,879	£207,398
Judicial Appointments Board for Scotland (expenditure for 2011/12)	£460,000	£9,755	£0	£0	£2,392	£12,147
Local Government Boundary Commission for Scotland	£365,000	£0	£0	£1,149	£0	£1,149
Mobility and Access Committee for Scotland	£30,000	£0	£0	£0	£0	£0
Public Transport Users Committee for Scotland	£24,000	£0	£0	£0	£0	£0
Scottish Advisory Committee on Distinction Awards	£156,604	£0	£0	£0	£0	£0
Scottish Law Commission (expenditure for 2011/12)	£1,075,000	£1,032	£4,490	£218	£0	£5,740
Scottish Local Authorities Remuneration Committee	£30,000	£0	£0	£0	£0	£0
Additional Support Needs Tribunals for Scotland (expenditure for 2011/12)	£0 (funded from a consolidated tribunals budget for 5 tribunals)	£0	£0	£0	£0	£0
Children's Panels (Expenditure Oct 10 to Mar 11)	£0 (funded from a consolidated tribunals budget for 5 tribunals)	£2,828	£0	£6,821	£0	£9,649
Lands Tribunal for Scotland	£0 (funded from a consolidated tribunals budget for 5 tribunals)	£0	£0	£0	£0	£0
Mental Health Tribunal for Scotland	£0 (funded from a consolidated tribunals budget for 5 tribunals)	£0	£0	£0	£0	£0
Parole Board for Scotland	£1,177,000	£0	£0	£0	£0	£0
Private Rented Housing Panel	£0 (funded from a consolidated tribunals budget for 5 tribunals)	£0	£0	£128	£0	£128
Scottish Charity Appeals Panel	£0 (funded from a consolidated tribunals budget for 5 tribunals)	£0	£0	£0	£0	£0
Caledonian Maritime Assets Ltd (expenditure for 2011/12)	£14,800,000	45,155	£28,559	£6,528	£1,516,180	£1,596,421
David MacBrayne Ltd	£0 *Payments are made to subsidiaries of David MacBrayne Ltd under legally binding contracts.					£0
Highlands and Islands Airports Ltd (expenditure for 2011/12)	£29,000,000	£125,553	£1,007	£8,454	£388,629	£523,643
Scottish Futures Trust	£5,900,000	£42,453	£2,666	£1,004	£656,849	£702,973
Scottish Water	£150,100,000	81,560.00	£69,188	17,553.25	6,738,794.80	£6,907,096
NHS Ayrshire & Arran	£588,672,000	£421,000	£22,653	£184,102	£3,370,012	£3,997,767
NHS Borders	£171,196,000	£0	£0	£7,889	£1,850,281	£1,858,170
NHS Dumfries & Galloway	£246,069,000	£413,092	£14,801	£81,465	£124,893	£634,251
NHS Fife	£528,555,000	£241,058	£24,726	£34,504	£214,490	£514,778
NHS Forth Valley	£406,315,000	£305,928	£15,395	£100,170	£247,120	£668,613
NHS Grampian	£703,756,000	£210,044	£85,421	£139,182	£538,724	£973,371
NHS Greater Glasgow and Clyde	£1,955,287,000	£355,000	£12,000	£0	£378,000	£745,000
NHS Highland	£496,614,000	£214,361	£2,685	£0	£0	£217,046
NHS Lanarkshire	£823,798,000	£471,000	£13,000	£99,000	£874,000	£1,457,000
NHS Lothian	£1,062,531,000	£673,000	£121,932	£272,524	£843,471	£1,910,927
NHS Orkney (expenditure for 2011/12)	£32,070,000	£0	£0	£2,080	£400	£2,480
NHS Shetland (expenditure for 2011/12)	£37,673,000	£0	£0	£0	£29,142	£29,142
NHS Tayside	£614,126,000	£239,833	£14,333	£99,698	£1,616,582	£1,970,446
NHS Western Isles (expenditure for 2011/12)	£59,738,000	£61,736	£4,481	£17,924	£8,423	£92,564
Mental Welfare Commission for Scotland (expenditure for 2011/12)	£3,700,000	£169,849	£618	£3,621	£7,393	£181,481
National Waiting Times Centre Board (expenditure for 2011/12)	£49,154,000	£0	£1,000	£0	£100,000	£101,000
NHS 24	£58,519,000	£0	£0	£0	£399,324	£399,324
NHS Education for Scotland	£399,400,000	£89,953	£45,716	£1,013	£424,704	£561,386
Scottish Ambulance Service Board (expenditure for 2011/12)	£216,438,000	£27,064	£4,562	£5,006	£185,772	£222,404
State Hospital Board for Scotland	£74,681,000	£50,387	£6,932	£12,625	£427,934	£497,878
Accountant in Bankruptcy	£6,917,000	£112,588	£2,932	£5,348	£5,100	£125,968
Disclosure Scotland	£1,450,000	£37,579	£271	£0	£0	£37,850
Historic Scotland	£49,610,000	£1,311,221	£22,727	£29,557	£343,530	£1,707,035
Scottish Prison Service (expenditure for 2011/12)	£485,893,000	£8,170	£27,479	£23,236	£1,395	£60,280
Scottish Public Pensions Agency	£11,700,000	£0	£3,019	£146	£0	£3,165
Student Awards Agency for Scotland (expenditure for 2011/12)	£7,850,000	£164,895	£3,482	£4,342	£24,342	£197,060
Transport Scotland	£1,531,400,000	See note				£0
Office of the Scottish Charity Regulator	£3,647,000	£185,778	£2,651	£16,541	£25,417	£230,387
Registers of Scotland (expenditure for 2011/12)	£0 (self-financing)	£320,000	£35,000	£22,000	£731,000	£1,108,000
Scottish Court Service (expenditure for 2011/12)	£98,235,000	£187,156	£31,205	£0	£5,688	£224,049
Scottish Housing Regulator	£4,700,000	£41,991	£0	£28,036	£156,285	£226,312
Commission for Ethical Standards in Public Life	£0	£22,069	£0	£4,623	£126,430	£153,122
Scotland's Commissioner for Children and Young People (expenditure for 2011/12)	£0	£171,957	£3,262	£2,173	£104,847	£282,240
Scottish Human Rights Commission	£0	£77,317	£7,051	£6,421	£83,381	£174,170
Scottish Information Commissioner	£0	£31,369	£605	£316	£27,024	£59,314
Scottish Public Services Ombudsman (expenditure for 2011/12)	£0	£58,632	£0	£1,034	£353,180	£412,846
Standards Commission for Scotland	£635,000	£14,469	£0	£2,736	£0	£17,205
Audit Scotland (most money comes from fees charged to public bodies)	£0	£416,823	£417	£67	£472,667	£889,974
Court of Lord Lyon	£46,000	£0	£0	£0	£0	£0
Drinking Water Quality Regulator	£430,000	£15,242	£6,476	£0	£26,755	£48,473
HM Chief Inspector of Constabulary in Scotland	£886,000	£0	£585	£666	£2,500	£3,751
HM Chief Inspector of Prisons in Scotland	£380,000	£2,657	£0	£538	£0	£3,195
HM Chief Inspector of Prosecution in Scotland	£350,000	£0	£1,675	£0	£0	£1,675
Office of the Queens Printer	£100,000	£0	£0	£0	£0	£0
Scottish Agricultural College (expenditure Oct 10-Mar11)	£8,576,500	£219,169	£61,144	£115,428	£35,403	£431,144
Scottish Roadworks Commissioner (expenditure for 2011/12)	£265,000	£2,740	£0	£918	£0	£3,658
Association of Visiting Committees for Scottish Penal Establishments	£72,780	£0	£0	£0	£0	£0
<b>TOTAL</b>	<b>£14,235,622,884</b>	<b>£66,841,073</b>	<b>£3,763,182</b>	<b>£2,477,136</b>	<b>£40,163,673</b>	<b>£113,245,064</b>

1. Blue boxes denote figures from 2010/11; grey boxes denote other but equivalent time period, as specified in column 1.